

## HUMAN RESOURCES AND REMUNERATION COMMITTEE CHARTER

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*(Approved by the Board on 28 February 2022)*

### 1. INTRODUCTION

The purpose of this Charter is to document the objectives, responsibilities, composition and administration of the Human Resources and Remuneration 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**) to discharge its corporate governance responsibilities to exercise due care and diligence and skill in relation to:

- (i) Oversight of human resources strategies, policies and procedures;
- (ii) Oversight of the organisation's workforce including strategic resourcing requirements, employee development, talent and succession planning;
- (iii) The setting of key performance areas for the Managing Director and Chief Executive Officer (**MD&CEO**) and the regular review of the MD&CEO's performance;
- (iv) Oversight of Executive and staff remuneration and benefits to ensure they are fair and equitable and managed within an appropriate framework;
- (v) Ensuring the company's remuneration framework drives appropriate behaviours, reflective of the organisation's values;
- (vi) Oversight of the culture of the organisation;
- (vii) Oversight of compliance with applicable laws and regulations; and
- (viii) Appropriate and timely direction from the Committee in relation to any matters brought by Management for the Board's attention.

### 3. RESPONSIBILITIES

- (a) The main duties and responsibilities of the Committee are to:
  - (i) Oversee Management's establishment and maintenance of effective human resources, performance management and remuneration systems;
  - (ii) Review and assess the alignment of executive and staff remuneration and benefits to the organisation's business objectives;
  - (iii) Review annually and more often if required, the performance objectives of the CEO;
  - (iv) Review and make recommendations to the Board on the remuneration and benefit strategies for the CEO and his/her direct reports;
  - (v) Review and assess the remuneration and benefit strategies recommended by the CEO for senior staff, to satisfy itself that these are appropriate for the position, are fair, reflect the contribution made to the business by the staff member and enhance

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a business culture that supports accountability and a zero-tolerance environment for unethical conduct, through appropriate compensation and employment decisions;

- (vi) Review and confirm the methodology used to assess staff performance, remuneration and associated benefits;
  - (vii) Identify areas of risk in recruiting and retaining, managing and remunerating staff, and assuring itself that management are effectively controlling the risks;
  - (viii) Inform the Board of human resources or remuneration matters that may have a significant influence upon the financial condition or affairs of the organisation;
  - (ix) Require of management that developments in, and changes to, the rules and regulations for human resources management and remuneration of the AICD's staff are identified and that compliance with the rules and regulations is reported to the Board;
  - (x) Satisfy itself of the existence, currency and adequacy of human resources policies and procedures, including in relation to superannuation, diversity, and the code of conduct, and their effectiveness in meeting the strategic goals of the business;
  - (xi) Annually review and approve measurable objectives for achieving diversity, and assess progress in achieving these objectives;
  - (xii) Review and assess the talent management and succession planning strategies and succession planning applicable to the MD&CEO and his/her direct reports;
  - (xiii) Review and assess the capability needs and the proposed training and development priorities to support the attainment of the strategic goals of the business;
  - (xiv) Review and assess the cultural strategy and its alignment and success in meeting the strategic goals of the business and ensure there are processes in place to enable the Committee to monitor and assess culture and engagement within the AICD; and
  - (xv) Monitor and review the extent to which the Board is meeting its obligations on remuneration and human resources matters.
- (b) The Committee also examines any other matters referred to it by the Board.
- (c) If the Charter of another committee of the Board contains duties and responsibilities in relation to a human resources matter, the Committee will not be responsible for that matter unless the matter is specifically mentioned in this Charter.

## 4. COMPOSITION AND MEETINGS

### 4.1 Membership and attendance at meetings

- (a) The Committee will comprise at least three (3) members, all of whom are non-executive directors. Members will be recommended by the Nominations and Governance Committee and appointed by the Board as follows:
- (i) the chair of the Committee (**Committee Chair**); and
  - (ii) at least two (2) other members.

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- (b) The Board may remove and replace the Committee Chair or any Committee member at any time.
- (c) A quorum of the Committee is any two (2) members of the Committee.
- (d) If the Committee Chair is unable to attend a meeting, the Committee Chair will appoint an alternate chair who will act as chair for the purposes of that Committee meeting, unless otherwise specified.
- (e) All directors may attend meetings of the Committee. Notice of Committee meetings will also be provided to the MD&CEO, general manager with responsibility for human resources and the head of human resources. Other members of management and advisors may be invited to attend meetings as the Committee Chair thinks fit. 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.
- (f) The secretary of the Committee is the Company Secretary, or another person nominated by the Chair.

### 4.2 Meetings

- (a) Meetings are to be held at least three (3) times a year.
- (b) Special meetings may be convened as required. The Committee may also meet at the request of the Board, any Committee member, the MD&CEO or the Company Secretary.
- (c) Meetings may be held in person, by telephone or by video conference, or by any combination of these media.
- (d) 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.
- (e) 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.
- (f) The secretary, or other person nominated by the Committee Chair, takes the minutes of the proceedings of all Committee meetings. 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.
- (g) 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

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 any external party 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 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

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) the performance of the Committee, with feedback provided to the Committee Chair.