

**Part One: Definition of the Roles and Responsibilities of the Board and Management**

Explanation: The need to recognise and publish the respective roles and responsibilities of the board and management, and to have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties

UTS CCG	OECD	ACSI	ASX	IFSA	SA
<b>Is there a clear and enumerated separation of board and management powers and responsibilities?</b>	<p>The board should fulfil certain key functions, including:</p> <p>1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures.</p>	<p>The implementation of business strategies requires Boards to determine the functions to undertake itself and those to delegate to management, and that such delegations should be documented. It is reasonable to expect complex and time intensive functions to be allocated to professional executive managers within the Corporation.</p>	<p>It is suggested that the board adopt a formal statement of matters reserved to review the respective roles and the functions and responsibilities of the board and management. Another alternative is a formal statement of delegated authority to management.</p>	<p>The board should at least annually allocate of responsibilities between the the board and management.</p>	<p>The governance requirements created by the entity’s operations need to be identified, managed and where necessary policies and procedures established. The starting point in this process should be consideration of to whom the board owes its responsibility. Managers and their responsibilities on governance issues should also be identified.</p>
<p>OECD V D(1) ACSI 2.1 ASX P1 &amp; P7 SA 2.3.1 &amp; 3.2.3 IFSA 8.2.12</p>	<p>2. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.</p>	<p>Although the Board will generally not be involved in the day-to-day management of a Corporation, the Board must maintain control of the Corporation with a clear allocation of responsibilities reserved for Board decision.</p>	<p>The board or appropriate board committee should establish policies on risk oversight and management.</p>		<p>The Governance Policy should specify the responsibilities of the board.</p>
	<p>3. Reviewing key executive and board remuneration, and ensuring a formal and transparent board nomination process.</p>	<p>Such allocation of responsibilities must be clearly documented.</p>	<p>The policies should clearly describe the roles and respective accountabilities of the board, audit committee (or other appropriate board committee), management and any internal audit function.</p>		
	<p>4. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.</p>				
	<p>5. Ensuring the integrity of the corporation’s accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for monitoring risk, financial control, and compliance with the law.</p>				
	<p>6. Monitoring the effectiveness of the governance practices under which it operates and making changes as needed.</p>				
	<p>7. Overseeing the process of disclosure and communications.</p>				



**Do non-executive or independent directors meet independently of the executive board members?**

The board should be able to exercise objective judgement on corporate affairs independent, in particular, from management.

The independent Directors should also be able to hold meetings without executive and affiliated Non-Executive Directors, the CEO and staff being present.

All directors should bring an independent judgement to bear in decisionmaking.

The non-executive members of the board should consider meeting separately from the chief executive officer and executive directors periodically.

OECD V E(1)  
ACSI 8  
ASX 2.1  
SA 3.2.4(e)

To facilitate this, there should be a procedure agreed by the board for directors to take independent professional advice if necessary, at the company's expense.

Non-executive directors should consider the benefits of conferring regularly at scheduled sessions without management present. Their discussions can be facilitated by the chairperson or lead independent director.

**Does the board have a charter of corporate governance demonstrating and outlining its commitment to sound corporate governance?**

A Board should articulate the Corporation's commitment to corporate governance - by developing a Board charter on corporate governance.

Entities should develop and implement a Governance Policy to assist the board and senior management to deal with the increasing governance demands. Such a policy should include a clear statement of the entity's commitment to effective governance and cover all of the common elements that underlie good corporate governance.

SA 2.2.2  
ACSI 1

Such a statement should confirm compliance with relevant Corporations Acts, regulations, ASX listing rules on corporate governance and generally accepted accounting practices and standards, but should also articulate the Corporation's commitment to ethical standards in business which supplement these regulatory requirements.

**Is there a policy regulating the number of directorships held by members of the board?**

Board members should devote sufficient time to their responsibilities.

In general terms, it would be prudent if a Director did not hold more than four directorships in ASX-listed Corporations.

Individual directors must commit an appropriate amount of time to board matters and, where appointed, to relevant board committees. It will be appropriate to limit the number of board positions held in order to ensure that the individual fulfils their duties to each particular company.

OECD V E(2)  
ACSI 2.2  
IFSA 8.2.4

**Is the position of CEO separate from that of the Chair?**

A CEO of an ASX listed Corporation, with significant responsibilities and time constraints, should generally not become a Non-Executive Director of another major listed Corporation.

The roles of chairperson and chief executive officer should not be exercised by the same individual.

The chairperson should be an independent director.

The board chairperson should be independent of management (unless there are compelling reasons due to the nature of the entity to the contrary).

ACSI 2.2, 10  
ASX 2.3  
IFSA 8.2.5  
SA 3.2.4(b)

There needs to be a clear division of responsibility at the head of the company.

The division of responsibilities between the chairperson and the chief executive officer should be agreed by the board and set out in a statement of position authority.

The chief executive officer should not go on to become chairperson of the same company.

**Is the Chair of the board different to the chairs of the board committees?**

Individual directors must commit an appropriate amount of time to board matters and, where appointed, to relevant board committees.

IFSA 8.2.4

**Does the corporation encourage ongoing training and education of directors?**

Directors should have access to training from independent sources outlining their Directors' responsibilities and liabilities.

The board of directors of a listed company should be comprised of competent individuals who have the requisite skills and experience to fully discharge their duties. It is important to ensure that the board as a whole has the necessary breadth of experience and diversity of skills to ensure that it can discharge its functions.

The system of governance should include appropriate practical education and training for the board and senior management. Training programmes should cover all relevant aspects of corporate governance.

For example, the entity may choose to instigate a director's induction programme as well as some form of ongoing training for directors; a continuous disclosure awareness programme for directors and senior management within a listed company, information sessions relating to regulatory changes, etc.

ACSI 5  
SA 2.4.1, 3.2.6  
IFSA 8.2.2

The board should review and disclose in the annual report its required mix of skills, experience and other qualities, including the core competencies which each director brings to the board.

Continuous education and professional development programmes should be made available to directors, as necessary.

**Part Two: Promotion of Ethical and Responsible Decision Making**

Explanation: To actively promote ethical and responsible decision-making

UTS CCG	OECD	ACSI	ASX	IFSA	SA
<p><b>Are members of the board provided with free access to company information?</b></p>	<p>In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information.</p>	<p>[Directors] should have reasonable access to the Corporation’s employees, information and resources and be able to obtain independent professional or other advice at reasonable cost to the Corporation.</p>	<p>The board should be provided with the information it needs to efficiently discharge its responsibilities. In particular it is important that:</p> <ul style="list-style-type: none"> <li>• there be a procedure agreed by the board for directors to take independent professional advice if necessary, at the company’s expense</li> <li>• all directors have access to the company secretary</li> <li>• the appointment and removal of the company secretary be a matter for decision by the board as a whole.</li> </ul> <p>Management should supply the board with information in a form, timeframe and quality that will enable the board to effectively discharge its duties.</p> <p>Directors should be entitled to, and prepared to request, additional information where they consider that the information supplied by management is insufficient to support informed decision-making.</p>		<p>Board members and board committee members should be entitled to obtain certain resources and information from the entity, including direct access to employees and advisers to the entity, as considered appropriate.</p>

OECD V F  
ACSI 5  
ASX 8.1

<p><b>Can directors obtain independent legal (or other) advice relating to company matters at no expense to themselves?</b></p>	<p>The contributions of non-executive board members to the company can be enhanced by providing access to certain key managers within the company such as, for example, the company secretary and the internal auditor, and recourse to independent external advice at the expense of the company.</p>	<p>[Directors] should have reasonable access to the Corporation’s employees, information and resources and be able to obtain independent professional or other advice at reasonable cost to the Corporation.</p>	<p>All directors should bring an independent judgement to bear in decisionmaking. To facilitate this, there should be a procedure agreed by the board for directors to take independent professional advice if necessary, at the company’s expense.</p>	<p>Committees of the board of directors should be entitled to obtain independent professional or other advice of their choice at the reasonable cost of the company.</p>
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OECD V F  
ACSI 5  
ASX 2.1  
IFSA 8.2.6  
SA 3.2.13



**Does the board consist of members with a broad skill base obtained from a variety of experience and backgrounds?**

Boards should actively seek to harness experience and skills available in the community from people with diverse backgrounds taking into account age, cultural and business backgrounds and gender.

Corporate performance is enhanced when there is a board with the appropriate competencies to enable it to discharge its mandate effectively. An evaluation of the range of skills, experience and expertise on the board is therefore beneficial before a candidate is recommended for appointment. Such an evaluation enables identification of the particular skills, experience and expertise that will best complement board effectiveness.

The board of directors of a listed company should be comprised of competent individuals who have the requisite skills and experience to fully discharge their duties. It is important to ensure that the board as a whole has the necessary breadth of experience and diversity of skills to ensure that it can discharge its functions.

The board should ensure that, collectively, it has the appropriate level of skills and experience required to properly fulfil its responsibilities.

ACSI 3  
ASX 2.4  
IFSA 8.2.2  
SA 3.2.6

**Does the board have a policy of establishing and maintaining a culture of good corporate governance throughout the entity as a whole beyond mere legal compliance?**

A Board should articulate the Corporation's commitment to corporate governance - by developing a Board charter on corporate governance.

Such a statement should ... also articulate the Corporation's commitment to ethical standards in business which supplement these regulatory requirements.

The board and senior management should strive to achieve a culture of good governance within the entity and resist the temptation to merely meet legal requirements. The entity's governance policies and practices should be publicized in such a way as to be widely understood by everyone in the entity and become a normal part of everyday organizational practice.

ACSI 1  
SA 2.4.2 & 3.2.8

The board should approve a written Code of Conduct.

The Code of Conduct should set out ethical and behavioural expectations for both directors and employees. It is critical that both the board and the senior management team demonstrate, through both their words and actions, absolute commitment to that Code and consistency in its execution. Only in this manner can a culture of good governance be established within the entity.



**Part Three: Safeguard Integrity in Financial Reporting and Offer Timely and Balanced Disclosure**

Explanation: To have a structure to independently verify and safeguard the integrity of the company's financial reporting and to promote timely and balanced disclosure of all material matters concerning the company

UTS CCG	OECD	ACSI	ASX	IFSA	SA
<p><b>Does the corporation's disclosure policy include disclosure of material information relating to the financial and operating results of the corporation; major share ownership and voting rights; as well as material foreseeable risk factors?</b></p>	<p>Disclosure should include, but not be limited to, material information on the financial and operating results of the company; major share ownership and voting rights; and material foreseeable risk factors.</p>		<p>The company must put in place mechanisms designed to ensure compliance with the ASX Listing Rule requirements such that all investors have equal and timely access to material information concerning the company – including its financial situation, performance, ownership and governance.</p>	<p>Information about beneficial shareholdings obtained by companies in response to their inquiries should be immediately disclosed to the market.</p>	<p>The system of governance should ensure that timely and accurate disclosure is made on all material matters regarding the entity, including the ownership, governance, financial situation and performance of the entity.</p>
<p>OECD IV A SA 3.3.1 ASX 5 IFSA 8.2.15</p>					
<p><b>Does the corporation disclose non-audit services obtained from its auditors?</b></p>		<p>ACSI considers that an audit firm can provide a limited range of non-auditing services, provided that the fees paid for non-audit work and the level and nature of non-auditing work performed is disclosed in the Financial Reports of the Corporation.</p>			
<p>ACSI 17</p>					
<p><b>Are members of the board and managers required to disclose any material transactions or matters affecting the corporation?</b></p>	<p>Members of the board and managers should be required to disclose any material interests in transactions or matters affecting the corporation.</p>	<p>Corporations should ensure that they properly disclose all related party transactions in accordance with the Corporations Act and Listing Rule requirements.</p>			<p>Where a director becomes aware of a conflict of interest or note, that member should formally declare the conflict and accept the guidance of the board.</p>
<p>OECD II C ACSI 3.3 SA 3.2.4(c)</p>					
<p><b>Does the corporation disseminate information in a manner that provides for fair, timely and cost-efficient access to relevant information?</b></p>	<p>Channels for disseminating information should provide for fair, timely and cost-efficient access to relevant information by users.</p>		<p>[The Company must] promote timely and balanced disclosure of all material matters concerning the company.</p>		<p>The system of governance should ensure that timely and accurate disclosure is made on all material matters regarding the entity, including the ownership, governance, financial situation and performance of the entity.</p>
<p>OECD IV D ASX 5 SA 3.3.1</p>					<p>Channels for disseminating information should provide for fair, timely and cost-efficient access to relevant information by users.</p>

**Part Four: Respect the Rights of Shareholders and Interests of Stakeholders**

Explanation: To respect the rights of shareholders and facilitate the effective exercise of those rights. To recognise the legal and other obligations to all legitimate stakeholders.

UTS CCG	OECD	ACSI	ASX	IFSA	SA
<p><b><i>Do the directors have reasonable access to the corporation's employees, information, resources, and have access to independent professional advice at no cost to themselves?</i></b></p>	<p>[Directors] should have reasonable access to the Corporation's employees, information and resources and be able to obtain independent professional or other advice at reasonable cost to the Corporation.</p>	<p>The board should be provided with the information it needs to efficiently discharge its responsibilities. In particular it is important that:</p> <ul style="list-style-type: none"> <li>• there be a procedure agreed by the board for directors to take independent professional advice if necessary, at the company's expense</li> <li>• all directors have access to the company secretary</li> <li>• the appointment and removal of the company secretary be a matter for decision by the board as a whole.</li> </ul> <p>Management should supply the board with information in a form, timeframe and quality that will enable the board to effectively discharge its duties.</p> <p>Directors should be entitled to, and prepared to request, additional information where they consider that the information supplied by management is insufficient to support informed decision-making.</p>	<p>One or more non-executive directors should be entitled, with the approval of the chairperson to obtain independent professional or other advice of their choice at the reasonable cost of the company.</p> <p>One or more non-executive directors should be entitled, with the approval of the chairperson to obtain such resources and information from the company, including direct access to the employees and advisers to the company, as they may require.</p>	<p>Board members and board committee members should be entitled to obtain certain resources and information from the entity, including direct access to employees and advisers to the entity, as considered appropriate.</p>	

ACSI 5  
ASX 8.1  
IFSA 11.9  
SA 3.2.13

***Does the corporation have a system in place for detecting, recording and dealing with governance breaches and complaints, including those received from regulators, shareholders and auditors?***

The Board should establish a process to ensure that corporate governance issues, especially corporate governance failures and weaknesses, are properly and regularly evaluated and managed by the Corporation.

The entity should develop and maintain a system for detecting, recording and dealing with governance breaches and complaints, including those received from regulatory authorities, shareholders, auditors, etc. All governance breaches need to be classified and investigated to determine their cause and reduce the chance of recurrence.

ACSI 1  
SA 2.3.3



**Are shareholders furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting?**

Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings.	Appropriate notice of shareholder meetings, including notice concerning any change in meeting date, time, place or shareholder action, should be given to shareholders in a manner and within time frames that will ensure that shareholders have a reasonable opportunity to exercise their vote.	A company should empower its shareholders by: <ul style="list-style-type: none"> <li>• communicating effectively with them</li> <li>• giving them ready access to balanced and understandable information about the company and corporate proposals</li> <li>• making it easy for them to participate in general meetings.</li> </ul>	Companies must ensure that appropriate information is provided to investors to permit shareholders to make informed decisions on whether to support the election of nominated directors.	The annual report, notice of meeting and other documents for all shareholder meetings should be sent to shareholders at least 28 days prior to the meeting.
Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting.			Notices of meeting and company resolutions should be in plain English and in a manner which permits shareholders to make informed decisions. Notices of meeting should be posted on the company website. Separate issues should not be combined and presented as a single motion for shareholder vote.	Separate issues should not be combined but should be presented as a single motion for shareholder vote.

OECD I C (1)  
ACSI 14.2  
ASX P6  
IFSA 11.8 & 11.14.1  
SA 3.2.9.2.1 & 3.2.9.2.3

**Are shareholders encouraged to ask questions at general meetings?**

Opportunity should be provided for shareholders to ask questions of the board and to place items on the agenda at general meetings, subject to reasonable limitations.	Polls should remain open at shareholder meetings until all agenda items have been discussed and shareholders have had the opportunity to ask and receive answers to questions concerning them.	[A company must] design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.
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OECD I C(2)  
ACSI 14.2  
ASX 6.1

**Is technology utilised to facilitate non-traditional methods of shareholder participation at meetings?**

The objective of broadening shareholder participation suggests that companies consider favourably the enlarged use of technology in voting, including telephone and electronic voting.	Corporations are encouraged to hold shareholder meetings by remote communication (ie. electronic meetings) only as a supplement to traditional in-person shareholder meetings and not as a substitute.	Companies should consider how best to take advantage wherever practicable of new technologies that provide: <ul style="list-style-type: none"> <li>• greater opportunities for more effective communications with shareholders</li> </ul>	Appropriate forms of technology should be utilised to facilitate the proxy voting process.	Appropriate forms of technology should be utilized to facilitate the proxy voting process.
The increased importance of foreign shareholders suggests that on balance companies ought to make every effort to enable shareholders to participate through means which make use of modern technology.	Corporations should utilise appropriate forms of technology to facilitate electronic voting.	<ul style="list-style-type: none"> <li>• improved access for shareholders unable to be physically present at meetings.</li> </ul>		

OECD I C(3)  
ACSI 14.2  
ASX 6.1  
IFSA 11.14.4  
SA 3.2.9.2.4



***Does the corporation supply sufficient information to enable stakeholders to participate in the corporate governance process?***

Where stakeholders participate in the corporate governance process, they should have access to relevant information.

A company should empower its shareholders by:

- communicating effectively with them
- giving them ready access to balanced and understandable information about the company and corporate proposals
- making it easy for them to participate in general meetings.

OECD III D  
ASX 6

***Does the corporation have a policy promoting or encouraging stakeholders' participation in corporate governance?***

The corporate governance framework should permit performance-enhancing mechanisms for stakeholder participation.

A company should empower its shareholders by:

- communicating effectively with them
- giving them ready access to balanced and understandable information about the company and corporate proposals
- making it easy for them to participate in general meetings.

OECD III C  
ASX 6

**Part Five: Encourage Enhanced Performance**

Explanation: To fairly review and actively encourage enhanced board and management effectiveness.

UTS CCG	OECD	ACSI	ASX	IFSA	SA
<p><b>Are all directors given an induction at the commencement of their directorship so as to convey the company's general expectations about the workload associated with a directorship?</b></p>		<p>Boards should convey to prospective and current Directors their general expectations about the workload associated with a directorship on the Board.</p>	<p>The company should implement induction procedures designed to allow new board appointees to participate fully and actively in board decision-making at the earliest opportunity.</p> <p>An induction program should be made available that enables directors to gain an understanding of:</p> <ul style="list-style-type: none"> <li>• the company's financial, strategic, operational and risk management position</li> <li>• their rights, duties and responsibilities</li> <li>• the role of the board committees.</li> </ul>	<p>Non-executive directors should undergo a formal system approved by the board of orientation and education on the business of the company and the workings of the board and its committees. The system should be both documentary and practical and include meeting appropriate executives.</p>	<p>Directors should undertake appropriate induction training on appointment.</p> <p>Continuous education and professional development programmes should be made available to directors, as necessary.</p>

ACSI 2.2  
ASX 8.1  
IFSA 11.9  
SA 3.2.7

<p><b>Is the effectiveness of the corporation's corporate governance practice reviewed or reviewable?</b></p>	<p>The board should fulfil certain key functions, including monitoring the effectiveness of the governance practices under which it operates and making changes as needed.</p>	<p>The Board should establish a process to ensure that corporate governance issues, especially corporate governance failures and weaknesses, are properly and regularly evaluated and managed by the Corporation.</p>	<p>The performance of the board and key executives should be reviewed regularly against both measurable and qualitative indicators.</p>	<p>The board should develop a formal performance evaluation process. The board should review its performance and the performance of individual directors, the company and management regularly. As a key part of that process, the independent directors should meet on their own at least once annually to review performance.</p>	<p>Elements of the governance system should be regularly monitored and its performance evaluated. A strategy for continual monitoring should be established, setting out internal and external monitoring processes and outlining resources required and time schedules.</p> <p>A review of the elements of the system of governance is necessary on a regular basis to ensure that it remains effective in meeting shareholder and/or other stakeholders' requirements.</p> <p>The board should regularly review and assess its own performance and the performance of individual directors and that of its committees.</p>
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OECD V D(6)  
ACSI 1  
ASX 8.1  
IFSA 11.10  
SA 2.4.3, 2.4.4 & 3.2.13



UTS CCG	OECD	ACSI	ASX	IFSA	SA
<b>Does the board have a sufficient number of non-executive directors capable of exercising independent judgment?</b>	Boards should consider assigning a sufficient number of non-executive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest.	A Board should be comprised of a majority of Independent Non-Executive Directors who are sufficiently motivated and equipped to fulfil the function of independent scrutiny of the Corporation's activities.		The board of directors of a listed company should be constituted with a majority of individuals who qualify as independent directors	The majority of directors should be independent of the management team, substantial shareholders and any commercial dealings with the entity.
OECD V E(1) ACSI 3.1 IFSA 11.3 SA 3.2.4(a)					

<b>Are directors required to demonstrate a certain level of available time, business experience and acumen, and qualifications prior to being awarded a directorship?</b>	Board members should devote sufficient time to their responsibilities.	Boards should actively seek to harness experience and skills available in the community from people with diverse backgrounds taking into account age, cultural and business backgrounds and gender.	Corporate performance is enhanced when there is a board with the appropriate competencies to enable it to discharge its mandate effectively. An evaluation of the range of skills, experience and expertise on the board is therefore beneficial before a candidate is recommended for appointment. Such an evaluation enables identification of the particular skills, experience and expertise that will best complement board effectiveness.	It is ... vital that the board is appropriately comprised of competent, committed individuals who have the relevant skills and experience in order to ensure the board exercises its proper functions.  All individuals must be capable of meeting the high standards of behaviour imposed on directors through the Corporations Act. It is also necessary for the board to be composed of individuals with diverse and complementary skills to ensure that there is enough breadth of experience for the particular circumstances of the company.	The board should ensure that, collectively, it has the appropriate level of skills and experience required to properly fulfil its responsibilities.  Directors should also have the appropriate personal qualities such as loyalty, honesty, the courage to ask tough questions, etc.
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OECD V E(2)  
ACSI 3  
ASX 2.4  
IFSA 11.2  
SA 2.4.1 & 3.2.6

**Part Six: Recognise and Manage Risk**

Explanation: To establish a sound system risk oversight and management and internal control.

UTS CCG	OECD	ACSI	ASX	IFSA	SA
<p><b>Has the board effective oversight of the establishment and review of the company's risk management system? Is the risk profile of the company regularly reviewed and updated? Does the board audit committee oversee the scope of the internal audit, and have access to the internal audit function without the presence of management? Does the CEO and CFO report in writing to the board that financial statements are founded on a sound system of risk management and the internal compliance and controls system is operating efficiently and effectively?</b></p>	<p>The board should fulfill certain key functions including ensuring the integrity of the corporation's accounting and financial reporting systems, including independent audit, and that appropriate systems of control are in place, in particular, systems for monitoring risk, financial control, and compliance with the law.</p>	<p>The audit committee assists the board to discharge its responsibilities in connection with the financial management, financial performance and financial reporting of the Corporation. This includes undertaking an appropriate risk assessment and the system of internal control preparing the Corporation's financial statements and ensuring the independence of the Corporations auditor and the quality of the audit. The audit committee should discuss matters with the external and internal auditors in the absence of management and Executives Directors.</p>	<p>Risk oversight and management policies should clearly describe the roles and accountabilities of the board, audit committee, management and any internal audit functions. They should include the following components: oversight; risk profile; risk management; compliance and control; and assessment of effectiveness. It is part of the board's oversight role to oversee the establishment and implementation of the risk management system. And to review at least annually the effectiveness of the company's implementation of that system.</p>	<p>The audit committee should assist the board to discharge its responsibilities in connection with the financial management, financial performance and financial reporting of the company, including corporate risk assessment and the system of internal control, preparing the company's financial statements and the independence of the company's auditors and the quality of the audit. It is appropriate for the audit committee to discuss matters with the external and internal auditors in the absence of management, including executive directors. This will provide assurance that the external and internal auditors are not inhibited by the presence of senior management from raising matters with the committee.</p>	<p>The board should ensure that risks facing the entity have been identified, assessed and the that the risks are being properly managed.</p>

- OECD V.5
- ACSI 11.1
- ASX 7.1
- IFSA 11.7.1
- SA 3.2.3.1 (d)



## Part Seven: Remunerate Fairly and Responsibly

Explanation: To ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined.

UTS CCG	OECD	ACSI	ASX	IFSA	SA
<p><b>Does the corporation determine executive remuneration by reference to performance indicators that encourage long-term decision making and commitment?</b></p>		<p>The [Remuneration] Committee should ensure that it promotes clear and understandable remuneration methodologies that support superior performance and the long-term growth of shareholder value.</p>	<p>The company should design its remuneration policy in such a way that it:</p> <ul style="list-style-type: none"> <li>• motivates directors and management to pursue the long-term growth and success of the company within an appropriate control framework</li> <li>• demonstrates a clear relationship between key executive performance and remuneration.</li> </ul>	<p>The board of directors of every corporation should explicitly assume responsibility for the stewardship of the corporation including setting of remuneration policy which incorporates appropriate performance hurdles.</p>	<p>While the board determines the chief executive officer's remuneration, it ought to ensure that the remuneration for the senior management team (usually those executives that report directly to the chief executive officer) also reflects individual and business performance and that there is a coherent remuneration policy in place that is being observed.</p>
<p>ACSI 11.2 &amp; 13 ASX 9.2 IFSA 11 SA 3.2.3.2</p>		<p>In broad terms, a properly structured remuneration scheme for executives should:</p> <ul style="list-style-type: none"> <li>• be reasonable in creating executive wealth in a manner that is consistent with shareholder aspirations;</li> <li>• be measurable against key corporate performance indicators;</li> <li>• be sufficiently market oriented, within levels of comparability for similar peer group Corporations in the context of industry, size and business focus;</li> <li>• be properly and comprehensively described to shareholders;</li> <li>• separately outline details relating to fixed remuneration bonuses and incentives and share scheme arrangements;</li> <li>• be fully disclosed and valued in accordance with regulatory requirements;</li> <li>• be expensed in the Corporation's financial statements;</li> <li>• be approved by shareholders.</li> </ul>	<p>Executive remuneration packages should involve a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the company's circumstances and goals.</p> <p>A proportion of executive directors' remuneration should be structured in a manner designed to link rewards to corporate and individual performance.</p>		

**Does the corporation's disclosure policy include disclosure of material information relating to members of the board and key executives, and their remuneration (including options hedging) and material issues regarding employees and other stakeholders?**

Disclosure should include, but not be limited to, material information on: members of the board and key executives, and their remuneration; and material issues regarding employees and other stakeholders.

There should be full disclosure by the Corporation of each Director's expertise and experience.

[A company must] provide disclosure in relation to the company's remuneration policies to enable investors to understand (i) the costs and benefits of those policies and (ii) the link between remuneration paid to directors and key executives and corporate performance.

In particular, appropriate disclosure will provide shareholders, in an easily understood format, with the information they need to know on the quantum and components of remuneration in comparison with the performance of the company and the stated policies of the board.

Disclosure should include material information on members of the Board and key executives, and their remuneration, and material issues regarding employees and other stakeholders.

OECD IV A  
ACSI 3 & 13  
ASX 9.1  
IFSA 11.13  
SA 3.3.1

ACSI supports the inclusion of a remuneration report in the Corporation's Annual Report as an effective mechanism of disclosure for interested investors. The report should outline all key aspects regarding the determination of remuneration policy, in particular the linkage between the policy and performance in the interests of promoting long term shareholder value.

**Does the corporation disclose all aspects (ie value and expense) of remuneration paid to executives?**

It is of critical importance that all elements of remuneration, including all fixed and variable components, are properly disclosed, valued and expensed.

The corporate governance statement of the annual report should contain ... the amount of remuneration, and all monetary and non-monetary components, for each of the five highest-paid (non-director) executives during the year (discounting accumulated entitlements), and for all directors. This disclosure would include, for example ... the value of shares issued and options granted, according to an established and recognised method of valuation

All components of remuneration should be disclosed including cash salary and bonuses, shares or options granted and any other long term payments or other compensation.

ACSI 13.2  
ASX 9.1  
IFSA 11.13

