

## DIGITAL TRANSFORMATION COMMITTEE CHARTER

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*(Approved by the Board on 19 March 2024)*

### 1. INTRODUCTION

The purpose of this charter is to document the objectives, responsibilities, composition and administration of the Digital Transformation Committee (**Committee**) 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 objectives of the Committee are to assist the board of directors of the AICD (**Board**) in discharging its responsibilities on matters relating to the overall role of technology to drive transformational improvements in the AICD's business and operations and deliver sustainable value to AICD stakeholders. To achieve these objectives, the Committee will monitor whether the AICD has the requisite capabilities for success in the following areas:

- (a) technology management;
- (b) project and product delivery frameworks, including the adoption of lean methodologies;
- (c) data management;
- (d) process management;
- (e) organisational change management;
- (f) investments supporting the digital transformation; and
- (g) the AICD's technology risk management and security framework and its effectiveness.

For the purposes of this Charter, 'investments' means any project:

- (a) requiring a financial investment of \$1 million or more; or
- (b) for which the residual risk rating is High or Very High; or
- (c) involving innovation that has the potential to have a significant impact on the future business or operations of the AICD; or
- (d) in the AICD Projects Portfolio with an overall 'RED' status for three (3) consecutive reporting periods.

### 3. DUTIES AND RESPONSIBILITIES

The main duties and responsibilities of the Committee are to:

- (a) review and recommend to the Board for approval, the AICD's digital transformation strategy and roadmap within the overall strategy framework approved by the Board;
- (b) monitor and evaluate digital transformation trends that may affect the AICD's business, operations or strategic plans, including monitoring of overall industry trends and expectations of members and learners;
- (c) review and recommend to the Board for approval, digital transformation investments and expenditures;

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- (d) receive reports from management on the portfolio status of projects including progress and post implementation reviews of all key projects;
- (e) oversee the AICD's digital transformation maturity and performance benchmarking against external equivalents, and approving any related policies;
- (f) oversee the AICD's data strategy and governance, including the use of data as a strategic asset;
- (g) oversee the AICD's adoption and development of lean methodologies and practices including agile, and the implementation of organisation change management capabilities;
- (h) review and make recommendations to the Board on information security policies and governance;
- (i) review and approve relevant policies within the Committee's area of responsibility;
- (j) review and make recommendations to the Audit and Risk Committee (**ARC**) in relation to technology risks and risks associated with investments;
- (k) through the chair of the Committee (**Committee Chair**), ensure the ARC is kept informed of, and has sufficient information to have oversight of risk matters arising in relation to digital transformation investments; and
- (l) perform any other activities consistent with this Charter, the AICD's compliance framework and other delegated authorities by the Board.

### 4. COMPOSITION AND MEETINGS

#### 4.1 Membership and attendance at meetings

- (a) The Committee comprises at least three (3) members, including:
  - (i) the Committee Chair, who is to be a non-executive director of the AICD; and
  - (ii) at least two (2) other non-executive directors of the AICD, one of whom is a member of the ARC.
  - (iii) any other parties nominated by the Board.
- (b) Members of the Committee and the Committee Chair will be appointed by the Board. The Board may remove and replace the Committee Chair or any Committee member at any time.
- (c) If the Committee Chair is unable to attend the meeting, the Committee Chair will appoint an alternate chair who will act as chair for the purposes of that Committee meeting, unless otherwise specified.
- (d) A quorum of the Committee is any two (2) members of the Committee.
- (e) The Managing Director and Chief Executive Officer (**MD&CEO**) and Chief Digital and Information Officer (**CDIO**) will be invited to each Committee meeting.
- (f) All directors can attend Committee meetings. Other members of management and advisors can also be invited to attend meetings by management or members of the Committee, with the agreement of the Committee Chair.
- (g) The secretary of the Committee is the Company Secretary, or another person nominated by the Committee Chair.

#### 4.2 Meetings

- (a) The Committee will meet four (4) times per year. Special meetings may be convened as required to fulfil the Committee's responsibilities. The Committee may also meet at the request of the Board, any Committee member, the MD&CEO or the Company Secretary.

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- (b) Meetings may be held in person, by telephone or by video conference, or by any combination of these media.
- (c) Members will receive relevant Committee papers at a reasonable time before each meeting, with an aim of receiving Committee papers at least one week prior to the relevant meeting.
- (d) Committee members must disclose all matters that could, or do, give rise to a conflict of interest in relation to a matter or decision being considered by the Committee.
- (e) The secretary, or other person nominated by the Committee Chair, takes minutes of the proceedings of all meetings of the Committee. The minutes are provided to the Committee Chair for review as soon as practicable after the meeting and then circulated to the Committee members for approval.
- (f) The Committee may pass a resolution without a meeting of the Committee if at least 75% of the 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.

### 4.3 Authority

- (a) The Board has absolute authority over the Committee's findings and recommendations.
- (b) The Board delegates authority to the Committee, within the scope of its duties and responsibilities set out in this Charter, to:
  - (i) obtain any information it requires from any employee or external party, including interviewing management and internal and external auditors (with or without management present);
  - (ii) obtain outside legal or other independent professional advice; and
  - (iii) facilitate the attendance at Committee meetings of external parties with relevant experience and expertise.

### 4.4 Sub-delegation

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

### 4.5 Board reporting

The Committee Chair reports to the Board at each Board meeting, or more frequently as deemed necessary by the Committee. The report must cover the findings and recommendations of the Committee. The papers and minutes of all Committee meetings are to be made available to the Board.

### 4.6 Review of Charter, Committee Composition and Committee Performance

- (a) At least annually, the Committee will:
  - (i) review this Charter and recommend any proposed changes to the Board; and
  - (ii) conduct a self-evaluation to assess its performance against the Committee's responsibilities contained in this Charter.
- (b) The Board will at least annually review the composition of the Committee and the performance of the Committee, with feedback provided to the Committee Chair.