

Governance Institute of Australia Ltd
A.B.N. 49 008 615 950

Remuneration Committee Charter

1 Purpose

- 1.1 The Remuneration Committee (**Committee**) is a committee of the Board of Directors of Governance Institute of Australia Ltd (Governance Institute) established under clause 23(a) of Governance Institute's constitution to assist the Board in discharging its responsibilities by monitoring and advising on:
- Performance and remuneration of the Chief Executive Officer (**CEO**)
 - Performance and remuneration of senior management
 - Overall remuneration strategies, policies and practices of Governance Institute
- 1.2 The Committee also exercises such powers and performs such other functions as may be delegated to it by the Board from time to time

2 Membership

- 2.1 Members of the Committee will be the current year's Honorary Officers (President and two Vice Presidents) and the Immediate Past President, or other Board Members if any of the above are unavailable, or if the board decides otherwise.
- 2.2 Members of the Committee must be directors of Governance Institute.
- 2.3 A Vice-President will act as Chair of the Committee, or failing him or her, the President will act as Chair, or failing him or her, the Board will nominate a Chair.
- 2.4 The Committee comprises at least three (3) members...
- 2.5 Each Committee member is expected to:
- have and maintain a good working knowledge of remuneration issues; and
 - have the capacity to devote the required time and attention to prepare for and attend Committee meetings.
- 2.6 The Committee may appoint one of its members to act as Secretary to the Committee or may invite the Company Secretary of Governance Institute to act as the Secretary to the Committee.

3 Meetings

- 3.1 The Committee must meet at least twice in each year
- 3.2 Any Committee member may, and the Committee Chair or Secretary, at the request of a Committee member, must convene a meeting of the Committee.
- 3.3 The agenda for Committee meetings is determined by the Committee Chair.

- 3.4 The agenda and supporting papers are to be delivered to Committee members by the Committee Secretary at least seven (7) days in advance of each meeting. Late papers may be accepted only with the consent of the Committee Chair.
- 3.5 Meetings and the proceedings of the Committee are governed by the provisions of the constitution of Governance Institute regulating meetings and proceedings of the Board.
- 3.6 A Committee meeting may be called or held using any technology consented to by each member. The consent may be a standing one.
- 3.7 A quorum for any meeting is any two members of the Committee.
- 3.8 In the absence of the Committee Chair (or his or her properly appointed delegate), the members will elect one of their number as chairman of that meeting.
- 3.9 The Committee may invite other people including employees, directors of Governance Institute and external advisers to attend all or part of its meetings, as it deems necessary or appropriate.
- 3.10 If an employee of Governance Institute or other person has a material personal interest in a matter that is being considered at a meeting, he or she must not be present for consideration of that matter unless the interest has been fully disclosed to the Committee and the Committee agrees that the person may be present.
- 3.11 Decisions of the Committee may be made:
- at a duly called and constituted meeting; or
 - by a resolution in writing notified to all members of the Committee and signed by at least 75% of the members of the Committee who are entitled to vote on the resolution.
- 3.12 All members, directors and other attendees at Committee meetings are required to keep all information presented (whether written or oral) or discussed at Committee meetings confidential and only use and disclose this information in the proper discharge of their duties to Governance Institute.

4 Minutes

- 4.1 Minutes are to be prepared for each Committee meeting.
- 4.2 The draft minutes of each Committee meeting are to be reviewed by the Committee Chairman and circulated to all Committee members by the Committee Secretary as soon as practicable but no later than the distribution date for the papers for the next Committee meeting.
- 4.3 The Committee must confirm the minutes of each Committee meeting at its next meeting (or the next practicable meeting if the minutes are not available at the next meeting).
- 4.4 A copy of the minutes once they have been reviewed by the Committee Chair must be included in the papers for the next Board meeting.

5 Responsibilities

5.1 Performance and remuneration of the CEO

- 5.1.1 Monitoring, reviewing and making recommendations to the Board on key accountabilities and performance measures for the CEO (including the CEO's performance management plan).
- 5.1.2 Making recommendations to the Board on the terms and conditions of the CEO's employment contract, including fixed annual remuneration and incentive payments.
- 5.1.3 Reviewing, at least annually, the CEO's remuneration arrangements and advising the Board of any recommended changes to those arrangements.

5.1.4 Monitoring the performance of the CEO and, at least annually, undertaking a formal review of the CEO's performance and making recommendations to the Board on the CEO's entitlement to performance based remuneration.

5.1.5 Advising the Board on the policy for approving international travel and claims for expenses by the CEO.

5.2 Performance and remuneration of senior management

5.2.1 Considering the results of the CEO's annual performance review of senior management, being the executives of Governance Institute who report directly to the CEO.

5.2.2 Considering and making recommendations to the Board with respect to the CEO's recommendations in relation to fixed and performance based remuneration for senior management.

5.3 Overall remuneration strategies, policies and practices of Governance Institute

5.3.1 Considering and making recommendations to the Board in relation to the overall remuneration strategies, policies and practices of Governance Institute including:

- Salary levels
- Salary packaging
- Incentive schemes
- Performance related bonuses
- Superannuation
- Fringe benefits
- Travel and entertainment
- Termination and retirement entitlements
- Succession planning and career development

In its consideration of the issues set out in this section the Committee will give due consideration to the views and recommendations of the CEO.

5.4 Other

5.4.1 Performing any other duties and undertaking or overseeing any specific projects as requested by the Board from time to time.

6 Authority

6.1 The Board has authorised the Committee, within the scope of responsibilities set out in this Charter, to:

- Perform the activities required to address its responsibilities and make recommendations to the Board
- Select, engage, terminate and approve the fees and other terms and conditions of the engagement of special or independent experts and other advisors as it deems necessary to carry out its duties capped at the level of the CEO's delegated authority, and if in excess, to be referred to the Board.
- Have unrestricted access to management, employees and information it considers relevant to its responsibilities under this Charter.

7 Reporting Responsibilities

7.1 In addition to providing the Board with a copy of the minutes of its meetings the Committee will through its Chairman, report to the Board on its meetings and make appropriate recommendations for approval by the Board:

8 Evaluating Performance

8.1 In order to ensure that the Remuneration Committee is fulfilling its duties, it will:

- Undertake an annual assessment of its performance against the requirements of this

Charter and provide that information to the Board

- Provide any information the Board may request to facilitate its review of the Committee's performance and its members
- Obtain feedback from the Board on the Committee's performance on an annual basis and implement any agreed actions.

9 Review of the Committee Charter

9.1 Any modifications to or replacements of this Charter must be approved by the Board.

9.2 The Board shall review the Charter every two (2) years or as required, after the annual performance assessment, or when confirming Committee members.

Minute 5162 (22/09/2012)