

Nomination committee charter

Role of the board

The nomination committee oversees and monitors board and senior executive performance, succession planning and the company's diversity policy. The ASX Corporate Governance Council *Corporate Governance Principles and Recommendations 3e* (2014) suggests that the role of a nomination committee is usually to review and make recommendations to the board in relation to:

- board succession planning generally;
- induction and continuing professional development programs for directors;
- the development and implementation of a process for evaluating the performance of the board, its committees and directors;
- the process for recruiting a new director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the board and, in light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
- the appointment and re-election of directors; and
- ensuring there are plans in place to manage the succession of the CEO and other senior executives.

The charter should clearly articulate the committee's scope and responsibilities. It should include details of the committee's composition, structure, membership requirements, processes and procedures approved by the board. It should also be customised to the needs of the company and reflect its industry, objectives and culture.

Points to consider when preparing a nomination charter

- The charter should not be too detailed or descriptive.
- Ultimate responsibility for selection and appointment rests with the entire board.
- A formal and transparent procedure for the selection, appointment and reappointment of directors helps to build a relationship and helps to foster a relationship of confidence and understanding with investors.
- Do you have a formal process for monitoring and reviewing the charter to ensure that it remains relevant to the company's needs and reflects both current regulatory requirements and audit committee good practice?

Sample Nomination Committee Charter

Roles and responsibilities

The role of the board remuneration committee is to assist and advise the board of directors in fulfilling its responsibilities to members of the company on:

- matters relating to the composition structure and composition of the board;
- matters relating to senior executive selection and performance;
- other matters as required.

The board nomination committee is not a policy-making body but assists the board by implementing board policy and recommending nominations which require board approval.

Board objectives

The objectives of the committee include:

- provide assurance that the board has the appropriate composition, size and commitment to discharge its responsibilities and duties;
- conduct searches for new board members and recommending preferred candidates to the board;
- assess the extent to which the necessary and desirable and desirable competencies are represented on the board;
- recommend require board competencies number and profiles of board members;
- ensure that the board succession plans are in place to maintain the required mix of skills and experience;
- review the nominations received by members who wish to be appointed to the board in accordance with the criteria and guidelines set out below;
- continually monitor board membership and structure to ensure that there is appropriate representation on the board from across the membership;
- develop a process for evaluating the performance of the board.

Chief Executive Officer (CEO) and senior executive objectives

The objectives of the committee include:

- conducting searches for the CEO and senior executives and recommending preferred candidates to the board;

- ensuring the succession plans are in place;
- evaluating the performance of the CEO and senior executives.

In discharging their responsibilities, the committee members have a duty to act in the best interests of the company, as a whole, irrespective of personal, professional, commercial or other interests loyalties or affiliations.

Composition and term

- The nomination committee is a committee of the board.
- All appointments to the committee and the appointment of the chair shall be approved by the board.
- The committee will include five members.
- Committee members will be selected from the directors.
- The committee will elect its chair.
- Appointment to the committee will be for two years or as determined by the board.

Meetings

- The committee will hold meetings at least twice each year and additionally as it considers necessary.
- A quorum will be the smallest number greater than half the members.
- Committee members will be invited to disclose conflicts of interest at the commencement of each meeting.
- If the chair is absent members who are present will select a chair for that particular meeting.
- Meetings of the committee may be held face to face or using any technology which enables members to participate in a discussion.
- The notice and agenda of meetings will include relevant supporting papers.
- The committee may invite other people to attend as it sees fit, and consult with other people or seek any information which will help it to fulfil its responsibilities.
- The chair will communicate the decisions of the committee to the board after each meeting within a reasonable period.

Secretariat duties

- The company secretary or another delegated person undertakes the duties of secretariat.
- Proceedings of all meetings are minuted, ratified by members in attendance and signed by the committee chair.
- The company secretary will undertake the call for nominations, as specified by the nominations committee.
- Once the nominations received have been assessed and recommendations have been made, the committee will advise the board in accordance with its delegation.
- Nominees are informed of their success or failure by the chair.
- The names of the successful nominees for the board are put forward to the members for election at the AGM.

Nomination criteria

When reviewing a nomination for a directorship, the nomination committee must take into account:

- the level of seniority in the nominee's workplace;
- previous and other directorial experience;
- the level of further education achieved by the nominee;
- the standing of a nominee in the community;
- qualifications;

- whether the skill set of the nominee compliments the skill set of the board;
- whether the nominee represents an industry or professional sector that brings balance and diversity to the board;
- consideration of their experience as a thought leader and team player;
- any declared or apparent conflict of interest;
- any other attributes that the nomination committee believes will benefit the company.

Voting

Matters will generally be decided by consensus or, if a consensus can't be reached, by a majority of votes from the members present.

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