



**Telecommunications
Industry
Ombudsman**

CHARTER

TIO Board Nominations Committee

Date: 12 November 2019

TIO Board Nominations Committee Charter

Introduction

This Charter has been adopted by the Board of Directors of Telecommunications Industry Ombudsman Limited (**TIO Limited** or **Company**) to assist the TIO Board Nominations Committee in the exercise of the Committee's functions and responsibilities.

The principles and policies set out in this Charter are in addition to and are not intended to change or interpret any laws or the application of the company constitution of TIO Limited (**TIO Constitution**).

1. Purpose

- (1) The role of the TIO Board Nominations Committee is to identify and recommend to the Board persons to fill vacant Board positions in accordance with the TIO Constitution.¹
- (2) The Committee may also undertake any other activities consistent with this Charter that the Board considers appropriate.
- (3) The Committee is not a policy making body.

2. Responsibilities

- (1) The Committee's responsibilities include:
 - (a) Determining the process for recruitment for the following positions:
 - (i) Independent Director with commercial governance experience.
 - (ii) Independent Director with not-for-profit governance experience.
 - (iii) Directors with Consumer Experience.
 - (iv) Directors with Industry Experience.
 - (b) If considered appropriate, recommending to the Board the engagement of independent consultants to support the selection process.
 - (c) Following the instructions of the Board, including applying duty statements and selection criteria for vacant Board positions, with respect to any recruitment process undertaken for the Company.
 - (d) Interviewing and recommending to the Board suitable candidates for any vacant Board positions referred to in clause 2(1)(a).
 - (e) Other responsibilities as set out in clause 12.2 of the TIO Constitution, including, if requested by the Board, to identify and recommend to the Board a person to act as the Independent Chair.
- (2) The responsibilities of Committee members who are Directors of TIO Limited are in addition to those of a Director of the Board of TIO Limited.
- (3) In performing its responsibilities the Committee acts at all times:

¹ For ease of reference an extract of the relevant provisions of the TIO Constitution is attached to this Charter.

- (a) In the best interests of TIO Limited as a whole, irrespective of individual members' personal, professional, commercial or other interests, loyalties or affiliations.
 - (b) In accordance with the duties and obligations imposed by the TIO Constitution and by law.
 - (c) In a manner that is consistent with this Charter and with the overall business objectives and the Role, Vision and Values of TIO Limited.
- (4) In recommending to the Board suitable candidates for any vacant Board position, the Committee must take the points below into account:
- (a) It is the intention of the Board, as expressed in the TIO Board of Directors Charter, that collectively Directors will bring the skills, expertise, and experience to enable the Company to understand the needs of consumers, the telecommunications industry and effective dispute resolution. This intention is consistent with the adoption in the Company's constitution of a governance model in which the Board reflects the make-up of the industry, the experience of consumers accessing telecommunications and knowledge of (or ability to acquire knowledge of) dispute resolution issues.
 - (b) In accordance with the Company's constitution, all appointments of Directors by the Board are to be based on merit and on criteria including the specific criteria stated in the constitution².
 - (c) The TIO scheme is an industry ombudsman scheme which means it features a direct relationship between the Company and the industry which it serves. In appointing Directors With Industry Experience, expertise in the telecommunications industry and the capacity and willingness to consult with Members are specified criteria³. The Board has stated in the TIO Board of Directors Charter its intention that the application of the appointment criteria will mean that between them Directors With Industry Experience will have backgrounds which recognise:
 - (i) the make-up of the industry and that the pattern of complaints to the TIO scheme invariably reflects that a large majority of telecommunications retail end consumers obtain services from a small number of large Members; and
 - (ii) the large number of smaller providers with diverse business models and service offerings.

3. Composition

- (1) The Committee comprises the Independent Chair and the following people appointed to the Nominations Committee by the Board:
- (a) One Director with Consumer Experience.
 - (b) One Director with Industry Experience.
 - (c) One person nominated by a peak group representing users of telecommunications services or public interest issues relevant to telecommunications services.
 - (d) One person nominated by a peak group representing the telecommunications industry.

² See company constitution, clauses 12.3-12.6

³ See company constitution, clause 12.4(b)(i)

- (2) The Independent Chair of the Board is the Chair of the Committee.
- (3) Members of the Committee, other than the Independent Chair of the Board of TIO Limited, are appointed and replaced by the Board at the Board's discretion.
- (4) If the Committee is considering a Board position for which a Committee member is or may be a candidate for appointment or re-appointment:
 - (b) The Board will appoint a different Director to replace that Committee member in relation to any consideration by the Committee of that Board position.
 - (c) If the Independent Chair is replaced in this way, the Board will select an Independent Director to replace the Independent Chair and that person will act in the role of Chair of the Committee in relation to any consideration by the Committee of that Board position.
- (5) The Board may make an appointment to the Committee conditional on the Committee member executing an enforceable undertaking (in the form required by the Board) to fulfil the roles and responsibilities of a member of the Committee.

4. Meetings

- (1) The Committee schedules its meetings to ensure timely appointments to vacancies on the Board, with as many meetings as the Chair of the Committee decides are required in order to fulfil its duties.
- (2) A quorum consists of a majority of members.
- (3) Decision making:
 - (a) Subject to clauses 4(3)(b) and 4(3)(d), in accordance with the TIO Constitution (clause 14.5), questions arising at any meeting will be determined by a majority of votes of the Committee members present and, in the event of an equality of votes, the Chair of the Committee will not have a second or casting vote, and the motion will be lost.
 - (b) The Committee's recommendation of a candidate to fill a vacant Board position must be unanimous except where a unanimous recommendation cannot be reached after thirty days of deliberation in which case the two Independent Directors will temporarily sit on the Committee for the purpose of reaching a recommendation supported by at least five out of the seven members of that extended Committee.
 - (c) Where the Committee still cannot reach a recommendation of a candidate to fill a vacant Board position after a further thirty days of deliberation then clause 4(3)(d) applies.
 - (d) If the decision making process described in this Charter does not result in the Committee making a recommendation, or for any reason cannot be followed (including where the Committee cannot be constituted in accordance with clause 3, or where the position of one or more of the Independent Directors is vacant at the relevant time so that clause 4(3)(b) cannot be implemented) then the Board will determine the best way to proceed in order to appoint a person to the vacant Board position (and a person may be appointed to the vacant Board position in that way). Without limiting the Board's ability to determine the best way to proceed, the Board may decide to itself take over the role of the Committee in order to fill the relevant Board position with any such appointment to the Board to be by Special

Resolution of the Board (the Independent Chair, if participating in the relevant Board proceedings, being entitled to exercise a casting vote if required).

- (4) Key matters discussed at each Committee meeting are to be ordinarily reported by the Chair of the Committee to the Board at the next Board meeting.
- (6) Meetings of the Committee may be held face-to-face or through any technological means by which members of the Committee can participate in a discussion.
- (7) The Ombudsman and other parties may be invited to attend meetings of the Committee at the Committee's discretion.

5. Secretariat

- (1) The Company Secretary or such other person approved by the Committee Chair is Secretary to the Committee.
- (2) The Committee Secretary is responsible for providing efficient corporate governance related support and assistance to the Committee by ensuring all relevant business is put to the Committee and the decisions of the Committee are recorded and implemented.

6. Authority

- (1) The Committee has authority to investigate matters that fall within its Charter.
- (2) The Committee may:
 - (i) with the approval of the Board, obtain outside legal or other independent professional advice, and
 - (ii) invite to its meetings such third parties with experience and expertise relevant to its deliberations,as it considers desirable.
- (3) The Committee may make recommendations to the Board on all matters within its Charter.

7. Committee Charter

- (1) The Committee may recommend to the Board such amendments to this Charter as the Committee considers appropriate from time to time.
- (2) The Board may make such amendments to this Charter as the Board considers appropriate from time to time.
- (3) The Committee Charter is to be made available by the Company Secretary, upon request, to all members of the Board, the TIO Executive Team and, as appropriate, other interested parties.
- (4) This Charter is to be published on the website of TIO Limited.

This Charter is dated 12 November 2019 and supersedes any Charter or terms of reference previously in force.

EXTRACT
CONSTITUTION OF TIO LIMITED

Clauses 12.2 – 12.6 (inclusive)