

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 and IIA-Australia staff.

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 review and approve the CEO's recommendations regarding performance, remuneration and bonuses for IIA-Australia staff and contractors;
- to ensure staff and contractor remuneration is aligned with market trends;
- 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 recommend any incentive plans or ex-gratia payments to IIA-Australia staff and contractors or to the Chief Executive Officer;
- to review and make recommendations about any staff or contractors grievance¹ or complaint that may have arisen;
- to ensure that the IIA-Australia's performance management, remuneration and incentive policies, practices and performance indicators are aligned 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
 - 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.

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

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.
- Committee members will be nominated by the Executive Committee.
- The President chairs the 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 smallest integer greater than half the 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 fulfill 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 and signed by the Committee Chair.
- 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.



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.