

.au Domain Administration Nomination Committee Charter

.auDA
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AU DOMAIN ADMINISTRATION LIMITED

NOMINATION COMMITTEE CHARTER

1. INTRODUCTION & ROLE

This Nomination Committee Charter sets out the procedure and responsibilities of the Nomination Committee (the **Committee**), established by the Board of Directors of .au Domain Administration Limited (the **Company**) to identify, scrutinise and recommend candidates for appointment or election as a Director of the Company.

The role of the Nomination Committee is to ensure that the process of appointment and election of Directors is transparent, to oversee and assess the effectiveness of the Board as a whole and the contribution of individual Directors to the effectiveness of the Board, and to report on the effectiveness of the Board.

2. COMPOSITION

2.1 **Composition**

- a) The Committee will comprise the following persons (the **Committee Members**):
 - i. a Chairperson;
 - ii. at least one and no more than two Industry Representative(s);
 - iii. at least one and no more than two Business Sector Representative(s);
 - iv. at least one and no more than two Consumer Representative(s);
 - v. at least one and no more than two Company Member Representative(s); and
 - vi. a Government Representative.
- b) The Board will review the membership of the Committee at least annually in consultation with the Australian Government Department of Communication and the Arts (the **Department**).
- c) The secretary of the Committee will be the Company Secretary.

2.2 **Appointment of initial Committee Members**

- a) The Board will appoint the initial Committee Members on the recommendation of the Commonwealth Government of Australia.

2.3 **Appointment of subsequent Committee Members**

- a) The Board will appoint a Committee Member following consultation with the Commonwealth Government of Australia.
- b) Prior to appointment of any Committee Member under rule 2.3(a), the Committee will undertake a consultative merit-based process to identify potential Committee Members who satisfy the eligibility criteria.

2.4 **Specific eligibility criteria**

- a) The Chairperson will be the Independent Chairperson of the Company.
- b) The Government Representative will be a person nominated by the Commonwealth Government of Australia.

- c) Prior to the Transition Date (as defined in the Company's constitution), the Company Member Representative(s) will be an Associate Member (or Associate Members) of the Company.
- d) The Industry Representative(s), Business Sector Representative(s) and Consumer Representative(s) will be persons that satisfy the eligibility criteria for each category that is agreed with the Department and published from time to time on the Company website.

2.5 General eligibility criteria

- a) Committee Members will be:
 - i. accomplished persons of integrity, objectivity, and intelligence, with reputations for sound judgment and open minds, and with experience and competence with collegial group decision-making;
 - ii. persons with wide contacts and broad experience relevant to the Company's objects, and a commitment to the success of the Company and the achievement of the Company's objects;
 - iii. persons who are neutral and objective, without any personal commitments to particular individuals, organizations, or commercial objectives in carrying out their Committee responsibilities; and
 - iv. persons with an understanding of the Company's objects and the potential impact of the Company's activities on the broader internet community.
- b) With the exception of the Chairperson, no Committee Member shall be eligible for nomination to any position on the Board until two years after the conclusion of that person's service on the Committee.
- c) No person who is an employee of or paid consultant to the Company shall simultaneously serve on the Committee.

a) Removal from office

- a) With the exception of the Chairperson and the Government Representative, the Board may, by resolution, remove any Committee Member who:
 - i. ceases to satisfy the criteria for appointment in rule 2.4 or 2.5;
 - ii. does not comply with this document or any by-laws, rules or regulations of the Company; or
 - iii. engages in conduct which, in the opinion of the Board, is prejudicial to the interests of the Company.
- b) The Board will only exercise the power to remove a Committee Member after notifying and consulting with the Department in accordance with the procedure in rule 5.3 of the Company constitution.

3. ROLE

3.1 Nomination of Directors

- a) The Committee is responsible for approving candidates for election or appointment to the Board.
- b) In approving candidates under rule 3.1(a), the Committee must consider:
 - i. the results of probity and disclosure assessments undertaken in relation to the candidate;
 - ii. the skills, experience, expertise and personal qualities that will best complement the effective operation of the Board, considered in light of the Company's board skills matrix;
 - iii. the capability of the candidate to devote the necessary time and commitment to the role (this involves a consideration of matters such as other Board or executive appointments); and
 - iv. potential conflicts of interest and independence.
- c) Any person may apply to the Committee to be approved as an Elected Director, Independent Director or Independent Chairperson.
- d) The identification of potential Director candidates may be assisted by the use of external recruitment agencies.
- e) Where the Board seeks to appoint a person to fill a casual vacancy created by the cessation of an Elected Director, the Committee must consider approving the person who received the most votes in the last ballot of Associate Members or election by Governing Members (as applicable).

3.2 Notices of concern

- a) Any Associate Member or Governing Member may write to the Committee regarding any concerns about the performance or conduct of a Director or the Board as a whole.
- b) Notices of concern may be sent to companysecretary@auda.org.au.
- c) The Committee will table any notice of concern at the next meeting of the Committee. The Committee will consider the notice and will determine the appropriate response.

3.3 Other responsibilities

In addition to the responsibility to nominate Directors under rule 3.1 and to consider concerns raised by Associate Members and Governing members under rule 3.2, other key responsibilities of the Committee are to:

- a) develop and periodically review the Company's board skills matrix;
- b) review and recommend to the Board the size and composition of the Board;
- c) develop succession plans for the Board;
- d) assist the Board to assess Board performance, and the performance of Board committees and individual Directors;
- e) review and make recommendations in relation to any corporate governance issues, in respect to nomination and remuneration, as requested by the Board from time to time;

- f) review the time expected to be devoted by Directors to the Company's affairs;
- g) develop and review an effective induction process; and
- h) develop and review a professional development program to ensure Directors have the opportunity to develop and maintain the requisite skills and knowledge.

4. TERMS

- a) Subject to paragraph (b):
 - i. Committee Members shall be appointed to serve a maximum term of three years; and
 - ii. a Committee Member may serve a maximum of three terms.
- b) The Chairperson of the Committee, who shall be the Chairperson of the Company, shall be subject to the term limits applicable to the Chairperson under the Constitution of the Company.

5. MEETINGS OF THE COMMITTEE

- a) The Committee will meet at least twice annually, and more frequently if it is deemed necessary to fulfil its role.
- b) The Committee may invite any person to attend all or part of a meeting of the Committee. The Directors, Chief Executive Officer or other senior managers of the Company will be invited to attend as required.
- c) The quorum is a majority of members of the Committee, which must include the Government Representative for the first 12 months after adoption of this Charter.
- d) Any Committee Member may, and the Company Secretary will upon request from any Committee Member, convene a meeting of the Committee.
- e) Notice will be given to every member of the Committee, of every meeting of the Committee, at the member's advised address for service of notice (or such other pre-notified interim address where relevant).
- f) The Company Secretary will attend all Committee meetings to take minutes. All minutes of the Committee must be entered into a minute book.

6. REPORTING

- a) The Chairperson will prepare a written report of the actions of the Committee (**Report**). The Report will be included in the Board papers for the Board meeting next following a meeting of the Committee. The Report will include Committee meeting agendas, papers and minutes.
- b) The Chairperson will, if requested, provide at a Board meeting a brief oral report on any material matters arising out of a Committee meeting. All Directors will be permitted, during a Board meeting, to request information about the operations of the Committee from the Chairperson.
- c) The Chairperson will cause an annual report to be prepared and published in the Company's annual report providing such information about the operations of the Committee and the Committee's assessment of the effectiveness of the Board as is

required by the terms of endorsement issued by the Department to the company as the .au domain administrator.

7. ADMINISTRATIVE AND OPERATIONAL SUPPORT

The Company shall provide administrative and operational support necessary for the Committee to carry out its responsibilities.

8. LIMITATION OF RESPONSIBILITIES

The Committee does not have responsibility for the matters that are set out in the Board Charter.

Without limiting the Committee's duties as described in this Charter, neither the Committee, as a committee, nor any member of the Committee by virtue of being a member, has the duty to actively seek out activities occurring within the Group that are not compliant with the Group's policies and procedures, although they have a duty to act promptly if any such activity comes to their attention.

The Committee is entitled to rely on employees of the Company or professional advisers or consultants engaged by the Committee or the Company where:

- a) there are reasonable grounds to believe that the employee, adviser or consultant is reliable and competent; and
- b) the reliance was made in good faith and after making an independent assessment of the information.

9. REVIEW OF THE CHARTER

The Committee will review its Charter from time to time and make recommendations to the Board as to any changes it considers should be made. The Charter may be amended by resolution of the Board provided that any changes that would be inconsistent with the Company's constitution will require approval of the Company in general meeting to approve changes to the Company's constitution.

10. REMUNERATION

- a) Committee Members are entitled to:
 - i. reasonable remuneration for their services; and
 - ii. reasonable expenses (including travelling and accommodation) incurred in carrying out duties as a Committee Member,as determined by the Board.
- b) Without limiting paragraph (a), each Committee Member, except for the Chairperson, is entitled to a sitting fee of \$1,500 plus superannuation for each meeting that he or she attends.

Charter adopted by the Board on: