

Director Suitability FAQs



#	Question	Answer
1	<i>Why is the RAA Board proposing this amendment at this time?</i>	<p>The RAA Board considers that it is of fundamental importance to the proper governance of RAA that all RAA Directors are suitable to hold the office of RAA Director. If an unsuitable person was elected or appointed as a Director, or an appointed Director became unsuitable, this could have a serious adverse effect on the RAA Group which could be contrary to the interests of RAA members.</p> <p>Given that RAA Insurance is regulated by APRA and ASIC the RAA Board considers it is imperative that:</p> <ul style="list-style-type: none"> • all candidates for election or appointment are screened for suitability; • that any suitability requirements can be applied to all RAA Directors on an ongoing basis; and • there is a robust and transparent process for making determinations as to suitability of persons to act as RAA Directors.
2	<i>What are the “Director Suitability Guidelines”?</i>	<p>The Director Suitability Guidelines will be developed by the RAA Nominations Committee for the approval of the RAA Board. The guidelines will have regard to fitness and propriety; regulatory obligations; skills and experience required to properly perform the duties of a Director; best practice principles and other suitability requirements with which RAA Directors should comply.</p> <p>They will be published on the RAA website and made available to any member upon request.</p> <p>The RAA Nominations Committee will also have responsibility to make determinations as to whether a candidate or sitting Director complies with the Director Suitability Guidelines.</p>
3	<i>What does “fitness and propriety” mean?</i>	Regulatory “fitness and propriety” requirements primarily relate to a person’s competence, character, diligence, honesty, integrity and judgement to perform the duties of the applicable position. Other factors may include conflicts of interest or being disqualified from holding the relevant position.
4	<i>How are the proposed amendments different to the Constitutional changes made in March 2021?</i>	The March 2021 Constitutional changes principally established the RAA Nominations Committee, with two independent members. The Committee’s primary purpose was making recommendations to the Board about the endorsement of candidates who may be appointed or elected as Directors. The March 2021 changes also provided for the appointment of Board Appointed Directors as well as Member Elected Directors and made some amendments to the eligibility requirements for Directors. To support the continuing enhancement to RAA’s governance the RAA Board considers that those amendments need to be supplemented with the current proposed amendments.
5	<i>With these changes, will the existing eligibility requirements in the RAA Constitution still apply?</i>	Yes, the existing provisions in the RAA Constitution (clauses 11.8(b)(i) to (vii) as amended in March 2021) will continue to apply but would be supplemented by the amended provisions.
6	<i>Who will the Director Suitability Guidelines apply to?</i>	The Director Suitability Guidelines will apply to all persons seeking election or appointment as Directors of RAA and to all persons who are sitting Directors from time to time.
7	<i>What is the Nominations Committee’s role with respect to the Director Suitability Guidelines?</i>	<p>The RAA Nominations Committee will develop the Director Suitability Guidelines for approval by the Board and may make determinations that a person or sitting Director does not comply with the Guidelines.</p> <p>The RAA Nominations Committee comprises 4 members, being two persons who are independent of the RAA Board, the RAA President and the RAA Company Secretary.</p>

Director Suitability FAQs (continued)



#	Question	Answer
8	<i>Who will approve the Director Suitability Guidelines?</i>	The RAA Board may approve the Director Suitability Guidelines on the recommendation of the RAA Nominations Committee.
9	<i>What will happen if the Nominations Committee makes a determination of unsuitability?</i>	<p>If the RAA Nominations Committee determines that a person does not comply with the Director Suitability Guidelines, the person will not be eligible for election or appointment to the RAA Board, unless the RAA Board otherwise determines.</p> <p>The RAA Nominations Committee must provide the person concerned and the RAA Board with reasons for its determination.</p> <p>A sitting Director who is determined not to comply with the Director Suitability Guidelines may be removed from office by a resolution of the RAA Board under clause 11.10(a)(i) of the RAA Constitution.</p>