

GOVERNANCE COMMITTEE CHARTER

(Approved by the Board on 13 November 2020)

1. INTRODUCTION

The purpose of this Charter is to document the objectives, responsibilities, composition and administration of the Governance Committee (**Committee**) of the Board of the Australian Institute of Company Directors (**AICD**).

Defined terms in this Charter have the same meaning as in the AICD Constitution.

2. OBJECTIVES

The primary objectives of the Governance Committee is to assist and advise the Board in fulfilling its duties and responsibilities regarding:

- An appropriate structure and composition of the board;
- The appointment of directors and ensuring new directors are properly inducted;
- Board succession planning and director development;
- The performance of the Board as a whole and individual directors; and
- General governance matters.

3. DUTIES AND RESPONSIBILITIES

- (a) The Committee considers any matters necessary in order to fulfil its objectives and makes recommendations to the Board. The Committee also considers any other matters referred to it by the Board.
- (b) The Committee's responsibilities include determining that an appropriate and transparent process is in place for the effective succession planning and renewal for the Board, Board Committees and Division Councils.
- (c) The main duties and responsibilities of the Committee are as follows:
 - (i) Evaluate and report to the Board on the performance and effectiveness of the Board, its Committees and individual directors in order to facilitate the directors fulfilling their responsibilities in a manner that serves the interests of members of the organisation;
 - (ii) Periodically present to the Board a list of individuals recommended for nomination for election to the Board and for appointment to the Committees of the Board (including this Committee);
 - (iii) Through the Committee Chair, provide guidance to Division Councils on the role and capabilities required for Division Directors and liaise with each respective Division Council with a view to agreeing the proposed Division Director nominees for submission to the Board;

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- (iv) Ensure that Board succession plans are in place, including consulting with Division Councils regarding nominees for the role of Division Director;
 - (v) maintaining a board skills matrix to assist the Committee with succession planning;
 - (vi) Overseeing a process for the recruitment of new directors and re-appointment of existing directors, ensuring the desired skills are sourced based on the Board's skills matrix;
 - (vii) Assist in identifying, interviewing and recruiting candidates for the Board with a view to achieving an appropriate balance of skills, knowledge, experience, independence and diversity to discharge the Board's duties and responsibilities, and ensuring appropriate background checks are conducted prior to their appointment;
 - (viii) Ensure an efficient and effective board induction program is developed, implemented and regularly reviewed;
 - (ix) Maintain a Board Development Program which is tailored to both the Board as a whole and individual directors;
 - (x) Periodically review the composition of each Board Committee and present recommendations for Board Committee memberships to the Board as needed;
 - (xi) Develop and periodically review and recommend to the Board appropriate revisions to the AICD's corporate governance framework as applicable to the Committee's objectives and responsibilities, including the AICD's Constitution, By-Laws and corporate governance policies;
 - (xii) Monitor compliance with the AICD's corporate governance policies to the extent such policies are applicable to the Committee's objectives and responsibilities; and
 - (xiii) Make recommendations about changes to the Charters of other Board committees which arise during the course of matters considered by the Committee from time to time, and after consultation with the respective Board Committee Chairs.
- (d) The Committee also considers any other governance matters referred to it by the Board. The Committee will act in accordance with any Protocol approved by the Board from time to time as being applicable to the Committee's objectives, responsibilities, composition or administration.

4. COMPOSITION AND MEETINGS

4.1 Membership and attendance at Meetings

- (a) The Committee comprises at least three (3) members as follows:
 - (i) The Chair of the Board, who will act as Chair of the Committee; and

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- (ii) At least two other non-executive directors as appointed by the Board from time to time.
- (b) If the Chair of the Committee is unable to attend the meeting, the Chair will appoint an alternate Chair for the purposes of that Committee meeting, unless otherwise specified.
- (c) A quorum of the Committee is any two (2) members of the Committee.
- (d) The Committee may invite other people to attend Committee meetings, as it considers necessary, and from time to time request presentations from internal and external advisors at its meetings.
- (e) The secretary of the Committee is the Company Secretary, or another person nominated by the Committee Chair.
- (f) The Board may remove any member from the Committee at any time with or without cause.

4.2 Meetings

- (a) Meetings of the Committee are held not less than twice a year, and special meetings may be convened as required.
- (b) Meetings may be held in person, by telephone or by video conference, or by any combination of these media.
- (c) The secretary, or any other person nominated by the Committee Chair, takes minutes of the proceedings of all meetings of the Committee. The minutes are provided to the Chair for review and then circulated to the Committee members for approval.
- (d) The Committee may pass a resolution without a meeting of the Committee if any two members of the Committee entitled to vote on the resolution assent to a document containing a statement that they are in favour of the resolution set out in the document. Separate copies of a document may be used for this purpose and/or an electronic signature or assent may be used, if the wording of the resolution and the statement is identical in each case.

4.3 Authority

The Board delegates authority to the Committee, within the scope of its responsibilities, to:

- (a) Obtain any information it requires from any employee or external party;
- (b) Obtain outside legal or other independent professional advice; and
- (c) Facilitate the attendance at Committee Meetings of external parties with relevant experience and expertise.

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4.4 Sub-delegation

The Committee may, at its discretion, delegate some or all of its responsibilities to the Committee Chair or a sub-committee of the Committee.

4.5 Board reporting

The Committee Chair reports to the Board as necessary after each meeting of the Committee. The papers and minutes of all Committee meetings must be made available to the Board.

4.6 Review of charter

The Committee is to:

- (a) review this Charter at least annually (or other times deemed necessary), and
- (b) conduct a self-evaluation to assess its performance against the Committee's responsibilities contained in this Charter.

Any proposed amendments to this Charter are recommended to the Board for approval.

4.7 Performance Review and Committee composition

The Board will review on an annual basis:

- (a) the composition of the Committee, and
- (b) performance of the Committee, with feedback provided to the Committee Chair.