



## **Governance Committee**

### **Terms of Reference**

At its meeting on the 24 August 2006 Board resolved to establish a Committee under Division 15.6 of the Constitution of the Big Sky Credit Union Ltd (Credit Union) to exercise the Delegated Powers and to be known as the Governance Committee.

Division 14.3 of the Credit Union's Constitution provides that the Board may delegate any of its powers to any Committee subject to Division 3.2. The Board must establish policies for the guidance of delegates in the exercise of any powers so delegated.

Division 15.6 of the Constitution gives the Board the power to:

- remove from office at any time the members of such Committee;
- add new members or disband any Committee at any time;
- determine the number of members of the Committee which will constitute a quorum for meetings; and
- authorise by resolution the exercise of delegated powers by any two or more of the members of a Committee without holding a formal meeting, in such cases as the Board shall specify.

The Board adopts these Terms of Reference as the terms of reference for the Nominations Committee from the date hereof.

#### **INTERPRETATION**

In this document, unless the context, subject matter or circumstances indicate otherwise:

**Committee** means the Governance Committee established by the Board under Division 15.6 of the Constitution at its meeting on 24 August, 2006.

**Constitution** means the Constitution of the Credit Union dated 28 October 2004 as amended from time to time.

**Credit Union** means the Big Sky Credit Union Ltd.

**Credit Union Law** means any Law of the Commonwealth of Australia relating to credit unions with which the Credit Union must comply.

**Directors** mean Directors of the Credit Union.

**Delegated Powers** means the powers and discretions delegated to the Committee by the Instrument of Delegation.

**Instrument of Delegation** means the instrument of delegation dated 21 September 2006 delegating the Delegated Powers to the Committee.

All other references in these Terms of Reference not specifically defined have the meaning assigned to them under the Constitution.

## **1 OBJECTIVE**

The primary role of the Committee is to oversee all aspects associated with the Credit Union's commitment to good governance and the requirements of APS 510.

The specific functions of the Governance Committee are:

- Reviews the Board's charter and all Board Committees' charters.
- Recommends and reviews the Board renewal policy
- Recommends the Board remuneration policy and remuneration of Directors
- Conducts a rolling review of Board Policies
- Reviews Big Sky's constitution and recommends amendments to the constitution as required.
- Reviews compliance with APS 510
- Reviews senior management succession planning.

## **2 COMPOSITION AND TERM OF MEMBERSHIP**

### **2.1 Number of committee members**

The Committee will be composed of no less than three and no more than four Directors of the Board appointed by a resolution of the Board.

### **2.2 Appointment of Chairperson**

One member of the Committee will be nominated by the Board as Chairperson of the Committee. The Board may annually review the Chairperson's nomination.

Pursuant to Division 15.6(2) of the Constitution, the members of the Committee make the actual appointment of Chairperson.

### **2.3 Term of Office**

The term of any member of the Committee will be three years subject to satisfying an annual fit & proper assessment and Board renewal policy. A Director may nominate for a further term or terms.

## **3 EXERCISE OF DELEGATED POWERS**

### **3.1 Issues to be referred to the Board**

If in the Committee's opinion, a matter arises in the course of exercising the Delegated Powers that warrants the attention of the Board, the Committee will refer it to the Board for direction or a determination.

## **4 PERIODIC REVIEW OF OBJECTIVES AND TERMS OR REFERENCE**

These Terms of Reference may be reviewed annually by the Board, or as required, to ensure that the operation of the Committee meets the Board's requirements.

## **5 MEETINGS**

### **5.1 Meetings**

The Committee will meet if so requested by any member of the Committee and as a minimum, on a quarterly basis each year.

### **5.2 Minutes**

Minutes of the Committee's meetings will be kept and provided in the monthly Board Reports following the Committee meeting.

### **5.3 Report to Board**

The Committee may table a formal report to the Board on its activities when it considers the same to be appropriate.

### **5.4 Resolutions**

Any matters arising at a meeting of the Committee must be determined by a resolution passed by a majority of votes of those present and voting.

Under Division 15.6(5) of the Constitution, the Chair does not have a casting vote in addition to his or her deliberative vote.

## **6 ELECTRONIC MEETING**

If:

- 6.1** the Committee members confer by radio, telephone, closed circuit television, video conferencing facility or other electronic or technological means of audio or audio-visual communications; and
- 6.2** all the Committee members who for the time being are entitled to receive notice of a Committee meeting:
  - a) receive notice of the meeting; and
  - b) have access to the means by which the meeting is to take place;
- 6.3** the fact that a Committee member is taking part in the meeting is known to all other Committee members taking part;
- 6.4** each of the Committee members taking part in the meeting is simultaneously able to hear each of the other Committee members taking part in the meeting; and
- 6.5** no Committee member disconnects or ceases to have access to the Committee member's means of communication or otherwise ceases to take part in the

meeting, unless that committee member makes known to all other Committee members that the Committee member is ceasing to take part in the meeting;

then:

**6.6** the requirements relating to Committee meetings apply to that conference as if:

- (i) it were a Committee meeting; and
- (ii) the Committee members taking part in the meeting were physically present together at the meeting;

**6.7** a resolution passed at that meeting is deemed to have been passed at a meeting of the Committee members present at the same place and held on the day on which and at which the meeting was held; and

**6.8** the meeting is deemed to be held at the place from where the Chair of the meeting participates;

**6.9** until a Committee member makes it known that that Committee member is ceasing to take part in the meeting that Committee member is deemed to be present and to form part of the quorum.

## **7 RESOLUTIONS WITHOUT A MEETING**

The Committee may pass a resolution without a meeting provided the process is in accordance with the provisions of the Constitution and the following procedures are complied with:

- The resolution may be circulated in electronic form;
- Committee members may reply in electronic form;
- It must be signed by all current Committee Members at the earliest opportunity after the resolution has been passed; and
- Can consist of several separate pieces of paper.

Any resolutions made in this manner will be confirmed in the minutes of the Committee at the Committee's next meeting, and will be stored with those minutes.

## **8 PECUNIARY INTEREST AND CONFLICT OF INTEREST**

Any member of the Committee with a pecuniary interest or conflict of interest in any matter being considered by the Committee, must advise the other Committee members of the existence of that pecuniary interest or conflict at the earliest possible opportunity, and will participate in the determination of that matter in accordance with Division 16 of the Constitution.

## **9 SECRETARIAL SUPPORT**

**9.1** A representative of Management of the Credit Union will attend each meeting of the Committee and act as Secretary to the Committee. The Secretary will be responsible for the arrangement of Committee meetings, preparation and

circulation of the agenda, committee papers, preparation of minutes and maintaining records.

**9.2** Other members of Management will attend Committee meetings as and when required by the Committee.

**10 RELIANCE ON PROFESSIONAL ADVICE**

The Committee may seek advice from any of the service providers appointed by the Credit Union to advise the Board on the Management of the Credit Union, to assist it in making any determination.

**11 RECORDS OF THE COMMITTEE**

The Secretary to the Committee must establish and maintain the following records:

The Committee terms of reference as approved by the Board of the Credit Union, together with any variation to those Terms of Reference from time to time;

Dated 21st day of September 2006

**SIGNED** for and on behalf of Big Sky Credit Union Ltd.

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**T Ryan**  
Chief Executive Officer