

**Australian Shareholders' Association – People & Culture Committee Charter**

<b>Authorisations:</b>		<b>Review:</b>	
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## **1. Purpose**

This Charter specifies the authority delegated to the People & Culture Committee by the Board of the Australian Shareholders' Association (ASA).

The People & Culture Committee provides assistance to the Board in fulfilling its responsibilities and will review and make recommendations to the Board in relation to:

- (a) The remuneration package, including any bonuses and incentives, to be awarded to the CEO;
- (b) The establishment and structure of any ASA office staff bonuses and incentives;
- (c) Key performance indicators for Management;
- (d) Ensuring there are plans in place to manage ASA Management succession;
- (e) ASA Board succession including the process for re-election of existing directors, recruiting new Directors, evaluating Board skills and encouraging Board diversity;
- (f) Induction and continuing professional development and education for all ASA directors;
- (g) Management of a process for evaluating the performance of the Board, its committees and directors.

## **2. Authority**

The People & Culture Committee may, within the scope of its responsibilities:

- (a) Perform activities and make recommendations to the Board consistent with these terms of reference;
- (b) Engage advisers, as it considers necessary, to carry out its duties at ASA's expense; and
- (c) Have access to the Executive, management, employees, and all information necessary for the performance of its functions;

The People & Culture Committee has neither a management role, nor executive powers with regards to its recommendations and does not relieve the full Board of its responsibilities for these matters.

In performing its duties, the Committee will maintain effective working relationships with the Board of directors and management. To perform their role effectively, each Committee member will develop and maintain their skills and knowledge, an understanding of the

Committee's responsibilities and of ASA's business, operations, personnel structure and risks.

### **3. Composition of the Committee**

The People & Culture Committee is a Committee of the Board and all appointments to the Committee, including that of the Chair, will be approved by the Board.

The Committee will consist of:

- (a) At least three (3) members, each of whom will be appointed or removed by the Board; and
- (b) A Secretary

The Chair of the Board may be a Member of the People & Culture Committee but may not Chair the Committee.

The CEO of the ASA cannot be a member of the Committee, though they may attend meetings of the Committee on request of the Committee.

The People & Culture Committee will appoint a Secretary, who, together with the Chair, will be responsible for the co-ordination of meetings, notices, minutes and general governance.

To enable the effective discharge of its responsibilities in this Charter, the Committee must be comprised of Members with an appropriate range of technical skills and qualifications.

The skills and performance of the People & Culture Committee members will be reviewed annually by the Board and the Committee will also review its own performance by self-assessment. External specialist involvement in this review may be utilised within Board and budgetary approvals.

The People & Culture Committee Chair will:

- (a) Promote effective communications between the Committee, the Board, the ASA executive and staff;
- (b) Ensure People & Culture Committee meetings run smoothly, that the views of all Committee members are heard, that adequate time is allowed for discussion of each issue and that the agenda and meeting papers properly reflect proceedings;
- (c) Develop the agenda for each meeting on the basis of the annual program of matters deemed to be relevant to the particular meeting.

#### **4. Meetings, Notice, Agenda and Minutes, Attendance**

- (a) The People & Culture Committee shall meet as frequently as required to fulfil its responsibilities;
- (b) The Committee should meet in the final quarter of each year to review Management performance, KPIs and remuneration and any recommendations from the CEO in relation to office staff bonuses. At this meeting, the Committee will also commence the process for recruiting new Directors as required, including the annual call for director nominations from the ASA membership;
- (c) Any member or the Secretary of the Committee can call a meeting of the Committee. A quorum will be the smallest number greater than half the members;
- (d) In the Chair's absence from a meeting, the members of the Committee present at the meeting will select a Chair for that particular meeting;
- (e) Committee members will be invited to disclose conflicts of interest at the commencement of each meeting;
- (f) Meetings of the Committee may be held face-to-face or through any technological means by which members can participate in a discussion;
- (g) The notice and agenda of meeting will include relevant supporting papers as appropriate;
- (h) The Committee may invite other people to attend as it sees fit and consult with other people or seek any information it considers necessary to fulfil its responsibilities. In such case the Chair must ensure confidentiality of information released/discussed to non-ASA Directors/staff;
- (i) Where the Committee believes it requires financial resources to achieve its objectives the Committee will notify the Board of the basis of expected benefits of such expenditure before committing to the expense;
- (j) The Committee Chair will communicate the decisions of the Committee to the Board after each meeting within a reasonable period.

#### **5. Secretariat Duties**

Proceedings of all meetings are minuted, ratified by members in attendance and signed by the Committee Chair and filed appropriately on the ASA server.

## 6. Responsibilities of the Committee

The responsibilities of the People & Culture Committee include reviewing and making recommendations to the Board on:

### (a) Chief Executive Officer and Office Staff

- i. Conducting searches for the ASA CEO and recommending preferred candidates to the Board;
- ii. Consideration of Management succession plans;
- iii. Review of CEO remuneration within the terms of the employment contract, on an annual basis;
- iv. Management key performance indicators and evaluation of CEO performance;
- v. Review recommendations from the CEO regarding the pool for ASA office staff remuneration and bonuses and themes for staff key performance indicators;
- vi. Ensuring CEO, and the themes for staff, KPIs and remuneration are aligned with ASA's strategic plan, business objectives and values;
- vii. Ensuring CEO and staff remuneration is reviewed in the context of market trends and ASA budget considerations;
- viii. Ensuring there are no gender or other inappropriate biases in remuneration;

### (b) Board

- i. Board size, composition and structure;
- ii. Conduct searches for new Board members and recommending preferred candidates to the Board;
- iii. Recommend required Board competencies and skills and assess the extent to which these skills and competencies are represented on the Board;
- iv. Manage the annual process of calling for ASA member director nominations including assessing member applications, conducting interviews and recommending any preferred candidates to the Board;
- v. Recommendations in relation to the mix of member directors versus externally sourced directors;

- vi. Consideration of Board succession planning issues;
- vii. Manage process for evaluating the performance of the Board; and
- viii. Assist in the development of Board training and continuous professional development sessions.

## **7. Review of the Charter**

The People & Culture Committee will review its Charter every two years and make recommendations to the Board as to any changes it considers should be made.

The Charter may be amended by resolution of the Board.

The Charter will be available on ASA's website.