

Terms Of Reference

Governance Committee

1. Role, Purpose & Responsibilities

The Governance Committee oversees all matters relating to:

i) Corporate Governance

The Committee oversees all matters concerning:

- Conduct of Board meetings
- Secretarial support provided to the Board and its Committees
- Member engagement and member governance issues
- Governance and ethics issues arising from the Board, management and members; and
- Review of the constitution and key governance instruments

ii) Remuneration

The Committee is responsible for the review, oversight and reporting to the Board on:

- Headway's remuneration, recruitment, retention and termination policies
- Superannuation arrangements
- Director expenses

iii) Nominations

The Committee oversees all matters relating to:

- Annual evaluation of the performance of the Board, its committees and individual members
- The Board's skills mix/needs
- Board, Committee and CEO succession planning
- Annual Board election process
- Board member recruitment including appointment of new members to the Board
- Development and implementation of induction plans for new Board members and the CEO
- Ongoing education of existing Board members
- Developing eligibility criteria of Board members

iv) CEO Recruitment

The Committee has the authority to do the following with the assistance any specialist and administrative expertise:

- Engage an executive recruitment company
- Conduct and review of the salary package of the CEO and prepare a recommendation for the approval of the Board
- Prepare a recruitment budget for Board approval

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- Review the CEOs position description for Board approval
- Approve advertising copy in relation to the recruitment of a CEO
- Approve the shortlist of candidates as proposed by yeh recruitment consultants
- Interview shortlisted candidates
- The Committee has the discretion to apply any additional selection processes it deems appropriate
- Prepare and recommendation report to the Board
- Prepare an employment contract for the new CEO to the Board for approval
- Oversee the new CEOs induction process

The Chair is to:

- Conduct negotiations on behalf of the Board
- Execute the contract on behalf of the Board

v) CEO Performance Appraisal

The Governance Committee will design and oversee the CEO performance appraisal process. The Committee is responsible for:

- Annual performance appraisal including reporting to the Board; and
- Annual evaluation of the performance and effectiveness of the Board, its Committees and its individual members including a review fo the effectiveness of the communication between the Board and the CEO

Any matters pertaining to any of the key matters listed above should be approved, or at a minimum, be provided for information to the Governance Committee prior to being presented to the Board for action.

2. Scope Of Authority, Extent Of Power & Decision Making Abilities

- The Board is not bound by any committee decisions.
- The Committee should not make any determinations regarding its policy advice and recommendations to the Board without prior consultation with the CEO.

3. Membership Requirements & Procedure For Attendance By Non-Committee Members

- The Board will appoint a minimum of three members to the committee based on individual insights, skills and expertise.
- The committee may nominate individuals to be co-opted as additional members with suitable expertise to assist in its work – the Board shall provide the approval for the appointment of co-opted members.
- The chair of the Governance Committee shall be a Board director who is not the chair of the Board.
- The Governance Committee shall have a majority of its members as Board members.

4. Conduct Of Meetings

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- A quorum for the committee shall be one half of the membership.
- Committee members must declare any actual or perceived conflicts of interest in any matter before the committee. Conflicts of interest must be dealt with accordance with the Board's Conflict of Interest policy.
- The Committee should consult with the Board chair, if appropriate, in relation to any conflict of interest matters.

5. Frequency Of Meetings

- The Governance Committee is to meet 4 times per year and as required.

6. Terms Of Access To Internal & External Advice & Resources

- The CEO is to arrange for advice, information and reports and comment as required by the Committee to undertake its role
- Advice from the executive management team is also available as well as advice from any other internal specialists
- Advice from external specialists, including legal advice, will be provided as required to assist the Committee in its role
- All Committee papers are to be regarded as confidential documents. Disclosure of these documents or their contents to external parties must not occur without Board approval.
- Committee members are expected to be mindful of commercial in confidence, privacy and confidentiality considerations in exercising their role.

7. Requirements For Reporting To The Board

- The Committee Chair shall be responsible for the preparation of reports to the Board in the form of Committee minutes from the previous meeting
- The Committee is to provide a report to every Board meeting detailing the Committee's activities, advice and any recommendations for the Board's endorsement or approval
- The Committee must report both majority decisions as well as any dissenting, or minority views to the Board in relating to its advice and recommendations
- All Committee papers including agendas, minutes, reports, discussion papers and data reports shall be considered as working papers of the Board and should not normally be tabled at a Board meeting but must be available to review by any Board member on request

8. Powers Of Committee Chair

- The Board appoints the Chair of the Committee
- The Committee Chair shall determine the frequency and method of each committee meeting
- The Committee Chair shall determine the agendas and the Business program for the Committee in consultation with the Committee members
- The Committee Chair shall be responsible for the effective conduct of the meetings

9. The Tenure Of The Committee

- The Committee is a standing Board Committee

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- The Board reviews the composition of its committees on an annual basis