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# **Division Council Charter**

Australian Institute of Company Directors  
ACN 008 484 197

**18 March 2024**

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## 1 Introduction

- (a) The Purpose of the Institute is set out in rule 3.1 of the Constitution.
- (b) This Charter sets out:
  - (i) how Councils are formed and administered; and
  - (ii) the role and responsibilities of Councils in supporting the Institute's Purpose.
- (c) A term or expression starting with a capital letter:
  - (i) which is defined in the Dictionary in clause 11, has the meaning given to it in that Dictionary; and
  - (ii) which is defined in the Constitution, but is not defined in the Dictionary, has the meaning given to it in the Constitution.

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## 2 Role and duties

### 2.1 Role of Councils

- (a) The role of a Council is to provide advice to the Board and to support the Board and Management in their fulfilment of the Purpose of the Institute.
- (b) In fulfilling its role, a Council is expected to:
  - (i) act as a key champion and engager for the Division Council at the Institute's and industry events, and with members and stakeholders;
  - (ii) positively promote the Institute to members, prospective members and stakeholders to further its Purpose and objectives;
  - (iii) nominate a Council member for appointment by the Board as Division Director, in accordance with the Constitution;
  - (iv) provide input to the Board on strategy and policy matters of the Institute;
  - (v) consider some applications for membership of the Institute, including transition between membership statuses, as required by the Board (or its delegate);
  - (vi) provide suggestions to the Board and support to Management in relation to Institute events, member services, education products, thought leadership and emerging local issues, and the general conduct of the corresponding Division; and
  - (vii) develop relationships with leaders in directorships, regulation and politics who reside or are active in the Division's area.

### 2.2 Duties of Councils

- (a) The Board remains responsible for the governance, business and affairs of the Institute, including the Divisions, and may exercise all powers of the Institute which are not required by the law or by the Constitution to be exercised by the members.

- (b) Councils are an important and valued part of the Institute structure, but Councillors are not directors or employees and do not operate as an alternate management framework within the Institute. Instead, Councils act in an advisory role and provide suggestions to the Board on specific, discrete matters, including as set out in this Charter.
- (c) A Council may only act in accordance with the authority delegated to it by the Board, including as set out in this Charter, and must otherwise comply with all applicable policies and procedures of the Institute, including the Code of Conduct and Privacy Policy.
- (d) Whilst Councillors are not directors of the Institute, they must carry out their duties in accordance with all applicable legal standards and with business standards of good corporate governance, including, to the greatest extent possible, in compliance with the duties described in Governance Standard 5 of the regulations made under the *Australian Charities and Not-for-profits Commission Act 2012* (Cth), namely:
  - (i) to exercise their responsibilities and discharge their duties with the degree of care and diligence that a reasonable individual would exercise if they were a Councillor;
  - (ii) to act in good faith in the best interests of the Institute and to further the Purpose of the Institute;
  - (iii) not to misuse their position as a Councillor;
  - (iv) not to misuse information that they gain in their role as a Councillor; and
  - (v) to disclose any actual, potential or perceived conflicts of interest (including any material conflicts of interest).

### 2.3 Position Descriptions

Each Councillor must comply with the position description relevant to their role, including the:

- (a) Division Councillor Position Description annexed to this Charter as Annexure A;
- (b) Division President Position Description annexed to this Charter as Annexure B; and
- (c) Division Director Position Description annexed to this Charter as Annexure C,

which may be amended by the Board from time to time.

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## 3 Responsibilities and activities

### 3.1 Conflicts of interest

- (a) Councillors are expected to comply with the Institute's conflicts of interest policy and procedures, as amended by the Board from time to time, including any requirements that may be set out in induction information provided to Councillors.
- (b) Councillors are required to give notice to the Council of appointments, roles or positions where it is possible that a conflict of interest may arise and to update the same at least quarterly.

### **3.2 Information disclosure**

Councils and Councillors do not have a right to access information or material of the Institute unless the Councillor is also a director of the Institute or such information or material directly relates to the operation of the Council or to the proper discharge of the Councillor's duties, role and responsibilities, as determined by the Board.

### **3.3 Relationship with Board and Management**

- (a) Councils will communicate with the Board on requested matters through the Division Director, Division President or by such other means as the Board may determine.
- (b) Council's interaction with Management will be primarily through the State Manager and Secretariat.

### **3.4 Reporting requirements**

- (a) Minutes of the proceedings of Councils and Council committee meetings will be entered by the Secretariat in books kept for that purpose and those minutes will be signed by the chairperson of that meeting or by the chairperson of the next succeeding meeting. Where minutes have been so entered and signed the minutes will be prima facie proof of the proceedings of the meeting.
- (b) Each Council will cause copies of the minutes referred to in clause 3.4(a) to be supplied to the Chief Executive Officer (or delegate) and the Institute Secretary, or such other persons as determined by the Board, within 21 days of the approval of the minutes.
- (c) The Council must provide an annual governance report to the Board (addressed to the Institute Secretary) and in a form substantially similar to Annexure D, which must include:
  - (i) outcomes of the Council election process and details of any appointments made during the year;
  - (ii) an updated Skills Matrix and any identified succession planning priorities given pending tenure expiry or foreshadowed retirements of Councillors;
  - (iii) Council performance evaluations and recommendations for governance improvements;
  - (iv) any other key governance priorities for the coming 12 months; and
  - (v) any other matters required by the Board from time to time.

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## **4 Councillors**

### **4.1 Number of Councillors**

Subject to clause 6(c)(ii), each Council will consist of at least five but not more than 11 Councillors or such other maximum and minimum as determined by the Board from time to time.

## 4.2 Becoming a Councillor

Subject to clause 4.3, a person may become a Councillor in a number of ways:

- (a) election by the Division members in accordance with clause 4.6 (**Elected Councillor**);
- (b) appointment by the Councillors of that Division in accordance with clause 4.7 (**Appointed Councillor**);
- (c) nomination by the Councillors and subsequent appointment by the Board as a Division Director in accordance with clause 4.8 (**Division Director Councillor**);  
and
- (d) appointment by the Council to fill any vacancy in the number of Elected Councillors however arising, such appointment to be for a term until the next election of Councillors (**Casual Appointee**).

## 4.3 Composition of Council

Subject to clauses 4.1 and 6(c)(ii):

- (a) up to six Councillor positions are reserved for, and may only be filled by, Elected Councillors; and
- (b) up to four Councillor positions are reserved for, and may only be filled by, Appointed Councillors; and
- (c) one position is reserved for, and may only be filled by, a Division Director Councillor.

## 4.4 Qualifications and requirements for Councillors

- (a) To be eligible for election or appointment as a Councillor under clause 4.2(a) or 4.2(b) a person must:
  - (i) be a member of the Institute holding a membership status other than Affiliate Member;
  - (ii) in the case of an Elected Councillor, have been a member of the Institute (other than as an Affiliate Member) for at least three consecutive years prior to the date of the notice calling for nominations;
  - (iii) be a Division member of the relevant Division;
  - (iv) in the case of an Elected Councillor, be nominated in writing for election by two Division members of the relevant Division and obtain the consent of the Board if that person:
    - (A) is, or has been, employed in an executive or managerial capacity by the Institute;
    - (B) is, or has been, in a material business relationship (as a supplier, adviser, consultant or customer) with the Institute or is, or has been, an officer of, or otherwise associated with, someone with such a relationship; or

- (c) has close personal ties with any person who falls within either of the categories set out in clauses 4.4(a)(iv)(A) or 4.4(a)(iv)(B); and
  - (v) meet any other criteria relating to the composition of the Council and skills and qualifications of Councillors as may be determined by the Board from time to time.
- (b) All appointments and elections to the Council should be made, to the greatest extent possible, with reference to the Skills Matrix.

#### **4.5 Councillor's time in position**

- (a) The term of office of an Elected Councillor commences on 1 October following the date the results of the election of Councillors are declared (or such later date approved by resolution of the Board) in accordance with clause 4.6(d)(xii).
- (b) The term of office of an Elected Councillor is for a period of three years.
- (c) The term of office of an Appointed Councillor commences on the date that person is appointed as a Councillor and continues for the period determined by the Council at the time of appointment – such period not to exceed three years.
- (d) The term of office of a Division Director Councillor commences on the date that person is appointed to the Board as a Division Director and continues for the period of time that person remains on the Board in accordance with the Constitution.
- (e) The term of office for a Casual Appointee commences on the date that person is appointed as a Councillor and continues until the end of the next election process.
- (f) Each Councillor is to remain as a Councillor until the term of that person's position expires or until that person resigns or is otherwise removed as a Councillor in accordance with this Charter.
- (g) A person having held the position of Councillor for nine or more consecutive years (excluding any term as a Casual Appointee) is not eligible for re-election or reappointment to the Council, except if the Board resolves by special resolution of at least 75% of the Board to reappoint the person for one further term of up to three years.

#### **4.6 Election of Elected Councillors**

- (a) Each Council will hold an election for the positions of Elected Councillor between 1 July and 1 October (or such later date approved by resolution of the Board) in each year.
- (b) Notices will be sent to Division members (other than those holding the status of Affiliate Member) of a Division calling for nominations from such members to fill any vacancies on the Council of that Division at least 14 days before the closing date for such nominations. Such notices may be sent by post, or to an electronic address if the Division member has so requested.
- (c) The notices will specify the number of vacancies to be filled on the relevant Council, the proposed date of the election, to be at least 28 days after the closing date for nominations, and such other information considered appropriate by the Institute Secretary or the Board.

- (d) The election of Elected Councillors will take place in the following manner:
- (i) Any two Division members (other than those holding the status of Affiliate Member) will be at liberty to nominate any other member from that Division to serve as an Elected Councillor provided no Division member may participate in the nomination of more than two members of that Division to serve on the relevant Council at any one election.
  - (ii) Nominations, which must be in writing and signed by the Division member and the Division member's nominators, must be lodged with the State Manager at least 28 days before the date on which the election is to take place.
  - (iii) If the number of candidates duly nominated is less than the number of vacancies to be filled, the Council, upon such candidates coming into their positions, may fill the remaining vacancy or vacancies in accordance with clause 4.2(d).
  - (iv) A secret ballot will be conducted in respect of all nominated candidates standing for election or re-election to a Council. The ballot may be conducted by post or by electronic means (such as email or online), or by any combination of these means, or any other means approved by the Board, however it must be conducted by such means, or combination of means, as to enable each Division member to participate, including:
    - (A) if the means of conducting the ballot include conducting the ballot by post, hard copy ballot papers must be prepared; and
    - (B) if the means of conducting the ballot include conducting the ballot by electronic means, electronic ballot papers must be prepared.
  - (v) There will be two methods of election of candidates in a ballot, depending upon the number of candidates and number of vacancies to be filled:
    - (A) *Simple majority* - if the number of candidates nominated is equal to or less than the number of vacancies to be filled, each Division member will be entitled to cast one vote per candidate in favour of or against that candidate's election as an Elected Councillor (or the member may mark the ballot paper to identify that the member is abstaining from voting in respect of that candidate); and
    - (B) *Relative majority* - if the number of candidates nominated exceeds the number of vacancies to be filled, each Division member will be entitled to cast one vote per number of Elected Councillor vacancies to be filled on the relevant Council. A Division member may give one vote to each of as many candidates as the Division member wishes, not exceeding the number of vacancies to be filled.
  - (vi) Electronic and/or hard copy ballot papers will be prepared (in accordance with the means of ballot selected under clause 4.6(d)(iv)), containing the names of the candidates and their brief details, and specifying the election date, with such ballot papers to:
    - (A) ensure candidate names are listed in the ballot paper either in alphabetical order, or in order by lot, at the discretion of the Institute Secretary; and

- (B) include with the ballot papers, at the discretion of the Council, a statement as to whether the Council supports the re-election of a current Councillor, based on an assessment of their contribution or skills, provided such Councillor has been duly nominated and such election will not exceed the maximum term limits.
- (vii) A list of candidates' names in alphabetical or lot order showing the respective nominators' names will:
- (A) be sent by post along with ballot papers and a return envelope; or
  - (B) will be sent or made available by electronic means, along with ballot papers; or
  - (C) will be sent or made available by a combination of these means, or such other means approved by the Board, along with ballot papers,
- depending on the means of ballot which has been selected under clause 4.6(d)(iv), to all Division members of the Division as recorded in the register of members no later than 14 days before the date of the election.
- (viii) To be valid, a ballot paper from a member:
- (A) must be delivered by post, to an electronic address or online, or by any other means approved by the Board, depending on the means of conducting the ballot which has been selected under clause 4.6(d)(iv); and
  - (B) whether delivered in hard copy or electronically, must be received by the returning officer no later than 5pm one day prior to the specified election date. The ballot papers must contain a statement to that effect, noting that the:
    - (1) date on which the ballot papers are sent constitutes the start of the voting period; and
    - (2) voting period will last for 14 days, or such longer period as the Board determines, provided the period does not exceed 21 days and the election date occurs between July 1 and October 1 (or such later date approved by resolution of the Board) each year.
- (ix) Opening and counting of the ballot will be carried out by the returning officer on the election date or some later date determined by the Board.
- (x) The Institute Secretary will appoint a returning officer to open and count the ballot.
- (xi) The returning officer will decide the admissibility of ballot papers (including for compliance with clause 4.6(d)(viii)) and:
- (A) will discard any ballot paper received by post if it is received in any envelope other than the return envelope supplied for the Council election or if it is contained in an envelope with another ballot paper or is marked with more than the maximum allowable number of votes;



- (B) will discard any ballot paper received electronically unless it has been lodged in accordance with any applicable administrative protocols for online or electronic lodgement for that election; and
  - (C) an otherwise properly marked ballot paper containing less than the maximum allowable number of votes will be admitted and the votes marked or selected electronically (as the case may be) on the ballot paper will be distributed as valid votes.
- (xii) The outcome of the ballot in each of the two methods of election set out in clause 4.6(d)(v) will be determined by the returning officer, on the basis that:
- (A) *Simple majority* - if the number of candidates duly nominated is equal to or less than the number of vacancies to be filled, each candidate who receives a majority of votes cast in favour of their election will be declared elected to fill a vacancy as an Elected Councillor with effect from 1 October in that year (or such later date approved by resolution of the Board); and
  - (B) *Relative majority* - if the number of candidates duly nominated exceeds the number of vacancies to be filled, the candidate who receives the greatest number of votes will be appointed to fill the first vacancy, the candidate with the second highest number of votes will be appointed to fill the second vacancy, and so on, until all vacancies have been filled. The successful candidates shall be the new Elected Councillors with effect from 1 October in that year (or such later date approved by resolution of the Board).
- (xiii) At the conclusion of the opening and counting of the ballot, the returning officer will issue a certificate to the Institute Secretary setting out the results of the ballot.
- (xiv) The returning officer will liaise with the Institute Secretary regarding the results, who will take steps to facilitate the outcome of the election being published online on the Institute's website within 14 days after the election date. If, for any reason, the outcome of the election has not been finalised within 14 days after the election date, the returning officer must liaise with the Institute Secretary to facilitate notification to Division members by publishing a statement to that effect online on the Institute's website.
- (xv) If two or more candidates receive the same number of votes, and as a result there are more eligible candidates than remaining Councillor positions to be filled, the returning officer must determine by lot which of those candidates will be appointed to the Council.
- (xvi) The returning officer may decide on all matters in relation to the election not provided for in this Charter or otherwise required to be determined by the Institute Secretary or the Board.
- (e) The election of Elected Councillors in accordance with this clause 4.6 is valid even in circumstances where a Division member entitled to receive notice under clause 4.6(b) or a ballot paper under clause 4.6(d)(viii) did not receive such notice or ballot paper, provided:
- (i) the notice or ballot paper was not received because of accident or error; or

- (ii) before the election process concludes, that Division member provides a nomination or votes in the election (as the case may be).

#### **4.7 Appointment of Appointed Councillors**

- (a) The Council will have the power at any time, and from time to time, to appoint any member of the Division to the Council as an addition to the existing Councillors or to reappoint a current Councillor as an Appointed Councillor, provided the total number of Appointed Councillors does not at any time exceed the number provided for by clause 4.3(b).
- (b) Any such appointment should consider the recommendations of the Division Council Nominations Committee.

#### **4.8 Appointment of Division Director Councillor**

- (a) In accordance with the Constitution and any related policies and procedures of the Institute, including rule 8.4 of the Constitution and the Board Protocol (if applicable), the Council may nominate a member of the relevant Division for appointment to the Board.
- (b) Any Division member nominated in accordance with clause 4.8(a) who is appointed by the Board will immediately become the Division Director Councillor and, if that person is an existing Councillor will immediately cease to be an Elected Councillor or an Appointed Councillor (as the case may be).

#### **4.9 Appointment to fill casual vacancies**

A Council will have the power at any time, and from time to time, to appoint any member of the Division to the Council as a Casual Appointee, to fill a casual vacancy which arises when an Elected Councillor's position is vacated, provided that the total number of Councillors does not at any time exceed the number provided for by clause 4.1.

#### **4.10 Ceasing to be a Councillor**

- (a) A person will cease to be a Councillor if that person dies or if the person:
  - (i) except in the case of a Division Director, is removed from the position of Councillor by a special resolution of 75% of the Council, with each Councillor having the right to exercise one vote (but noting the Division President does not have a casting vote);
  - (ii) ceases to be a Division member of the relevant Division;
  - (iii) becomes a member holding the status of Affiliate Member;
  - (iv) in the case of the Division Director Councillor ceases to be a Division Director;
  - (v) is or becomes ineligible to be a director under the *Corporations Act 2001* (Cth) or the *Australian Charities and Not-for-profits Commission Act 2012* (Cth);
  - (vi) is, due to physical or mental impairment, unable to properly perform the duties of a Councillor, as determined by a suitably qualified professional acting reasonably;

- (vii) becomes bankrupt;
  - (viii) becomes an employee of the Institute; or
  - (ix) fails to attend three or more consecutive Council meetings in any 12 month period without leave of absence approved by the Council.
- (b) Nothing in clause 4.10(a) prevents a Councillor from vacating their position by resigning by providing written notice to the Council and the Division President of the relevant Council.
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## 5 Council meetings

- (a) Subject to clause 5(g), a Council may hold meetings (including by technological means) for the conduct of business and regulate them as they think fit.
- (b) No business may be transacted at a Council meeting unless there is a quorum of Councillors at the time the business is dealt with.
- (c) A quorum consists of a majority of all current Councillors.
- (d) The Division President will chair all Council meetings, however in the instance that the Division President is absent or unable to act as chair of a meeting, the Division President will nominate a member of that Council to chair the meeting on that occasion. If the Division President is prevented from providing a nomination for chair of the meeting, the members of that Council will elect one of themselves to be the chair on that occasion.
- (e) A Council will meet as often as required for the proper discharge of its duties and in any event no less than four times per year.
- (f) A senior member of Management will strive to attend Council meetings to provide information on the Institute's affairs, respond to queries and to receive requested advice from the Council.
- (g) To allow for coordinated participation in policy work and events and services planning, Council meetings will ideally be held within time windows determined by Management. If no such time windows are set, meetings will be held at the discretion of the Council.
- (h) Subject to the Constitution and this Charter, matters that may be addressed at Council meetings include:
  - (i) membership, which, subject to the existence of a relevant Division Council Membership Status Committee may include consideration of:
    - (A) applications for transfer of membership status to Fellow;
    - (B) nominations for transfer of membership status to Life Fellow; and
    - (C) other applications for membership or transition of membership status referred to the Council by the Board or Management from time to time;

- (ii) policy, including:
  - (A) consideration of matters raised by members of the Division (or by Management) as being of relevance to them;
  - (B) raising with the Institute policy issues arising in the Division and the impact of the Institute's policies on members in the Division e.g. as a result of changes to State or Territory laws; and
  - (C) thought leadership projects under delegation from the Board;
- (iii) events and activities, including:
  - (A) methods of supporting the State Manager and other Institute employees in the coordination of events and activities;
  - (B) the provision of suggestions for speakers and topics for events and activities; and
  - (C) suggestions for the running of Division specific events and activities, noting that any such events and activities will be run by AICD and not directly by a Division except with the prior written consent of the Board; and
- (iv) financial and operating performance of the Institute, based on review of reports received from the Institute, which may include certain member and business activity of the Division and nationally.

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## 6 Division President

- (a) A Council must appoint a Councillor to the position of Division President in accordance with the appointment process detailed in the Division Council Nominations Committee Charter and this clause 6.
- (b) Subject to clause 6(c), upon appointment as Division President, if the relevant Councillor is an Elected Councillor they will immediately cease to be an Elected Councillor and become an Appointed Councillor.
- (c) If a Councillor being considered for appointment as Division President is an Elected Councillor, the Council may:
  - (i) appoint the Division President as an Appointed Councillor in accordance with clause 4.7 and subject to clause 4.3; or
  - (ii) if there are no vacancies in the position of Appointed Councillor, resolve to temporarily increase the number of Appointed Councillors permitted under clause 4.1 and 4.3(b) and appoint the Division President as an Appointed Councillor but with such increase to be in place only until such time as the term of an Appointed Councillor ceases under clause 4.5, at which point the temporary increase in the number of Appointed Councillors will cease.
- (d) The Division President will hold their position for a term of up to three years, with the precise period determined by the corresponding Council at the time of appointment.

- (e) A person having held the position of Division President for three years is not eligible for re-appointment, except where the Council resolves by special resolution of at least 75% of the Council to reappoint the person for one further term of up to one year. The re-appointment should be supported by a recommendation of the Division Council Nominations Committee.
  - (f) A Council may remove a Councillor from the corresponding position of Division President at any time but doing so does not remove that person as a Councillor.
  - (g) A person may only fill the position of Division President for so long as that person is a Councillor.
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## 7 Payment to Councillors

- (a) Councillors must not receive any payment for acting as a Councillor but, subject to clause 7(b), are entitled to:
    - (i) be reimbursed for all reasonable authorised travelling and other expenses properly incurred by them in connection with the affairs of the Institute; and
    - (ii) receive payment for any goods supplied or services rendered to the Institute (other than as a Councillor), as long as the amount is proper and reasonable in the circumstances.
  - (b) Notwithstanding anything else in this Charter, no payment of any kind which is permitted to be paid to a Councillor by this Charter or the Constitution can be made by the Institute or the Council to the Councillor until that payment is approved by the Board (or its delegate), which may include by way of a standing approval through a Board approved policy.
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## 8 Committees

- (a) Subject to the approval of the Board, including by way of a Board approved policy or committee-specific charter approved by the Board, a Council may resolve to:
  - (i) establish one or more Division committees consisting of such persons as it determines (including external persons), which must include a Division Council Nominations Committee and may include a Division Council Membership Status Committee;
  - (ii) delegate to each Division committee such of its responsibilities required for the effective and efficient running and administration of the Division committee;
  - (iii) revoke or vary any or all of the delegations of each Division committee; and
  - (iv) change the makeup of a Division committee at any time or dissolve it all together.
- (b) A Division committee must be conducted, and exercise the responsibilities delegated to it, in accordance with any directions of the Council which, for the avoidance of doubt, may be contained within policies, terms of reference, guidelines or protocols.

- (c) A Council may continue to perform all of its responsibilities and duties delegated to it by the Board, despite any delegation made under this clause.
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## 9 Secretariat

The duties of the Secretariat include, but are not limited to:

- (a) ensuring reports are made to the Council in relation to Division activities determined by the Board or Management; and
  - (b) ensuring the organisation of, and attendance at, meetings of the Council, including the sending out of notices, the preparation of agendas and the compilation of minutes.
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## 10 Skills matrix, succession planning, review and evaluation

- (a) The Council will adopt a skills matrix appropriate for the circumstances of its Division based on the Institute skills matrix template annexed to this Charter as Annexure E (as amended by the Board from time to time), which will be reviewed by the Council at least once each year (**Skills Matrix**).
  - (b) The Council will ensure that an appropriate and transparent process is in place for the effective succession planning and renewal of the Council, and for the periodic assessment of its performance, having regard to the Skills Matrix and any recommendations of the Division Council Nominations Committee.
  - (c) At least once each year the performance of the Council, the committees of the Council and individual Councillors will be assessed against the requirements of this Charter and the Constitution.
  - (d) The evaluation will include assessment of:
    - (i) the quality and effectiveness of information made available to the Council;
    - (ii) the effectiveness and composition of the Council;
    - (iii) Council's achievement of its roles and objectives, as set out in this Charter;
    - (iv) whether the expectations of members and stakeholders have been achieved; and
    - (v) the contribution by the Council to the furtherance of the Institute's Purpose.
  - (e) Subject to approval from the Board, the Council may engage an independent expert to facilitate the evaluation and assessment process.
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## 11 Appointment of Visitor

- (a) Where the Board becomes concerned with the functioning or governance of a Council, the Board may resolve to appoint a person ("**Visitor**") to review and work with the members of that Council to seek to rectify any issues concerning the functioning or governance of that Council.

- (b) Before the Board exercises its powers under clause 11(a), the Board must give notice of its concerns to all the members of the Division Council and give the Council a reasonable opportunity to rectify the matters that are of concern.
- (c) The initial appointment of a Visitor under clause 11(a) must not exceed six months but any appointment can be renewed by the Board for such further period as the Board may determine, acting reasonably.
- (d) The Board may confer on a Visitor such powers as the Board deems reasonably necessary to enable the Visitor to rectify the matters of concern that require attention.

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## 12 Review of Charter and Board Evaluation

- (a) At least once each year the performance of the Council will be assessed against the requirements of this Charter by the Board.
- (b) The Board must regularly, and in any event no less than once every two years, review the Charter and make any changes it determines to be necessary or desirable.

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## 13 Dictionary

### 13.1 Dictionary

In this Charter:

- (a) **Affiliate Member** has the meaning given in the Membership Application, Renewal and Status Guidelines;
- (b) **Appointed Councillor** has the meaning given at clause 4.2(b);
- (c) **Board** means the board of directors of the Institute;
- (d) **Board Protocol** means the board protocol regarding Board succession and tenure of directors, as amended by the Board from time to time;
- (e) **Casual Appointee** has the meaning given at clause 4.2(d);
- (f) **Charter** means this Division Council Charter;
- (g) **Code of Conduct** means the code of conduct applicable to Councillors as amended by the Board from time to time;
- (h) **Constitution** means the constitution of the Institute;
- (i) **Council** means the Council of a Division;
- (j) **Councillor** means a member of a Council;
- (k) **Division** has the meaning given in the Constitution;
- (l) **Division Council Membership Status Committee** means the membership status committee of the Division Council;

- (m) **Division Council Nominations Committee** means the nominations committee of the Division Council;
- (n) **Division Director** has the meaning given in the Constitution;
- (o) **Division Director Councillor** has the meaning given at clause 4.2(c);
- (p) **Division member** means a member of the Institute ordinarily resident in the region covered by the corresponding Division, that is:
  - (i) New South Wales;
  - (ii) Queensland;
  - (iii) Victoria;
  - (iv) Western Australia;
  - (v) Tasmania;
  - (vi) Australian Capital Territory;
  - (vii) South Australia; and
  - (viii) Northern Territory;
- (q) **Division President** means the person appointed to this position in accordance with clause 6;
- (r) **Elected Councillor** has the meaning given at clause 4.2(a);
- (s) **Institute** means Australian Institute of Company Directors (ACN 008 484 197);
- (t) **Institute Deputy Secretary** means the person holding the position of deputy company secretary of the Institute from time to time;
- (u) **Institute Secretary** has the meaning given to the term Secretary in the Constitution;
- (v) **Management** means the management personnel of the Institute, including the State Manager and Secretariat;
- (w) **Membership Application, Renewal and Status Guidelines** means the document relating to membership applications, renewals and status, as amended by the Board from time to time;
- (x) **Privacy Policy** means the privacy policy of the Institute applicable to Councillors, as amended by the Board from time to time;
- (y) **Purpose** means the charitable purpose of the Institute as set out in the Constitution;
- (z) **Secretariat** means the Institute Deputy Secretary, or such other person or persons as determined by the Board;
- (aa) **Skills Matrix** has the meaning given at clause 10(a); and



- (bb) **State Manager** means the Institute personnel performing the role of state manager in each respective Division.
- (cc) **Visitor** means a person appointed pursuant to clause 11(a).

### 13.2 Interpretation

In this Charter the following rules of interpretation apply unless the contrary intention appears:

- (a) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (b) headings are for convenience only and do not affect the interpretation of this Charter;
- (c) the singular includes the plural and vice versa;
- (d) words that are gender neutral or gender specific include each gender;
- (e) a reference in a clause in general terms to a person holding or occupying a particular office or position includes a reference to any person who occupies or performs the duties of that office or position for the time being;
- (f) where this Charter requires the carrying out of a task, duty or process by Management or other personnel of the Institute, such conduct must be in accordance with any applicable policies, protocols and processes as adopted by the Board from time to time;
- (g) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (h) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced; and
- (i) if there is any conflict between this Charter and the Constitution, the terms of the Constitution will prevail.

## Amendments log

<b>First approved:</b> 17 November 2021		
<b>First approved by:</b> Board		
<b>Amendments</b>		
<b>Date</b>	<b>Authorised by</b>	<b>Description of amendment</b>
30 November 2021	Managing Director & Chief Executive Officer and Company Secretary	Minor drafting amendments.
20 January 2023	Managing Director & Chief Executive Officer and Company Secretary	Minor drafting amendments.
1 June 2023	Board	Addition of clause 11, Appointment of Visitor. Minor consequential numbering and definition amendments.
19 July 2023	Board  Managing Director & Chief Executive Officer and Company Secretary	Addition of clause 6(e), to reflect extension of term of Division President of up to one year.  Addition of clause 5(d), clarification of chair of Division Council meeting when Division President is absent or unable to act as chair.
18 March 2024	Nominations and Governance Committee	Update to Division Director Position Description to include additional skills as requested by the Nominations and Governance Committee in March 2024.

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## Annexure A      Division Councillor Position Description

### 1      Overview of the role

The role of Councillor is advisory and promotional in nature, and as such, a Councillor makes a valuable contribution to the Institute by:

- actively participating in deliberations at Council meetings;
- acting as a key champion and engager for the Council at Institute and industry events and with members and stakeholders, and
- positively promoting the Institute to members, prospective members and stakeholders to further its objectives.

As members of an advisory body of the Institute, Councillors share ultimate responsibility for the Council's overall success. The Councillor reports to the Division President.

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### 2      Duties and responsibilities

A Councillor's responsibilities include the following:

- actively contribute during Council meetings to ensure Council effectively fulfils its role, that being:
  - providing advice to the Board and Institute management;
  - acting as an engager for the Institute at events and to members, prospective members and stakeholders;
  - considering applications for membership;
  - providing oversight of the Director Professional Development (DPD) continuing education system; and
  - positively promoting the Institute to members, prospective members and stakeholders to further its objectives;
- proactively engage in business development activities on behalf of the Institute, such as championing members and potential members;
- positively represent the Institute at industry events or Government or other stakeholder engagements, as required;
- act as an important conduit between the members and the Council;
- assist the Institute's board and management by providing feedback and guidance on issues impacting members; and
- act in accordance with the Institute's Constitution, this Charter, the Code of Conduct applicable to Councillors and related protocols and policies.

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### 3 Essential criteria

The criteria required for the role of Councillor include:

- previous board experience;
- sound understanding of governance processes;
- demonstrable experience in business and relationship development;
- willingness to be involved in volunteer activities, represent the Council at Institute events and act as a champion to members, prospective members and stakeholders;
- strong stakeholder management and communication skills;
- willingness to be an active contributor with genuine interest in the Institute and its purpose and objectives; and
- model professionalism with a commitment to ongoing learning and development and act with integrity, honesty, accountability and positivity.

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## Annexure B      Division President Position Description

### 1      Overview of the position

The Division President reports to the Chair of the Board. The Division President is responsible for leading the Council to achieve its role and assist in fulfilling the objectives of the Institute.

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### 2      Duties and responsibilities

The Division President's responsibilities include the following:

- act as an important conduit between the Council and:
  - the Board, and
  - Institute management;
- regularly liaise with the Division Director to ensure effective communications between the Council and the Board;
- effectively and efficiently chair Council meetings to achieve desired outcomes;
- foster an ethical culture and ensure the Council operates as an inclusive, well-functioning body;
- publicly represent and promote the Institute at events and industry or Government or other stakeholder engagements as required;
- provide guidance to Councillors regarding the requirements to successfully fulfil their role;
- ensure all Councillors behave in accordance with the Code of Conduct and in cases of non-compliance, implement appropriate action in consultation with the Chair and Managing Director and Chief Executive Officer;
- ensure all new Councillors undergo an appropriate induction program;
- regularly monitor Councillor performance against their roles and responsibilities;
- ensure an annual Council performance review is conducted to evaluate Council's and Councillors' performance and identify opportunities for improvement; and
- ensure appropriate Council composition and continuity by developing and reviewing the Council's succession plan, via the Council's Nominations Committee.

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### 3      Essential criteria

The Division President will have substantial experience and knowledge to lead the Council and be a respected leader within the director community which the Council represents and amongst stakeholders more broadly. In particular, the criteria for the role of Division President are:

- significant experience with boards and governance processes;

- demonstrated leadership and management experience;
- strong stakeholder management skills;
- exceptional communication skills with the ability to listen, question and challenge in a constructive and respectful manner;
- collaborative, consultative and inclusive leader;
- willingness to be involved in volunteer activities and represent the Council at Institute events;
- strong public speaking skills;
- well respected within the director community, with a willingness to assist with appropriate introductions to further the objectives of the Institute; and
- models professionalism with a commitment to ongoing learning and development and acting with integrity, honesty, accountability and positivity.

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## Annexure C      Division Director Position Description

### 1      Overview of the position

The Division Director is nominated by Council. The Board ultimately determines the appointment of the Division Director as a member of the Board. Division Directors become Division Director Councillors on their respective Councils.

As a director, the Division Director has a legal obligation to act in the best interests of the company. As such, the Division Director's priority is acting in their capacity as a board member, and then as a liaison with Council. The key role of Division Director is to act as the conduit between the Board and the respective Council whom they represent.

To effectively fulfil their role, the Division Director should:

- (a) explain decisions made by the Board to their Council;
- (b) regularly liaise with the Division President to ensure effective communications between their Council and the Board; and
- (c) actively participate in deliberations at Council meetings and convey their perception of the views of the Council to the Board and management.

The position reports to the Board via the Chair of the Board.

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### 2      Duties and responsibilities

A Division Director's responsibilities include the following:

- (a) fulfil their duties as directors under legislation, common law and ACNC Governance Standard 5 (as the Institute is a registered charity);
- (b) provide leadership to the organisation, particularly in the areas of ethics and culture;
- (c) actively contribute during Board meetings to ensure the Board effectively fulfils its role and achieves its strategic direction;
- (d) positively represent the Institute at industry events or Government or other stakeholder engagements, as required;
- (e) act as the key conduit between the Board and the Council;
- (f) model the Institute's Values and its 'One Team' culture; and
- (g) act in accordance with the Institute's Constitution, charters, Code of Conduct, protocols and policies.

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### 3      Essential criteria

The criteria required for the role of Division Director include:

- (a) previous Board experience and a sound understanding of governance processes;

- (b) willingness to be involved in volunteer activities;
- (c) capacity to represent the Board and Division Council at the Institute's events;
- (d) strong stakeholder management and communication skills;
- (e) willingness to be an active contributor with genuine interest in the Institute and its purpose and objectives;
- (f) model professionalism with a commitment to ongoing learning and development and act with integrity, honesty, accountability and positivity;
- (g) demonstrated leadership capability, thought leadership and critical thinking;
- (h) honed active listening skills;
- (i) constructive questioner, contributor, team player, influencer, and negotiator.
- (j) proven experience in building and developing a positive governance and risk culture; and
- (k) high standards of integrity and accountability with commitment to the AICD values, purpose, and mission.



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## **Annexure D      Annual Governance Report Template**

Suggested length 2 pages.

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### **1      Skills matrix and succession planning**

Please provide an update regarding the Council's succession planning and skills gaps.

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### **2      Outcomes of the election process**

Please provide an overview of the current year's election process.

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### **3      Division Council performance evaluation**

Please provide a summary of outcomes from the Division Council performance evaluation (available in BoardEffect). What are the key areas where the Council was performing well? What are the key areas for improvement and how will they be addressed?

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### **4      Recommendations for governance improvements**

Considering the feedback received via the performance evaluation, does the Council have any recommendations regarding improvements to the Institute's governance and processes?

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### **5      Key governance priorities for the coming 12 months**

Please list the key governance priorities for the Council for the following year.

# Annexure E Skills Matrix

**GUIDANCE:**

- Insert name and position and State
- Return completed assessment to [INSERT NAME] by [INSERT DATE]
- The Skills Matrix aims to include coverage across a range of member skills and experience that are appropriate and relevant to that Division. It can be tailored for engagement with each Division's membership base.

DIVISION COUNCIL SKILLS MATRIX - Self Assessment (2020)	[Insert Name] [insert State/Territory] [insert position] [month/year] [1st / 2nd]
<i>Current term end date:</i>	
<i>Serving 1<sup>st</sup> 2<sup>nd</sup> (at present):</i>	
<b>COUNCILLOR EXPERIENCE BY ENTITY TYPE &amp; SECTOR (Tailor for the Division's membership base)</b>	
"CEO" = CEO / "D" = Director / "CH" = Chair	
<b>Listed:</b>	
· ASX200	
· Outside ASX200	
· Foreign listed	
<b>Unlisted (for profit):</b>	
· Large - turnover greater than \$75m or greater than 100 FTE	
· Start-ups (A young company founded one or more entrepreneurs to develop a unique product or service to bring to the market)	
· Other	
<b>NFP:</b>	
· Large - turnover greater than \$75m or greater than 100 FTE	
· Other	
<b>Public Sector: "X"</b>	
· Commonwealth	
· State/Territory (including University)	
· Local Government	
<b>SECTOR EXPERIENCE</b>	
<b>Insert 0 - 3 according to scale below</b>	
Primary - including agriculture, mining and natural resources	
Secondary - including manufacturing, engineering, construction, property and infrastructure	
Tertiary or Services - including commercial, professional, financial, health and social	
Quaternary or knowledge based - including education, media, R&D and innovation	
Quinary - high-level policy and government; industry & professional membership organisation; business, education, media and non-profit organisations	
<b>EXPERTISE</b>	
<b>Insert 0 - 3 according to scale below</b>	
Accounting	
Adult or Executive Education	
Advocacy, Policy, Regulatory	
Commercial business management	
Corporate Law & Governance	
Finance & Economics	
Marketing & Communications	
Strategy Development & Implementation	
Technology and Innovation	
<b>DEMOGRAPHIC BACKGROUND</b>	
<b>Gender:</b>	
- Male	
- Female	
- Other	
<b>Age:</b>	
<40	
41-50	
51-60	
61-70	
71+	
<b>Ethnicity:</b>	
- Aboriginal or Torres Strait Islander	
- African	
- The Americas	
- Asian	
- European	
- Middle Eastern	
- Oceanian (Australia, NZ, Polynesia, Melanesia, Micronesia)	
- Other	
<b>Location:</b>	
NSW	
QLD	
VIC	
ACT	
SA/NT	
WA	
TAS	

Rating	Explanation
<b>3 (Substantial)</b>	Extensive career experience in senior executive, director or professional roles; with tertiary qualification.
<b>2 (Significant)</b>	Significant experience at director, management or professional levels; and/or tertiary qualification.
<b>1 (Some)</b>	Significant experience in some aspects of the field (eg in a stage of career, or project roles).
<b>0 (Nil)</b>	Little or general experience only.