



BOARD COMPOSITION

The Nominations Committee: Composition and Mandate

Where this quarter's principles either become practice, or quietly stay theory

Everything this quarter has argued for, deliberate board size, a hybrid seat structure that avoids capture, skills matching, staggered terms, and defensible term limits, depends entirely on one thing actually working: the process that decides who joins the board in the first place. A nominations committee is where all of that theory either becomes practice or quietly stays theory.

Which rules apply to your association?

The law depends on how your association is set up. A **company limited by guarantee** follows the Corporations Act 2001 (Cth) and its constitution. An **incorporated association** follows its state or territory associations Act and its rules. A **registered charity** also follows the ACNC Act and the ACNC Governance Standards, and some Corporations Act rules are replaced for charities that are companies. Check your own governing documents, and get advice before decisions with legal consequences.

In this resource

1. [What A Nominations Committee Actually Does](#)
2. [A Working Example, Again From The AICD Itself](#)
3. [Composition: Who Should Actually Sit On It](#)
4. [Building The Mandate Into Your Governance Documents](#)

What A Nominations Committee Actually Does

The ASX Corporate Governance Council's long-standing recommendation that listed boards establish a nomination committee reflects a principle that applies just as strongly to associations, even though the compliance framework differs: board composition is too important to be left to whoever happens to nominate in a given year, or to the outgoing board's informal preferences. A nominations committee has a mandate that extends well beyond simply processing candidate paperwork ahead of an AGM. Drawing on the sector's established practice, the committee's core work should include maintaining and reviewing the board's skills matrix, discussed earlier in this quarter, actively identifying gaps rather than waiting for them to become obvious, running a search process for those gaps rather than relying only on self-nomination, within the nomination and election rules in your constitution or rules, and overseeing the succession and induction process discussed in earlier articles. The committee can seek, assess and recommend candidates, but in a member-elected association it cannot remove members' rights to nominate and vote. What it can do is give members a published skills-gap statement and clear candidate information so they vote on an informed basis.

A Working Example, Again From The AICD Itself

The AICD's own published board charter is a useful reference point here, precisely because it is a not-for-profit membership body governing itself under the same broad structural pressures as many associations. The AICD publishes its board charter alongside the charter of its Nominations and Governance Committee, so the committee's role is written down rather than left to custom. Read the current versions on the AICD website before quoting their detail. The structure exists precisely so that the

composition and succession questions this quarter has raised are not left to informal custom, but are actively governed by a defined process with a defined mandate.

A nominations committee that only processes candidates as they arrive is doing administration. A nominations committee that actively tests the board against its own skills matrix and goes looking for what is missing is doing governance.

Composition: Who Should Actually Sit On It

Keep the committee small. For listed companies, the ASX Principles recommend at least three members, most of them independent, chaired by an independent director. Many associations add one or two people close to the organisation but not current directors, and former directors with governance experience are a common and useful choice. If you do, make clear in the committee's terms of reference that it recommends rather than decides. This size matters. A nominations committee large enough to become a second board defeats its own purpose, while one composed entirely of long-serving directors risks simply reproducing the existing board's networks and blind spots rather than searching for what is missing.

Conflict management deserves specific attention here in a way it does not always get. A nominations committee member who is also a candidate for re-election, or whose branch or faction has a strong preference about a contested seat, sits in a conflict that should be disclosed and actively managed, not quietly absorbed into the process because everyone involved knows each other well. This connects directly to the fiduciary duty discussed earlier in this quarter: a nominations committee member evaluating candidates is exercising a form of the same duty owed to the whole organisation, not to whichever candidate they personally favour.

Building The Mandate Into Your Governance Documents

- Give the nominations committee an explicit written mandate, consistent with the by-law drafting discipline covered in the Foundations quarter, rather than leaving its role to informal understanding.
- Require the committee to maintain and actively consult the board's skills matrix as part of every nomination cycle, not just when a gap becomes acute.
- Build in explicit conflict disclosure requirements for committee members who are themselves candidates or have a declared interest in a specific outcome.
- Connect the committee's mandate explicitly to succession planning and term limits, so the three functions operate as one coordinated process rather than three separate, occasionally conflicting ones.

Every principle covered so far this quarter, size, seat structure, fiduciary independence, succession, staggering, term limits, is only as real as the process that actually puts people into board seats. A nominations committee with a mandate is where good governance theory either survives contact with a real election cycle, or quietly does not.

This is one of the practical governance topics built into our Board Director course, alongside the papers, tools and frameworks that turn the principle into your board's actual practice. [Explore the course](#)

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BOARDROOM ACTION WORKSHEET

The Nominations Committee: Composition and Mandate

Turn the resource into evidence, a decision and an accountable next step. Keep the completed record in your association's approved board records system.

1 What is the issue or decision?

State the governance question in one clear sentence.

2 What evidence do we already have?

Record the facts, source documents and stakeholder evidence available now.

3 What evidence is still needed?

Identify the legal, regulatory, financial, member or operational information still required.

4 What is the agreed next action?

Capture the owner, timeframe and how the matter will return to the board.

Action owner	Review date	Board decision or resolution

General education, not legal, financial, tax, clinical or governance advice. Confirm specifics at the relevant primary source or with your own qualified adviser. Nexus Leadership is operated by Lipstick Consulting Pty Ltd · ABN 15 619 120 482.

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