

REMUNERATION COMMITTEE CHARTER

Role and Responsibilities

The role of the Board Remuneration Committee is to assist and advise the **Board** of Directors in fulfilling its responsibilities to members of the Institute of Internal Auditors – Australia (IIA-Australia) on matters relating to the compensation, bonuses, incentives and remuneration issues of the Chief Executive Officer. It also assists the CEO of the Institute of Internal Auditors – Australia (IIA-Australia) by providing oversight and input into the compensation, bonuses, incentives and remuneration issues of IIA-Australia staff to ensure alignment with the vision and strategy of the Board.

The Committee is to identify and oversight the management of risks which relate to its work. Where management of risks is to a level that is not consistent with the IIA-Australia’s risk appetite, they should be escalated to the Board.

The Board Remuneration Committee is not a policy making body, but assists the Board by implementing Board policy.

The objectives of the committee include:

- to review and recommend to the Board annually, remuneration for the Chief Executive Officer within the terms of the employment contract;
- to review and recommend to the Board the renewal/cessation of the employment contract for the Chief Executive Officer;
- to monitor and review the Chief Executive Officer’s performance and key performance indicators for the determination of the annual bonus components;
- to review and provide advice to the CEO regarding performance, remuneration, bonuses and related practices for IIA-Australia staff and contractors and ensure that the payments relating thereto are aligned to the budget;
- to review and make recommendations about any staff or contractors grievance or complaint that may have arisen, which may impact the overall remuneration practices and/or remuneration or performance of the CEO;
- to oversee the IIA-Australia’s performance management, remuneration and incentive policies, practices and performance indicators for alignment to the **Board’s** vision, values and overall business objectives and are appropriately designed to:
 - motivate the IIA-Australia staff and contractors and the Chief Executive Officer to pursue the long term growth and success of the IIA-Australia

¹ Grievance Handling Policy is incorporated in the IIA-Australia *Staff Human Resources Policies and Procedures Manual*

- demonstrate a clear relationship between achievement of the IIA-Australia's objectives and the Chief Executive Officer's and the IIA-Australia's staff and contractor performance and remuneration.

In discharging their responsibilities the **Committee** members have a duty to act in the best interests of the IIA-Australia as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations.

Composition and Term

- The Remuneration Committee is a committee of the **Board**.
- The Committee will comprise three members: the President, a Director and the third a Director or an external member.
- The President chairs the Committee.
- Committee members will be nominated by the Executive Committee.
- All appointments to the Committee including any external member shall be approved by the Board.
- Appointment to the Committee will be for two years or as determined by the **Board**.
- The duties and responsibilities of a member of the Committee will be in addition to those duties set out for a director of the **Board**.

Meetings

- The Committee will hold meetings at least twice each year; and additionally as it considers necessary.
- A quorum will be the majority of its members.
- Meetings of the Committee may be held face-to-face or through any technological means by which members can participate in a discussion.
- The notice and agenda of meetings will include relevant supporting papers as appropriate.
- The Chief Executive Officer is to attend all meetings except when the Committee Chair declares a matter is to be discussed *in camera*.
- The Committee may invite any such other persons to attend as it sees fit, and consult with other persons or seek any information it considers necessary to fulfil its responsibilities.

Secretariat Duties

- The Committee Chair or delegated committee member will minute the matters arising from all meetings. The minutes will be ratified by members in attendance/discussion as soon as practicable following the meetings.
- The Committee Chair will table the outcome of deliberations at the next Board meeting.

Voting

- Any matters requiring a decision will be decided by a majority of votes of members present.

Approved: August 2005; Amended: July 2012; Amended: May 2013; Amended May 2014; Amended May 2015; Reviewed May 2016; Amended May 2017; Reviewed May 2018; Amended May 2019; Amended June 2020; Amended June 2021

Review of Charter

- The Committee should review their charter annually to provide assurance that it remains consistent with the **Board's** objectives and responsibilities.
- The Board approves or further reviews the charter.

Committee Performance and Review

- The Committee will review its performance on an annual basis. This review may be conducted as a self-assessment and will be coordinated by the Chair.

The Committee will provide an Annual Report covering the previous year, including the results of the review of performance, to the Board at its March meeting.