Royal Australasian College of Surgeons

TERMS OF REFERENCE

Portfolio	**CEO Office**	**Ref. No.**	**TOR-1151**
Department	**Governance Support**		
Title	**Board Governance Remuneration Committee**		

1. Introduction

The Governance Committee (the Committee) is established as a Board Committee, as permitted under the Company's Constitution.

These Terms of Reference outline the role, responsibilities and operating procedures of the Committee, and shall be reviewed by the Board at least every two years.

2. Purpose:

The primary objectives of the Committee are:

2.1 Governance

To ensure that RACS governs in a manner that:

- Provides accountability and transparency;
- Protects the interests of RACS and its stakeholders;
- Supports the achievement of fiduciary, risk, safety, social, and ethical obligations;
- Enhances organisational reputation and standing in the community;
- Oversees performance of the RACS Executive from a governance perspective.

2.2 Nomination

To ensure that RACS adopts board selection, appointment, and review practices that result in a Board:

- With an effective composition, size, mix of skills, experience, and commitment to adequately discharge its responsibilities;
- Oversee and enhance Board effectiveness, and succession planning
- That complies with applicable legislation and enhances organisational value;
- That has a proper understanding of, and competence to address, emerging issues affecting RACS and its entities;
- That effectively reviews and challenges management performance and exercises independent judgment;
- That ensures the independence of Directors and manages conflicts of interest appropriately.

2.3 Remuneration

To recommend to the Board the remuneration of the CEO, review the remuneration policies for ELT as presented by the CEO, and to advise the Board on any allowances for Board or Council activities.

3. Role and Responsibilities

The Committee is responsible for providing advice and recommendations to the Board on governance matters, including:

3.1 Governance Oversight

- Review and recommend updates to the Board Governance Charter, governance policies, , and other governance-related documents including the Code of Conduct, and Conflicts of Interest Policy.
- Ensure adherence to governance best practice.
- Monitor the effectiveness of the Board's governance framework and recommend improvements.

3.2 Nomination

- Maintain and regularly review the Board Skills Matrix to ensure an appropriate mix of skills, experience, and diversity.
- Recommend appointment, election, and reappointment processes for Directors, ensuring alignment with RACS' strategic needs.
- Oversee and facilitate the selection, appointment, and induction of Independent Directors and Additional Fellow Directors.
- Develop a Board succession plan, ensuring renewal while maintaining institutional knowledge and continuity.

3.3 Performance Evaluation

- Oversee and facilitate the annual performance review of the CEO, Board, its committees, and individual Directors.
- Ensure agreed improvement actions from performance evaluations are implemented.
- Assess the ongoing suitability, effectiveness, and contribution of Directors in accordance with Board policies.

3.4 Conflicts of Interest and Ethical Governance

- Maintain oversight of conflicts of interest processes, ensuring compliance with the RACS Conflict of Interest Policy.
- Review and manage Board and Director independence considerations.
- Ensure governance policies uphold ethical and professional standards, including integrity and accountability.

3.5 Board Policies and Governance Documentation

- Review and recommend updates to key governance documents, including:
    - Board Governance Charter
    - Director Code of Conduct
    - Conflict of Interest Policy
    - Board and Committee Terms of Reference
- Ensure alignment of policies with best practice corporate governance.

3.6 Risk and Compliance

- Work with the Finance, Audit, and Risk Committee to ensure governance structures support risk management, compliance, and accountability.
- Monitor adherence to governance and reporting requirements under the Corporations Act, ACNC regulations, and other applicable frameworks.

4. Authority

The Committee is authorised by the Board to:

- Investigate any governance-related matters within its terms of reference.
- Access independent expert advice (with Board approval) on governance, legal, and regulatory matters.
- Request reports or information from the CEO, Board, or staff to perform its duties.

The Committee has an advisory role and does not have decision-making authority unless specifically delegated by the Board.

5. Membership

5.1 Composition

The Committee will comprise at least three (3) and no more than five (5) members, including:

- The Board Chair, who will not serve as Committee Chair.
- At least one (1) Independent Director.
- At least one (1) Additional Fellow Director.
- The Committee may appoint an independent governance expert or non-Director Fellow to support its work.
- A majority of Committee members must be Directors.

The Chair will be appointed by the Board from the committee members and must have suitable governance experience.

5.2 Appointment and Terms

- Apart from the Board Chair, terms of members will be determined by the Board.
- The Board retains the right to remove or replace any Committee member at its discretion.
- Committee members must have relevant governance qualifications and experience to fulfill the Committee's responsibilities effectively.

6. Meetings and Operations

6.1 Frequency of Meetings

- The Committee will meet at least three times per year and additionally as required.
- Special meetings may be convened at the request of the Board, Committee Chair, or CEO.

6.2 Agenda and Minutes

- The Committee Secretary (appointed by the Board) will prepare and circulate agendas and papers at least five working days before each meeting.
- The Committee Secretary will draft minutes within two working days and circulate them for approval within five working days.
- Finalised minutes will be ratified at the next Committee meeting and provided to the Board.

6.3 Quorum

- A quorum requires at least half of the Committee members to be present.
- If a quorum is not met, decisions must be **ratified at the next meeting**.

6.4 Decision-Making

- The Committee makes recommendations to the Board and does not have independent decision-making authority.
- Decisions should be made by consensus. If consensus cannot be reached, the Chair may put the matter to a majority vote.

6.5 Attendance

- Committee members are expected to attend all meetings in person or via appropriate technology.
- The CEO and Board Secretary are standing invitees but do not have voting rights.

6.6 Out-of-Session Decisions

- For urgent matters, the Committee Chair may:
    - Call a special meeting.
    - Seek approval out of session via email (with majority agreement).
    - Provide an interim response on behalf of the Committee, to be ratified at the next meeting.

7. Reporting

- The Committee reports directly to the Board.
- The Committee Chair, supported by the Committee Secretary, will provide a written report to the Board following each meeting.
- The Committee will review its performance annually and report findings to the Board.

8. Confidentiality and Conflicts of Interest

- Committee members must treat all non-public information as confidential, in line with RACS policies.
- Conflicts of interest must be disclosed at the start of each meeting and recorded in the minutes.
- Significant conflicts must be managed as per the Conflict of Interest Policy and, where necessary, referred to the Board.

9. Review of Terms of Reference

These Terms of Reference will be reviewed biennially and updated as required to reflect governance best practices and organisational needs.

Approver: Council

Authoriser: Council