

NOMINATIONS & REMUNERATION COMMITTEE

TERMS OF REFERENCE, POLICY & PROCEDURE

Policy number	EV016	Version	1
Drafted by	Matthew Brown	Approved by Board on	24 March 2021
Responsible person	CEO	Scheduled review date	March 2023

1. Purpose

The committee is a formal committee of the Equestrian Victoria (EV) Board, and is responsible to the Board.

The primary responsibility is to provide oversight and advice in two key areas:

- a) Nomination of Board members; and
- b) Remuneration and performance evaluation of the CEO.

2. Appointment of the Committee

After its initial appointment, the Board shall at its first meeting following the AGM in each year determine the composition of the Nominations and Remuneration Committee.

The committee should comprise at least two (2) EV Board members, including:

- The EV Chairman
- The Chair of the EV Finance, Risk and Audit Committee (FRAC) and
- At least one other person preferably with experience in corporate governance.

External appointed members will be offered two-year terms and the Board will appoint individuals to the sub-committee to fill casual vacancies as appropriate.

The Board may appoint, remove or replace the members of the Committee. Membership of the committee will consist of no less than 40% either gender.

Any person who will be a candidate for election as a Director is ineligible to be a member of the Committee in the calendar year of that election as it pertains to Part 1 (a) Nominations of Board Members.

The Chairman of the Board of the organisation shall Chair this committee or in their stead the Deputy Chair. In the event the Deputy Chair is also Chair of the EV FRAC then another Board member will be invited to substitute.

The CEO shall have standing invitations to attend and provide clarification where necessary.

PART 1: NOMINATIONS OF BOARD MEMBERS

a. Purpose

The purpose of the Committee is to:

- Review the nominations for Director positions
- Assess all nominations received against the needs of the organisation and
- Provide a report for all election voters (Equestrian Victoria Members) to duly consider.

b. Authority

The Committee reports to the Equestrian Victoria Board. It has no delegated authority other than to make reports and any comments to the Board or affiliates for consideration.

c. Meetings & Quorum

The Committee will meet when necessary and participants may attend by teleconference, with the calling of meetings and agendas determined by the Chair/secretariat.

A quorum consists of at least half of the members of the Committee.

d. Function

- i. Prior to the call for nominations for Director elections, the Committee will review the skill mix of the Board, excluding those Director(s) whose term is concluding. This will include the undertaking of a skills/experiences 'gap analysis'. The Committee will draft a document ('Director Criteria') outlining desirable criteria which will identify the skills and competencies required to complement those non-retiring Directors for a balanced, diverse and well-functioning Board. Such 'Director Criteria' to be signed-off by the Equestrian Victoria Board.
- ii. The Director Criteria will be distributed with the call for nominations. All Directors shall be required to hold a current Working with Children's (WWC) accreditation.
- iii. The Nomination Form will invite nominees to address the criteria and request the nominee to provide a 300 word statement (to be provided in Microsoft word format) setting out their reasons for seeking election as a director of Equestrian Victoria, equine experience, professional experience and qualifications (if any) and any other relevant experience for the information of members together with a photograph. Other materials distributed with the call for nominations shall include, but not be limited to the Equestrian Victoria:
 - a. Board Charter
 - b. Directors Roles and Responsibilities
 - c. Directors Code of Conduct
 - d. Conflict of Interest Policy
 - e. Directors Declaration
 - f. Role of the Chairperson and
 - g. Role of the CEO and Delegation of Authority

- iv. Any nomination received shall be deemed ineligible until such time as the 300 word statement referred to in (iii) (above) and the photograph, the Directors Declaration, Code of Conduct and Conflict of Interest documentation is completed and signed. For the avoidance of doubt, if all of these documents are not provided to the CEO by the closing date for nominations, the nomination shall be invalid.
- v. Following the close of nominations, the Committee will review the nominations received (including the discretion to interview nominees).
- vi. The Committee will report to affiliates on how the nominees align with the Director Criteria. The report will be previewed by the Board before being distributed with the ballots for the Director elections.
- vii. The Committee shall ensure that the 300 word statement and photograph of the nominee shall appear on the Equestrian Victoria website and in the notice of annual general meeting at the same time as the notice of annual general meeting is distributed to members.
- viii. All nominees for Director positions will appear on the ballot for the election, irrespective of the assessment of the Nominations Committee, as long as they have declared themselves as a fit and proper person to be a Director of Equestrian Victoria by virtue of signing the Director's Code of Conduct as a part of their nomination.
- ix. Following the election of Directors and where there are vacancies for Appointed Directors that may be appointed- or a casual vacancy to be appointed by the Board at any point- the Nominations Committee will review the skill mix of the elected Directors and identify the skills required to complement them to have a balanced, diverse and well-functioning Board. The Board shall then endeavour to fill any Appointed Director or casually vacant position(s) with reference to the identified skills and may seek further guidance from the Nominations Committee during this process.

e. Communication

Equestrian Victoria Nominations Committee members can expect to be contacted via email, with meetings convened:

- Immediately following the Equestrian Victoria AGM
- Approximately halfway through the calendar year (August) and
- At the close of nominations to the Equestrian Victoria AGM

f. Contact

While the CEO or his/her designate is the Committee secretariat, member contact should be directed through the Committee Chair.

Equestrian Victoria Nominations Committee

Member Code of Conduct

Externally appointed members of Equestrian Victoria sub-committees should ensure and actively promote ethical behaviour and decision making as set out in this Code of Conduct. This Code of Conduct is consistent with the code adopted by the Equestrian Victoria Board of Directors. All sub-committee members are expected to act with integrity to ensure that the reputation of Equestrian Victoria is managed, protected and enhanced.

- Sub-committee members are expected to act honestly and in the best interests of the members as a whole and not to represent individual constituents.
- Sub-committee members are expected to contribute to a positive committee behaviour and culture by showing respect for other members' opinions and allowing each member a fair and equal opportunity to contribute to discussion / decision making.
- Sub-committee members are required to comply with the duties outlined in the sub-committee Terms of Reference and in doing so:
 - act in good faith and for a proper purpose
 - exercise due care and diligence
- Sub-committee members are expected to disclose actual/potential conflicts of interest.
- Sub-committee members are expected to behave responsibly particularly regarding confidential information.
- Sub-committee members are expected to review papers before meetings and acquaint themselves with the issues, relevant to the committee, confronting the organisation.

PART 2: Remuneration and performance evaluation of the CEO.

i. Purpose

The purpose is to provide oversight and advice in the area of remuneration and performance evaluation of the CEO.

ii. Responsibility

The Committee is responsible for reviewing and recommending to the Board:

- i. the annual performance objectives of the CEO;
- ii. conducting the annual CEO performance review; and
- iii. Determining an appropriate level of remuneration of the CEO, taking into account the scope of the role and its responsibilities, including but not limited to additional hours worked outside of “normal” business hours in line with industry standards.

iii. Committee Governance

- i. The committee is to meet twice per year and as needed
- ii. The Chair of the Committee will provide a written report to the Board following each Committee meeting.
- iii. The minutes of the committee meeting will be provided to the board in the subsequent meeting’s papers.
- iv. The quorum for this committee shall be three (3) members.

iv. Background Information and Process

Performance reviews are intended to be constructive processes that allow the staff of an organisation to be appraised against the job descriptions that form part of their employment contracts. The review is a two-way process: most CEOs value feedback on their work, while the appraisal also allows the CEO the opportunity to identify ways in which the Board can help the CEO to be more effective.

In the case of the CEO’s performance review, it must remain strictly confidential to the board and the CEO, with copies of the review retained by the Chair only, off-premises.

The terms of reference for the review, including criteria and measures against which performance is to be evaluated, are developed in consultation with the CEO and should have the approval of the full board. The terms of reference for the review are subject to company disciplinary procedures, including warning and dismissal procedures that are part of all employment contracts with the organisation. (Criteria are kept to a minimum to ensure the scope can be sufficiently broad to accommodate wide-ranging matters. Measures can also be kept to a minimum, such as: Exceeds expectations; Satisfactory; Needs some improvement; Highly unsatisfactory).

Reviews normally occur annually or as stated in the employment contract, conducted by a panel that should consist of the Chair and two other board members. Unless there are grounds for seeking input from outside sources, input would usually only be sought from the CEO and from the rest of the Board prior to meeting with the CEO.

Step One: the CEO reviews his/her own work against the criteria agreed in the terms of reference, including key areas of responsibility and/or key elements of the Strategic Plan. This review would include the CEO's assessment of the adequacy of supervision and direction from the board, with suggestions for improvement. It would also include an assessment of any concerns or difficulties being experienced, as well as suggestions for training and/or changes for improvement.

Step Two: The panel undertakes the performance review based on the same criteria as those used by the CEO, together with an assessment of internal and external relations and of how he/she is realising the direction set in the strategic plan.

Step Three: Panel and CEO convene for a discussion of the review each has undertaken. The meeting will jointly develop appropriate objectives to address variances and performance measures. The results of this discussion will form the basis of the subsequent review.

Source: *Fishel, D, The Book of the Board, Federation Press, Sydney, NSW (2003; 2nd edn. 2008)*

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