

NOMINATIONS AND GOVERNANCE COMMITTEE CHARTER

(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 Nominations and Governance 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 primary objectives of the Committee are to assist and advise the board of directors of the AICD (**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.

The Committee's objectives also include providing directions and advice to Division Councils or their Membership Status Committees on matters concerning membership of the AICD, including matters of interpretation of the criteria for membership.

3. DUTIES AND RESPONSIBILITIES

3.1 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.

3.2 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.

3.3 Governance of Membership matters

The main duties and responsibilities of the Committee are to:

- (a) provide directions or guidance on the interpretation or application of the Membership Application, Renewal and Status Guidelines (**Guidelines**), the Institute Fellow Status Guidance Note (**Guidance Note**), or other policies relating to membership, including on request from a Division Council or its Membership Status Committee where a significant or complex issue is not able to be resolved in consultation with management;
- (b) on the recommendation of management, periodically review the Fellow status criteria or other provisions relating to membership in the Guidelines and, if necessary or appropriate, make recommendations to the Board for amendments to the Guidelines and/or the Guidance Note;
- (c) consider and make recommendations to the Board regarding invitations by the Board to members for membership status as a Fellow, Honorary Fellow or Life Fellow; and

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- (d) review other membership matters (including high risk / reputational matters) referred to the Committee from time to time by management.

3.4 Board and Committee Performance, Composition and Succession Planning

The main duties and responsibilities of the Committee are to:

- (a) 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;
- (b) ensure that an appropriate and transparent process is in place for effective succession planning and renewal for the Board, Board committees and Division Councils;
- (c) periodically present to the Board a list of individuals recommended for nomination for appointment to the Board and for appointment to the committees of the Board (including this Committee);
- (d) through the chair of the Committee (**Committee Chair**) (or the Chair of the Board, if the Committee Chair is not the Chair of the Board), provide guidance to Division Councils on the role of, 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;
- (e) ensure that Board succession plans are in place, including consulting with Division Councils regarding nominees for the role of Division Director;
- (f) maintain a Board skills matrix to assist the Committee with succession planning;
- (g) oversee the recruitment of new directors and re-appointment of existing directors, including:
 - (i) ensuring the desired skills are sourced based on the Board's skills matrix;
 - (ii) assisting 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
 - (iii) ensuring appropriate background checks are conducted prior to the appointment of directors; and
- (h) periodically review the composition of each Board committee and present recommendations to the Board for the appointment of Board committee members as needed.

3.5 Director Induction and Development

The main duties and responsibilities of the Committee are to:

- (a) ensure an efficient and effective Board induction program is developed, implemented and regularly reviewed; and
- (b) maintain a Board Development Program which is tailored to both the Board as a whole and individual directors.

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3.6 Corporate Governance Framework and Governance Documents

The main duties and responsibilities of the Committee are to:

- (a) 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, Board, Committee and Division Council charters and corporate governance policies;
- (b) monitor compliance with the AICD's corporate governance policies to the extent such policies are applicable to the Committee's objectives and responsibilities;
- (c) review and approve relevant policies within the Committee's area of responsibility; and
- (d) 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.

4. COMPOSITION AND MEETINGS

4.1 Membership and attendance at Meetings

- (a) In accordance with rule 8.5 of the Constitution, the Committee must comprise no more than four (4) members, including:
 - (i) the Committee Chair, who is to be a current director of the AICD and, unless otherwise determined by the Board, is the Chair of the Board; and
 - (ii) at least two (2) Division Directors.
- (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 with or without cause.
- (c) 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.
- (d) A quorum of the Committee is any two (2) members of the Committee.
- (e) 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 Committee Chair.

4.2 Meetings

- (a) Meetings of the Committee are held not less than four (4) times per 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) 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.

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- (e) 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 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. 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.

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 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.