

## **OPPORTUNITY INTERNATIONAL AUSTRALIA APPOINTMENTS & COMPENSATION COMMITTEE CHARTER**

November 2019

This Charter outlines the purpose, powers, composition and reporting requirements of the Appointments & Compensation Committee (Committee) as delegated by the Board of Opportunity International Australia (Board).

### **1. PURPOSE**

The primary function of the Committee is to support and advise the Board on:

- identifying, evaluating and recommending candidates for the Board to consider as Directors
- reviewing the composition and performance of the Board and its Committees
- providing advice and recommendations for Opportunity Council membership
- recruiting and evaluating the performance of the Chief Executive Officer (CEO)
- succession planning for the Board, its Committees, the CEO and senior executives, and
- reviewing and recommending remuneration and benefits for employees.

### **2. AUTHORITY**

The Board is responsible for determining the extent of powers delegated to the Committee and the Committee's existence does not reduce the obligations of the Board. The Committee must operate in alignment with Opportunity's mission and provide recommendations to the Board for consideration. The Board as a whole is responsible for accepting, modifying, or rejecting the Committee's recommendations.

### **3. MEMBERSHIP**

Members of the Committee, including the Chair of the Committee, must be appointed by the Board.

The Committee must be comprised of:

- at least three Directors
- only non-executive directors
- a majority of independent Directors (as defined in the Board Charter), and
- ideally, members from diverse, complementary backgrounds.

The Chair of the Committee must be an independent director. The Chair of the Board can be the Chair of the Committee. If not a member of the Committee, the Chair of the Board is an ex-officio member of the Committee and must receive copies of the agenda and all reports.

Committee members are appointed for a term of three years, or such other period as determined by the Board, and are eligible for re-appointment subject to the composition and skills or expertise requirements of the Committee.



The Committee may have access to adequate internal and external resources, including access to advice from external consultants or specialists as it determines necessary to carry out its duties.

The Committee must perform a self-evaluation of its performance annually.

#### **4. MEETINGS**

The Committee must meet at least twice per year, and may convene additional meetings as circumstances require. It is expected that one meeting will be held to review the remuneration arrangements and policies applicable to employees, including the CEO and senior executives.

A quorum is two members, present in person, by teleconference or by electronic means.

The CEO may attend all meetings (other than when the CEO's remuneration and/or performance are being considered). The Committee may invite members of management or others to attend meetings and provide information as they deem appropriate.

Board members that are not members of the Committee may attend Committee meetings as observers.

The agenda and supporting papers, if any, must be circulated to Committee members in advance of meetings. At the discretion of the Chair, additional papers may be tabled for discussion at the meeting.

The Company Secretary is the co-ordinator and minute secretary for the Committee. Minutes must be reviewed by the Chair of the Committee and, once approved, circulated to Committee members and posted on the Directors' portal within 21 days of a meeting.

All Board members will be notified when Committee papers or minutes are posted on the Directors' portal.

#### **5. DUTIES AND RESPONSIBILITIES**

##### **Nominations and Succession Planning**

The Committee is responsible for assisting the Board with respect to nomination matters including:

- periodically review the composition of the Board and its Committees taking into account its diversity of skills, experience, expertise, qualifications, gender, age, geographic representation, denominational background, relationships and personal attributes to ensure an appropriate balance is maintained
- ensure Directors and the Board have the capacity to ably fulfil their functions and responsibilities as outlined in the Board Charter
- develop and implement a process (which must include making recommendations to the Board) on the selection, appointment and re-election of Directors to increase the Board's effectiveness



- explore the availability, skills, expertise and possible conflicts of interest of potential Directors and conduct relevant probity checks prior to appointment
- ensure new Directors are provided with Opportunity's Constitution, By-Laws, Board Charter and a Position Description setting out Opportunity's expectations, their responsibilities, rights and the terms and conditions of their appointment
- ensure new Directors participate in an induction program which covers the Board and its committees and Opportunity's strategy, operations, financial and risk management issues
- make recommendations to the Board for the appointment of members to Board Committees
- develop and implement a Board succession plan to maintain an appropriate mix of skills, experience, expertise and diversity on the Board
- provide advice and recommendations for appointments to the Opportunity Council
- review the proposed goals for the CEO and recommend to the Board for consideration
- review and implement the succession plan for the CEO and review management's succession plans for key senior executives.

#### **Performance Evaluation**

The Committee is responsible for assisting the Board with respect to performance evaluation matters including:

- develop and implement a process for an annual evaluation of the performance of the Board, its Committees and Directors as outlined in the Corporate By-Laws
- assess the CEO's performance annually by reviewing achievements against goals, targets and other key performance indicators as determined by the Board.

#### **Remuneration**

The Committee is responsible for assisting the Board with respect to remuneration matters including:

- oversee the development and implementation of Opportunity's remuneration philosophy and practices including a high performance incentive program
- review and recommend annual salary changes and incentives for all employees after receiving recommendations from the CEO
- review and recommend remuneration arrangements applicable to the CEO and senior executives, and
- ensure the remuneration framework and associated policies are reasonable and fair, are in Opportunity's best interests and aligned with its mission and strategy.

#### **Other Responsibilities**

The Committee is responsible for assisting the Board by:

- conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter
- perform any other duty or undertaking that the Board may request from time to time.