



NOMINATION COMMITTEE

TERMS OF REFERENCE

COMMUNITY CPS AUSTRALIA LTD

NOMINATION COMMITTEE TERMS OF REFERENCE

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1. PURPOSE OF THE TERMS OF REFERENCE

- 1.1 The Terms of Reference set out the purpose, composition, membership, meeting requirements and functions of the Nomination Committee ('Committee').

2. AUTHORITY

- 2.1 The Constitution of Community CPS requires the Board to establish and maintain the Committee.

3. PURPOSE

- 3.1 The purpose of the Committee is to provide assistance to the Board in relation to:
1. the fitness and propriety of directors and potential candidates for a directors' election;
 2. the assessment of potential candidates for a directors' election; and
 2. board remuneration.

4. COMPOSITION

- 4.1 The Committee will be comprised of three or more members being;
1. the Chairman of the Board except when the Chairman is standing for re-election (during which period another director appointed by the Board and who is not standing for re-election shall be a member in the Chairman's place); and
 2. at least 2 other persons who are independent of the credit union and who possess, in the opinion of the Board, an overall suitable mix of character, skills, knowledge and experience or who meet any other criteria determined by the board from time to time.
- 4.2 Subject to 4.1.1 the non-independent Committee members are appointed by the Board at the first Board meeting following the Annual General Meeting.
- 4.3 The independent Committee members are appointed by the Board prior to the call for nominations.
- 4.4 The Board may, except during an election of elected directors in the period between the call for nominations and closure of the ballot, appoint, remove or replace the members of the Committee.
- 4.5 No director may be a member of the Committee during any period in which the Committee is dealing with an election in which the director is proposing to be a candidate.

5. TERM

- 5.1 Each independent member of the Committee will be appointed for an initial term of two years, or less if circumstances dictate.

6. CHAIRMAN

- 6.1 The Chairman of the Committee will be appointed by the Board.
- 6.2 Should the Chairman be absent from a meeting the members present will choose one of their number to be Chairman for that particular meeting.

7. CONDUCT OF MEETINGS

- 7.1 Committee members may attend meetings in person or by electronic means.
- 7.2 The Committee will meet as deemed necessary by the Chairman.
- 7.3 In addition to the regular scheduled meetings, the Chairman of the Committee will call a meeting of the Committee if so requested by any member of the Committee or by the Chairman of the Board.
- 7.4 Any issues requiring resolution of the Committee will be decided by a majority of votes and each Committee member has one vote. In the case of an equality of votes the motion is lost.
- 7.5 The Chairman of the Committee will report the findings and recommendations of the Committee to the Board at the next regular meeting of the Board following the Committee meeting.

8. QUORUM

- 8.1 A quorum for meetings is one half of members who must be present throughout the entirety of the meeting. If the number of members is not divisible by 2 – round fraction up to the nearest whole number in determining how many members there are in one half of the members.

9. ATTENDANCE AT MEETINGS

(This excludes meetings where interviews with potential candidates are being conducted.)

- 9.1 Directors who are not members of the Committee, the Chief Executive Officer and the Deputy Chief Executive Officer may attend meetings of the Committee at the invitation of the Committee Chairman.
- 9.2 Directors who are not members of the Committee and are standing for re-election must not be present at meetings, or any part of any meeting, where the model criteria they will be assessed against is being considered, and must not participate in any decisions in relation to their re-election.
- 9.3 Parties external to Community CPS may be invited to attend meetings of the Committee or part thereof.

10. INDEPENDENT EXPERTS

10.1 The Committee is authorised to appoint and terminate the appointment of any independent experts, including recruitment firms and independent consulting firms on remuneration matters where this is considered necessary for the effective performance of the Committee's functions.

11. SECRETARIAT

11.1 The Company Secretary or a designate will be the Secretary to the Committee.

11.2 The Secretary, in conjunction with the Chairman of the Committee, will draw up an agenda for each Committee meeting.

11.3 The agenda, together with any explanatory documentation, will be circulated to Committee members at least one week prior to each Committee meeting, wherever possible.

11.4 With the exception of meetings where interviews with potential candidates are being conducted, minutes of the proceedings and resolutions of Committee meetings will be kept by the Secretary. Minutes will be distributed to all Committee members after the preliminary approval has been given by the Committee Chairman.

11.5 The Secretary will, time permitting, submit a copy of the minutes of a Committee meeting to the Board at the next regular meeting of the Board following the Committee meeting.

12. COMMITTEE'S PERFORMANCE

12.1 At intervals not exceeding two years the Board should evaluate the Committee's performance and the extent to which the Committee has met the requirements of its Terms of Reference.

13. FUNCTIONS

The functions of the Committee are to:

Fitness and Propriety

13.1 Determine the fitness and propriety of directors and potential candidates for a directors' election and assess potential candidates for a directors' election. Reference should be made to the Community CPS Policy: Fit and Proper. The Committee will:

13.1.1 Develop model criteria for the assessment of all candidates for the office of elected director for approval by the Board ('Model Criteria').

13.1.2 Assess and provide the Board with a candidate report in relation to all candidates for the offices of elected director against the model criteria approved by the Board ('Model Criteria Assessments').

- 13.1.3 Assess and provide the Board with its recommendations on the fitness and propriety of:
1. directors; and
 2. all potential candidates for the office of director of Community CPS in accordance with Community CPS Policy: Fit and Proper ('Fit and Proper Assessments').
- 13.1.4 Assess the independence of directors for the purposes of satisfying APRA's requirements for a majority of independent directors. Reference should be made to the Community CPS Policy: Independence of Directors.

Board remuneration

13.2 On an annual basis:

- 13.2.1 Review the Remuneration Policy – Non-Executive Directors and, if necessary, make recommendations for change to the Board.
- 13.2.2 Seek information and advice as considered appropriate and, based on the analysis of the information and consideration of the advice, make a recommendation to the Board on the levels of remuneration for the Board and Board Committees.

14. AMENDMENTS TO THE TERMS OF REFERENCE

- 14.1 A review of the Terms of Reference will be performed by the Committee at intervals not exceeding two years.
- 14.2 All amendments to the Terms of Reference must be approved by the Board.