
HUMAN RESOURCES AND REMUNERATION COMMITTEE CHARTER

(ratified by the Board on 9 March 2011)

1. INTRODUCTION

The purpose of the charter is to document the objectives, responsibilities, and administration of the Human Resources and Remuneration Committee which are delegated to the committee by the Australian Institute of Company Director board.

2. OBJECTIVES

The objectives of the Human Resources and Remuneration Committee are to assist the board to discharge its corporate governance responsibilities to exercise due care and diligence and skill in determining:

- human resources strategies to foster quality of management practices
- the setting of key performance areas for the CEO and the regular review of CEO performance
- executive and staff remuneration and benefits to recognise contributions to the business by staff and to reward these appropriately
- staff policies and procedures, including occupational health and safety and superannuation
- compliance with laws and regulations.

3. RESPONSIBILITIES

The main duties and responsibilities of the committee are to:

- satisfy itself that effective systems of human resources, performance management and remuneration are established and maintained
- review and assess the alignment of executive and staff remuneration and benefits to the business objectives of the organisation.
- annually review the Key Performance Indicators (KPIs) for the Chief Executive Officer
- review the performance of the Chief Executive Officer annually

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- review and make recommendations to the Australian Institute of Company Directors board on the remuneration and benefit strategies for the Chief Executive Officer and his/her direct reports
- review and assess the remuneration and benefit strategies which are recommended by the CEO for senior staff, to satisfy itself that these are appropriate for the position, are fair and reflect the contribution made to the business by the staff member
- review and confirm the methodology used to assess staff performance, remuneration and associated benefits including any short-term incentives
- identify areas of risk in managing and remunerating staff, and assuring itself that management are effectively controlling the risks
- inform the board of human resources or remuneration matters that may have a significant influence upon the financial condition or affairs of the organisation
- require of management that developments in, and changes to, the rules and regulations for human resources management and remuneration of Australian Institute of Company Director staff are identified and that compliance with the rules and regulations is reported to the board and is regularly reviewed
- satisfy itself of the existence, currency and adequacy of human resources policies and procedures, including occupational health and safety and superannuation and their effectiveness in meeting the strategic goals of the business
- monitor and review the extent to which the board is meeting its obligations on remuneration and human resources matters.

The committee also examines any other matters referred to it by the Australian Institute of Company Director's board.

4. ADMINISTRATION

Membership and attendance at meetings

- the chair of the committee is the chairman of the board
- up to three (3) other members of the committee are appointed by the board
- a quorum of the committee is any two (2) members of the committee
- 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 advisers at its meetings

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- the secretary of the committee is the Australian Institute of Company Director's CEO, or another person nominated by the committee chair.

Meetings of the committee

- meetings are held not less than twice a year, and special meetings may be convened as required
- meetings may be held in person, by telephone or by video conference, or by any combination of these media
- the secretary takes the minutes of the proceedings of all committee meetings
- it is expected that regular reports be received by the board on matters considered by the committee.

Authority

The board authorises the committee within the scope of its responsibilities to:

- seek any information it requires from any employee or external party
- obtain outside legal or other independent professional advice
- request the attendance of any external party with relevant experience and expertise.

Board reporting

The committee reports to the board as necessary after each meeting and circulates the minutes to the board as soon as practicable.

Review of charter and composition

The board annually reviews the composition of the committee and approves the committee charter.