

Initiatives of Change

Committees of the Board

29 March 2019

1. Introduction

The Board of Directors needs to structure itself appropriately to carry out the Board's functions and deliver on the strategy and obligations of the Board.

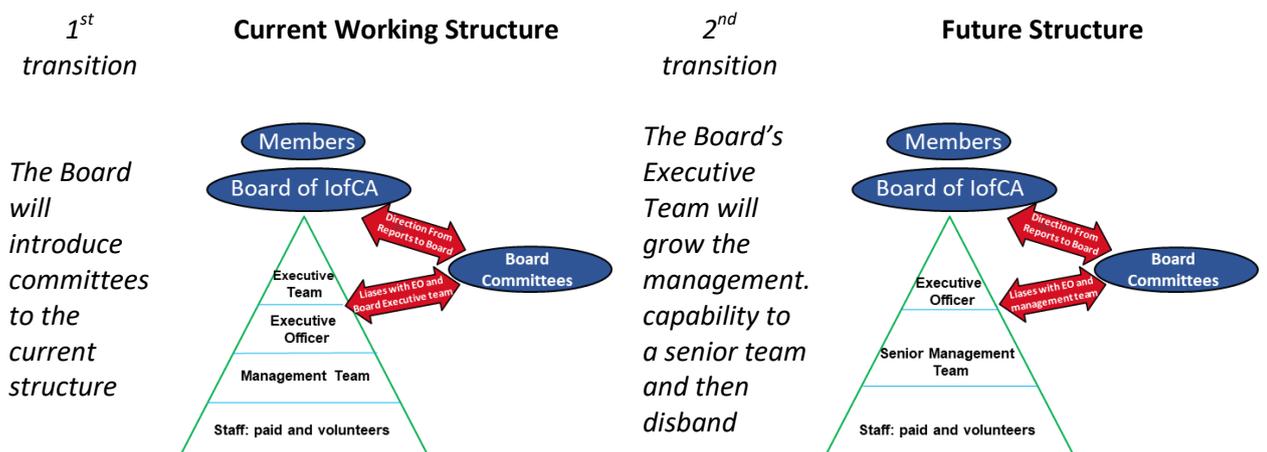
To do this the Board has decided on the following committee structure. It has also provided the following principles for each committee of the Board.

These committees should operate with reference to the Board charter to deliver appropriate governance and where necessary develop their own charters in line with the Board Charter and their purpose.

This document will be reviewed annually and amended at the time that there are any changes to the committees, their representation or their structure.

2. Committee structure

The proposed Committee Structure is as follows:



3. Purpose of the committees

The Committees of the Board will take direction from the Board and report back to the Board. They will also seek guidance from firstly the Executive Team and the Executive officer and then after the 2nd transition from the Executive officer and the Senior management Team.

The Executive team will support the transition to the Future structure and the building of the management capability.

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The Committees are not authorised to act outside of their 'Terms of Reference', as outlined here.

The committees of the Board should do the deeper work of the Board:

- to maximise the effectiveness of the Board
- to ensure that sufficient time and consideration is given to certain key areas for strategic success
- to determine recommendations for the Board

Notably, the work of the committees does not remove the individual director's obligation to be fully informed in making a decision and they must feel confident, and require any additional material, to do so.

Those committees will currently comprise of:

- **Finance, Asset and Investment Committee**
 - Includes the following working groups
 - Assets Review Working Group
 - Investments Advisory Group
- **Risk, Legal and Audit Committee**
- **Nominations and Performance Committee**
 - Includes:
 - Council Performance Working Group
- **Several other Short-Term Working Groups**

As required and defined by Board

The Board reserves the right to change the committee structure to suit the strategic imperatives of the Board and will update this document to reflect any new structure. They may also choose to co-opt members onto these committees that are not members of the Board.

The Board may also choose to set up short-term committees to fulfil specific functions on behalf of the Board. These short-term committees will have their 'terms of reference', including the duration of their activity, outlined at the time of their inception and this will be included in this document.

4. Committee structure and director representation

The following is the membership of the Board and Committees as at 29 March 2019:

Board / Committee	Chair	Members							
Board	Andrew Lancaster	Mike Brown	Quynh-Tram Trinh	Daya Bhagwandas	Jonathan Lancaster	Francis Halim	Ron Lawler	Paul Ntoumos	Paul Wilkins

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Executive Committee	Andrew Lancaster	Paul Wilkins	Executive Officer	Wendy Vanderleest			
Finance, Asset and Investment	Mike Brown	Paul Wilkins	Francis Halim				
Risk, Legal and Audit	Jonathan Lancaster	Andrew Padanyi	Ron Lawler				
Nominations and Performance	Paul Ntoumos	Quynh-Tram Trinh	Daya Bhagwandas				

5. Key discussions for the Board

The Board provides the company with governance oversight.

The Board closely monitors the strategy and certain functions will be the remit of the whole Board. These include:

- Risk assessment and consideration
- Strategic delivery
- Marketing and promotional considerations
- Key personnel considerations
- Compliance
- Safety

6. General committee principles

The committees will:

- be made up of 1 to 3 non-executive directors
- nominate a chair responsible for driving the agenda and meeting timelines
- be permitted to choose (*or not*) members of IofCA, with appropriate skills, to join the committee and support the work of the committee
(*any such members will be required to sign appropriate confidentiality agreements*)
- follow up on actions from the Board
- report back to the Board at their regular meetings
- include any additional staff or non-staff members as may be necessary
- define their own charter (*in the absence of this the default is the Board charter*)

7. Executive Committee principles

Purpose: The key responsibilities and functions of the **Executive Committee** are to take operational decisions on behalf of Board so as to improve the efficiency of IofCA.

These operational decisions on behalf of Board, are within the expenditure limit of \$10,000 or less, and must be within existing budget allocations.

The role is an interim role and acts as an interface between the governance role of the Board and the operational role of Portfolios.

Membership:

- the committee chair is the Board chair (*who can nominate another Board member to replace them after notifying the Board*) plus
- the Board treasurer (*may be substituted by the assistant treasurer*)
- the Executive Officer.
- membership is subject to annual review.

Meetings:

- to meet by Skype or face-to-face regularly, ideally once a week, with a working agenda accumulated between each meeting;
- to keep brief notes of questions discussed and decisions made;

Functions:

- to make decisions within the limits outlined and to notify the Treasurer of any such decisions involving finance within 48 hours;
- to report in writing to the Secretary with a point-form summary of decisions at least 10 days before each Board meeting, and to highlight any issues needing further resolution by the whole of Board.
- to report any such decisions to the Secretary and Board in summary at the next Board meeting
- to provide an immediate reference and problem-solving space, to deal with matters as they arise and/or to pass them on to appropriate Portfolios/committees/office bearers;
- where matters are not within the 'Terms of Reference' of a particular Portfolio, to take operational decisions on behalf of Board.
- to assist the Executive Officer on decisions and issues when and as necessary, and particularly relating to financial decisions;
- to build the capability in the management team to take on the responsibilities of this team with the support of the committees and Board.

8. Finance, Asset and Investment Committee principles

Purpose: The key responsibilities and functions of the **Asset and Investment Committee** are to assist the Board by ensuring financial sustainability through a strategic view of the investment and assets and the ongoing monitoring of assets and investment reporting.

Membership:

- the committee chair is appointed by the Board plus
- two other Board members.

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- all members are to be financially literate.
- the Treasurer is an attendee with other management invited as required.
- membership is subject to annual review.
- non-Board members may be invited to join the committee for a defined period

Meetings:

- a minimum of four times a year

Functions:

- provide recommendations to the Board around investment
- provide investment and advisory advice
- ensure reporting is compliant with regulatory requirements
- consider improvements to the asset and investment reporting
- maximise the assets and manage the liabilities of the organisation
- consider any compliance, reporting or tax risks and issues
- where appropriate provide other recommendations to the Board
- provide financial sustainability recommendations to Board through the strategic asset review, advisory and retirement provisions
- provide recommendations to the Board around finance
- contribute to financial sustainability through reporting
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9. Risk, Legal and Audit Committee principles

Purpose: assist Board to discharge its obligations in compliance with regulatory standards, oversighting the operation and appropriateness of non-financial controls and any risks associated with statutory and regulatory requirements, and managing these within the risk management framework.

Membership:

- the committee chair is appointed by Board plus
- two other Board members.
- all members are to have a high awareness on regulatory requirements and risk.
- the Company Secretary is an attendee with other management invited as required.
- membership is subject to annual review.
- non-Board members may be invited to join the committee for a defined period

Meetings:

- a minimum of four times a year

Functions:

- ensure financial reporting is compliant with regulatory requirements
- consider improvements to the financial reporting
- recommend updates or a new constitution of IofCA to Board

- monitor and review health and safety risks that could impact on the organisation
- recognise potential strategic risks to the organisation and recommend strategic mitigation of these risks to the Board
- provide recommendations to the Board around auditors
- consider any compliance, reporting or tax risks and issues
- where appropriate provide other recommendations to the Board

10. Nominations and Performance Committee principles

Purpose: assist the Board with governance practices, performance (Board and organisational) evaluation and EO appointment.

Membership:

- the committee chair is appointed by Board plus
- two other Board members.
- all members are to have a high awareness of governance practice, organisational and Board performance evaluation.
- the Company Secretary is an attendee with other management invited as required.
- membership is subject to annual review.
- non-Board members may be invited to join the committee for a defined period

Meetings:

- a minimum of four times a year

Functions:

- recommend best practice on governance to the Board
- reviews, at least annually, the size and structure of Board/Board to ensure that it comprises appropriately qualified and experienced people
- responsible for the evaluation of the Board and recommend an annual Board renewal program including director's professional development and rotation program
- responsible for the recruitment of office bearers and recommend appointments to Board
- recommends nominations for Board and re-election of existing Board members.
- *(NB: all nominations to become Board members must be elected at the lofCA Annual General Meeting by lofCA members)*
- set the performance measures for the EO in line with the strategic direction and success criteria
- review the EO at least twice a year with a view to ensuring that the company is on track to meet its objectives
- ensure that the next line of executive are appropriately performance managed by the EO
- recommend to the Board, annually, the salary & bonus of the EO and key executives.

Selection Process of new Board Members:

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This committee will evaluate, on behalf of the Board, prospective Board candidates and recommend these for Board and shareholder approval. The following steps are to be followed in managing the process.

1. The 'Nominations and Performance' Committee will assess the Board for missing skills and determine the skills required for the next suite of Board directors.
2. The Committee will then invite members of IofCA to apply for Board or committee positions, or to nominate others for those positions, the process of nomination will be guided by the mandatory and required skills for these Board or committee roles.
3. At the same time as inviting members to apply for Board or committee roles the 'Nominations and Performance' Committee will actively seek out appropriate directors or committee members.
4. The 'Nominations and Performance' Committee will then review the CVs of any prospective non-executive directors.
 - *Assessing the candidate as an appropriate match to provide the missing or complementary skills in the skills matrix.*
5. When a prospective non-executive director is considered worthy of interview, the 'Nominations and Performance' Committee or the Chair will meet with the prospect.
6. If the prospective non-executive director is judged as a serious candidate then a recommendation and outline of the candidate's suitability to join the Board will be distributed to all Board members for consideration.
7. Assuming, that the candidate is still judged to be a suitable addition to the Board, then the candidate will present to the Board members.
8. All being well, the candidate will be formally invited to join the Board at the next Board meeting and be elected by the members at the following AGM.
9. Any unsuccessful candidates will be contacted as soon as possible, by a member of the 'Nominations and Performance' Committee, or the Chair of Board.

Approved by the Board as a governance document

Chair

Dated