The Code Governance Committee Charter

Introduction

The Code is monitored and enforced by the Code Governance Committee.

The Code Governance Committee is made up of a consumer representative, an industry representative and an independent Chair.

The independent Code Governance Committee is established by the Insurance Council of Australia (**Insurance Council**) and the Code subscribers in accordance with the terms of this Charter.

This Charter sets out the terms that govern the functions, powers and operations of the Code Governance Committee.

The Code Governance Committee is supported by a secretariat ('**Code Governance Committee Secretariat**') who shall carry out administration and management.

Guiding Principles

The Code Governance Committee will:

- be transparent and accountable;
- prioritise industry wide, serious and systemic issues;
- provide community assurance by regularly publishing its work;
- act in a reasonable, independent, efficient and effective manner;
- promote its work and the Code;
- provide guidance to the industry to promote best practice Code compliance;
- act with integrity and impartiality and in accordance with the principles of procedural fairness for all parties;
- have regard to relevant laws and legal principles when deciding whether to undertake an investigation, make a finding or recommendation or impose a sanction; and
- have regard to the intent of the Code.

1 Functions and responsibilities of the Code Governance Committee

1.1 Consistent with the Code and this Charter, the Code Governance Committee will monitor and enforce compliance with the Code through:

(a) investigations, analysis of data, analysis of evidence and stakeholder engagement;

(b) investigating and making decisions about alleged breaches of the Code;

(c) requesting and analysing information from Code Subscribers;

(d) engaging and coordinating, where appropriate, with the Australian Securities and Investments Commission (ASIC) on sector-wide monitoring and surveillance action that relates to Code compliance;

(e) making findings and recommendations on Code breaches, and agreeing with Code Subscribers on any corrective measures to implement within an agreed timeframe;

(f) imposing sanctions; and

(g) publishing decisions in relation to serious and systemic breaches on a de-identified basis.

1.2 The Code Governance Committee will:

(a) provide stewardship of the Code by providing commentary and guidance which supports the general insurance industry to comply with the Code; and

(b) identify areas for improvement to industry practice, informed by serious and systemic breaches, relevant to the Code.

1.3 The Code Governance Committee will also:

(a) liaise with the Insurance Council on relevant matters;

(b) provide quarterly reports to the Insurance Council Board;

(c) publish an annual public report containing aggregate industry data and consolidated analysis on Code compliance (excluding data on complaint volumes and categories, but including data for breaches of Section 6 – Complaints); and

(d) establish, maintain and publish an up-to-date register of Code Subscribers based on information provided by the Insurance Council.

1.4 The Code Governance Committee may also provide advice to the Insurance Council/Code Governance Committee Secretariat on:

(a) financial matters associated with the activities, or proposed activities, of the Code Governance Committee;

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(b) amendments that in the Code Governance Committee's view, should be made to this Charter to facilitate the objectives of the Code; and

(c) other matters as determined by the Code Governance Committee from time to time.

1.5 Responsibilities of Code Governance Committee Members

Each Code Governance Committee Member will do all things necessary to ensure the duties and responsibilities of the Code Governance Committee as specified in this Charter are effectively discharged.

Each Code Governance Committee Member has a duty to:

(a) comply with this Charter and the Code; and

(b) act impartially, fairly and objectively in the discharge of their duty.

1.6 Outsourcing of Code Governance Committee functions

(a) The Code Governance Committee may outsource its functions, as set out in clauses 1.2, 1.3, 1.4 of this Charter, to the Service Provider.

(b) The Code Governance Committee will not outsource its power to make a finding or recommendation on alleged Code breaches or impose a sanction for Code non-compliance.

(c) The outsourcing agreement referred to in clause 1.6(d) should protect the independence of the Code Governance Committee's governance, processes and decision making.

(d) For the avoidance of doubt, the Code Governance Committee may outsource its operational function to the Service Provider.

(e) Any reports of the Code Governance Committee will be approved by the Code Governance Committee before being released including where the preparation of a report has been outsourced.

(f) Any publication of the Code Governance Committee will be approved by the Code Governance Committee before being made public including the preparation of a de-identified decision.

(g) Notwithstanding the outsourcing of any activities, the Code

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Governance Committee remains accountable for its functions in accordance with the Charter, including the Guiding Principles.

2 Code Governance Committee Code Compliance Monitoring Process

2.1 Monitoring and information gathering

When fulfilling its monitoring function, the Code Governance Committee may do any of the following:

(a) make reasonable requests for a Code Subscriber and/or the Service Provider to provide access to information, documents and systems, which the Code Governance Committee considers necessary to discharge its functions;

(b) seek independent professional legal, accounting or other advice;

(c) request each Code Subscriber to lodge an annual data return and survey reporting on their Code compliance (excluding compliance with Section 6 of the Code on complaints); and

(d) enter into appropriate arrangements with the Service Provider or the EDR Scheme for the purpose of facilitating:

(i) information exchange relevant to the Code Governance Committee's functions; and

(ii) referrals to the Code Governance Committee of an allegation that a Code Subscriber has breached the Code.

3 Code Governance Committee Code Compliance Investigation Process

3.1 Investigations undertaken by the Code Governance Committee

(a) The Code Governance Committee may investigate an alleged or reported breach of the Code as identified through its monitoring and information gathering processes.

(b) The Code Governance Committee's investigations will focus on matters that may be systemic or serious and will be carried out in line with the Code Governance Committee Guiding Principles.

3.2 Discretion to discontinue compliance investigations

Subject to clause 3.3 below, the Code Governance Committee may decide, at any stage, that it is not appropriate to continue an investigation under clause 3.1. In making this decision the Code Governance Committee will consider

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factors that it thinks are appropriate in line with the Code Governance Committee Guiding Principles, for example:

(a) the nature of the allegations made against the Code Subscriber, including the significance of the alleged breach;

(b) the period that has elapsed since the alleged breach has occurred;

(c) whether the matter or complainant is vexatious or frivolous;

(d) if another body, such as an EDR Scheme is also considering the alleged breach;

(e) whether the allegations made fall under the Code;

(f) whether it would be more appropriate for another forum, such as a court, to consider the matter; and

(g) whether the alleged breach is in relation to Code provisions open to interpretation and where broader engagement with industry is appropriate.

3.3 Matters outside the scope of the Code Governance Committee's investigation powers

(a) The following matters are outside the scope of the Code Governance Committee's investigation powers:

(i) matters materially the same as matters that have been or are under investigation by a regulator or subject to court proceedings (whether as a standalone matter or as part of any process or proceeding);

(ii) allegations relating to a Code Subscriber's commercial judgment in relation to accepting or declining to accept the risk of insurance or its obligations under the contract of insurance, unless it is alleged that the Code Subscriber would have made a different commercial judgment on a matter if the Significant Breach had not occurred;

(iii) allegations made more than 2 years after the complainant became aware of the circumstances that give rise to the allegation, except by mutual agreement with the Code Subscriber and the Code Governance Committee;

(iv) allegations based on materially the same facts and circumstances as a previous allegation to the Code Governance Committee by the complainant or entities associated with the complainant; and

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(v) matters that are not directly related to compliance with the Code.

(b) Other than where clause (a) applies, the Code Governance Committee has discretion to determine whether a matter falls outside the scope of its investigation powers.

(c) The Code Governance Committee may develop a policy on how it will exercise its discretion to consider allegations of Code breaches pursuant to clause 3.2.

3.4 Process for investigating alleged Code breaches

(a) When conducting an investigation, the Code Governance Committee must do so in accordance with this Charter (including clauses 9.1 and 9.2) and any operating procedures determined by the Code Governance Committee in accordance with clause 8.

(b) A Code Subscriber may request, or the Code Governance Committee may determine, that engagement with the Insurance Council is warranted on interpretation of Code provision(s) subject to the investigation. Where a Code Subscriber requests such engagement, the Code Governance Committee must reasonably consider this request and provide sufficient time for this engagement prior to reaching any determination on the interpretation of a Code provision.

3.5 Findings and recommendations

(a) Following an investigation in accordance with clause 3.4, the Code Governance Committee may make a finding and recommendation in respect of the alleged breach in accordance with this Charter.

(b) Before making a final finding or recommendation (including on whether a sanction will be imposed), the Code Governance Committee must provide the Code Subscriber with a notice of preliminary finding and recommendation, setting out the reasons and the information relied upon in reaching that finding and recommendation.

(c) The Code Governance Committee will provide at least 15 business days for the Code Subscriber to respond to the notice of preliminary finding and recommendation before making a final finding or recommendation.

(d) A preliminary and final finding or recommendation made by the Code Governance Committee will:

(i) be in writing;

(ii) include a brief description of the allegation;

(iii) include a statement that in the Code Governance Committee's view the reported allegation was proven in whole or in part or was unsubstantiated;

(iv) if applicable, state any finding by the Code Governance Committee that the Code Subscriber is responsible for serious Code non-compliance;

(v) include reasons; and

(vi) be provided to the Code Subscriber.

(e) Determinations may be provided on a deidentified basis to all Code Subscribers to assist them in understanding their Code compliance obligations.

3.6 Reporting to ASIC

The Code Governance Committee will report Significant Breaches or serious misconduct to ASIC.

4 Sanctions against Code Subscribers

4.1 Imposing a Sanction

(a) The Code Governance Committee may, in accordance with the Code and this Charter, impose one or more sanctions on a Code Subscriber for a Code breach.

(b) When determining whether a sanction should be imposed, the Code Governance Committee must have regard to the following factors as applicable:

(i) the principles and objectives of the Code;

(ii) the number of customers impacted by the Code breach;

(iii) the nature and extent of the financial or other impact to the affected customers;

(iv) the length of time taken by the Code Subscriber to identify the Code breach;

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(v) the root cause of the Code breach;

(vi) what action the Code Subscriber has taken to address the breach and any impact to consumers;

(vii) whether the Code Subscriber has breached an undertaking that was previously given to the Code Governance Committee;

(viii) whether the Code Subscriber has already been sanctioned in another forum or by a regulator for materially the same issue or matter; and

(ix) whether the Code subscriber has acted reasonably.

(c) The Code Governance Committee may also impose a sanction on a Code Subscriber following a Significant Breach of the Code if the Code Subscriber has failed to implement the corrective measures within the timeframe agreed.

(d) The Code Governance Committee is under no obligation to impose a sanction in any of the circumstances referred to in this clause. The decision to impose a sanction for a breach of the Code is wholly at the discretion of the Code Governance Committee, subject to this Charter and the Code.

4.2 Process for imposing a sanction

(a) Before imposing a sanction, the Code Governance Committee will:

(i) notify the Code Subscriber's Chief Executive Officer in writing; and

(ii) provide an opportunity for the Code Subscriber to respond within 15 business days of receipt of such notice.

(b) The Code Governance Committee will consider any response by the Code Subscriber before imposing any sanctions.

(c) The Code Governance Committee will, in addition to the Code Subscriber's Chief Executive Officer, notify the Insurance Council of its decision regarding any Significant Breach of the Code, the Code Subscriber and any sanctions to be imposed in respect of the Significant Breach.

4.3 Sanctions the Code Governance Committee may impose

(a) The Code Governance Committee may impose one or more of the following sanctions on the Code Subscriber:

(i) take particular rectification steps to its internal process, that are reasonable in the circumstances, within a set timeframe;

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(ii) audit their compliance with allegedly breached provisions at the Code Subscriber's own cost; or

(iii) advertise to correct something that the Code Governance Committee decides needs correcting.

(b) For Significant Breaches of the Code the Code Governance Committee may also impose the following additional sanctions:

(i) publish the fact that the Code Subscriber has committed a Significant Breach of the Code;

(ii) pay a community benefit payment for a Significant Breach up to a maximum of $200,000, indexed annually to CPI, from the [*Insert Date*].

(c) The power of the Code Governance Committee to impose sanctions does not include determining what redress should be provided to a complainant as a result of Code non-compliance. If the Code Governance Committee considers that a complainant may be entitled to compensation, the Code Governance Committee may refer the complainant to the Code Subscriber's complaints team, or where appropriate, to AFCA.

4.4 Community Benefit Payment Sanctions

(a) The size of the community benefit payment must be in proportion to the Code Subscriber's gross written premium/gross revenue for the relevant period, the severity of the Significant Breach and the number of consumers affected.

(b) When requiring the Code Subscriber to pay a Community Benefit Payment, the Code Governance Committee must take into account any compensation awarded by AFCA.

5 Publications

5.1 Publication of Significant Breaches

(a) When the Code Governance Committee imposes a sanction of publication on the Code Subscriber for a Significant Breach, the Code Governance Committee has discretion to set the manner and the duration for which the publication will be made available by the Code Subscriber.

5.2 Publication of de-identified Code Governance Committee decisions of sanctions imposed on Code Subscribers

(a) In order to increase Code Subscriber and public awareness of the Code and the functions, powers and responsibilities of the Code

Governance Committee, the Code Governance Committee may publish de-identified decisions of the Code Governance Committee to impose sanctions on Code Subscribers for breaches of the Code including sanctions for Significant Breaches.

(b) When publishing decisions of the Code Governance Committee under clause 5.2(a), the Code Governance Committee will de-identify confidential information as defined at clause 9.2(a), and any other information which could be used to identify complainants or Code Subscribers, contained in the decisions. The Code Governance Committee may elect not to publish a decision where the protection of confidential information cannot be effectively achieved by any de-identification process.

(c) De-identification will not apply when the Code Governance Committee imposes the sanction of requiring the Code Subscriber to publish the fact they have committed a Significant Breach of the Code.

6 Complaints concerning Code Governance Committee

6.1 Complaints

(a) A person, including a Code Subscriber, who is dissatisfied because they consider that the Code Governance Committee has not acted in accordance with the Code or this Charter may lodge a complaint with the Code Governance Committee. The Code Governance Committee must then consider and respond to the complaint as appropriate and inform the Insurance Council of the complaint within 10 business days.

(b) At the time of providing its response to the complaint, the Code Governance Committee must inform the complainant that if the complainant remains dissatisfied, they may refer the complaint to the CEO of the Insurance Council and the Chief Ombudsman of AFCA. The CEO of the Insurance Council and the Chief Ombudsman of AFCA must address the complaint by:

(i) jointly appointing an independent person to consider and respond to the complaint; and

(ii) preparing terms of reference for consideration of the complaint.

(c) If the independent person finds that the Code Governance Committee has not acted in accordance with the Code or this Charter, the independent person must recommend in writing to the Code Governance Committee, the Insurance Council and/or AFCA the steps it considers should be taken.

(d) The costs of the independent person in dealing with complaints in relation

to the conduct of the Code Governance Committee will be met by the Code Governance Committee budget and recovered from Code Subscribers as required through the budgeting and invoicing process.

7 Reporting by Code Governance Committee

7.1 Collection of information for Annual Report

(a) The Code Governance Committee will, for each period for which it will prepare an Annual Report, collect and record data for the purposes of analysis and reporting on Code compliance.

7.2 Publication of Annual Report

(a) By 31 March each year, the Code Governance Committee will prepare and give to the Insurance Council Board and EDR Scheme Board an annual report including the industry data analysis for the period ending on 30 June in the preceding year ('**Annual Report**').

(b) Each Annual Report will include a fair and adequate summary and analysis of the information specified in clause 7.2(c). It may include any other matters the Code Governance Committee thinks fit that are consistent with the functions of the Code Governance Committee under the Code and this Charter.

(c) The Annual Report will include the following:

(i) an outline of the activities of the Code Governance Committee in the relevant period, including:

- information as to the reported allegations of breaches of the Code;
- information as to investigated alleged breaches and any corrective measures agreed with Code Subscribers;
- information as to any sanctions imposed by the Code Governance Committee; and
- information as to the number of meetings of the Code Governance Committee and the attendance of Code Governance Committee Members;

(ii) any recommendations on Code improvements and education relevant to the operation of the Code arising out of its experiences of Code compliance in the relevant period; and

(iii) a statement that the Code Governance Committee has complied with the terms of this Charter in the period of the Annual Report and, if there has been any non-compliance, the Annual Report will identify that non-compliance and the reasons for it including any action that may have been instituted by the Code Governance Committee to ensure that such non-compliance does not occur in the future.

(d) Each year, the Code Governance Committee will prepare and give to the Insurance Council Board and EDR Scheme Board aggregated industry data and consolidated analysis of Code compliance by the Code Subscribers for the relevant period. This information may be provided separately to the Annual Report.

7.3 Provision and lodgement of Annual Report

The Code Governance Committee will provide a copy of the Annual Report to:

(a) each Code Subscriber;

(b) the Insurance Council Board;

(c) the EDR Scheme Board; and

(d) ASIC.

The Code Governance Committee will make copies of the Annual Report available to the public. To the maximum extent permitted by law, Annual Reports of the Code Governance Committee may be provided and made available in electronic form.

8 Guidelines, reporting forms and operating procedures

8.1 Development of Guidelines and reporting forms

When fulfilling its function to provide stewardship of the Code and identifying areas for improvement to industry practice, the Code Governance Committee:

(a) must consult with the Insurance Council and Code Subscribers when creating guidance and when updating guidance from time to time; and

(b) may develop compliance reporting and other standardised or template forms in consultation with the Insurance Council and Code Subscribers.

8.2 Operating procedures

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(a) The Code Governance Committee may set out operating procedures, including for the Service Provider (if relevant) dealing with the following matters:

(i) privacy requirements;

(ii) civil and criminal implications;

(iii) timeframes for the investigation process;

(iv) process for preliminary notice of findings and recommendations;

(v) process for final notice of findings and recommendations;

(vi) making of fair recommendations, undertakings and reporting;

(vii) use by the Code Governance Committee of external expertise; and

(viii) activities related to the Code Governance Committee and/or the Service Provider (if relevant).

(b) The operating procedures must accord with the Code and the Charter, including the Code Governance Committee Guiding Principles.

(c) The Code Governance Committee must consult with the Insurance Council and Code Subscribers when making material operating procedures and when updating material operating procedures from time to time in a manner that is consistent with this Charter and the Code. The Code Governance Committee may, in its discretion, determine whether an operating procedure is material.

(d) The Code Governance Committee must notify Code Subscribers of any new operating procedures prior to their taking effect.

9 General principles and procedures

9.1 General principles

When considering an alleged or reported breach, the Code Governance Committee will:

(a) ensure a Code Subscriber, or Code Subscribers, to whom an alleged or reported breach or investigation relates is, or are, accorded procedural fairness throughout the course of the Code Governance Committee's consideration of the alleged breach or conduct of the investigation;

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(b) ensure, as far as practicable, that:

(i) a Code Subscriber's business is not disrupted unduly; and

(ii) a Code Subscriber's customers are not inconvenienced unduly; and

(c) act reasonably in all the circumstances.

9.2 Confidentiality of information

(a) In this Charter, "confidential information" means all technical, commercial and other confidential information and materials of a Code Subscriber, consumer or small business and includes any information or material that discloses or relates to:

(i) a Code Subscriber's compliance or non-compliance with the Code;

(ii) an actual or alleged breach of the Code;

(iii) commercial, financial or legal affairs including but not limited to pricing policies, costing information, supplier lists and customer lists;

(iv) a matter to which an obligation of confidence applies under a privacy law; and

(v) any other information or material which is of a confidential or sensitive nature, is marked or denoted as being confidential or which a reasonable person to whom that information or material is disclosed, or to whose knowledge that information or material otherwise comes, would consider confidential.

(b) Subject to clause 9.2(c), a person referred to in clause 10.1(c) will not disclose or use for a purpose other than contemplated by this Charter or the Code, any confidential information supplied to it in connection with the conduct of the business of the Code Governance Committee.

(c) The Code Governance Committee may disclose any confidential information:

(i) within the Code Governance Committee or to any person to whom disclosure is reasonably required for the purpose of the Code Governance Committee exercising its functions, powers and responsibilities, under the Code and this Charter;

(ii) to any person to whom disclosure of confidential

information is required by law;

(iii) in response to a request for that confidential information from ASIC or another enforcement agency, the EDR Scheme or the Service Provider;

(iv) under corresponding obligations of confidence as imposed by this clause 9 to a person retained to provide advice in accordance with clause 2.1(b), to ASIC or another enforcement agency, the EDR Scheme, the Service Provider, or another person, where the Code Governance Committee determines that such disclosure is reasonably necessary for the purpose of investigating, determining or imposing a sanction on a Code Subscriber in accordance with the Code; or

(v) with the prior written consent of the Code Subscriber.

9.3 External expertise

In discharging its functions the Code Governance Committee may consult such external parties as the Code Governance Committee thinks appropriate, provided that the Code Governance Committee takes reasonable steps to ensure that any such external parties also comply with the requirements of this Charter where applicable.

9.4 Authority to give oral or written public statements

The Code Governance Committee, and each Code Governance Committee Member, will not make public statements except:

(a) as contained in the Annual Report; or

(b) as required in the performance of its functions and responsibilities as set out in clause 1 of this Charter.

9.5 Regular review

The Code Governance Committee will cooperate with the Insurance Council in regular reviews of its operational effectiveness and capabilities, including in relation to its data collection requirements.

10 Meeting of Code Governance Committee Members

10.1 Meetings and proceedings of Code Governance Committee

(a) Subject to the Code, the Code Governance Committee will meet, discharge its functions and convene, adjourn and

otherwise regulate its meetings and proceedings in such manner as it may from time to time determine.

(b) The Code Governance Committee will meet at least four times in each period of twelve months.

(c) No person is entitled to attend a Code Governance Committee meeting unless that person is:

(i) a member of the Code Governance Committee, or the Code Governance Committee Member's alternate;

(ii) the secretary of the Code Governance Committee; or

(iii) a person invited to attend the meeting by the Code Governance Committee Chair, including but not limited to the Service Provider or a person providing advice to the Code Governance Committee in accordance with clause 2.1(b).

10.2 Quorum

A quorum for a meeting will be the three Code Governance Committee Members (or alternates) who comprise the Code Governance Committee at the time of the meeting. A duly convened Code Governance Committee meeting at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Code Governance Committee.

10.3 Code Governance Committee Chair to preside

The Code Governance Committee Chair will preside over each meeting of the Code Governance Committee.

10.4 Notice of meetings

(a) Subject to this clause 10.4, a Code Governance Committee meeting may be called by a member of the Code Governance Committee or the Service Provider giving to every other member:

(i) notice confirming the venue, time and date of the meeting no fewer than ten business days prior to the meeting; and

(ii) an agenda of items to be discussed no fewer than five business days prior to the meeting.

(b) A member of the Code Governance Committee or the Service Provider may call a Code Governance Committee meeting in relation to an urgent matter by giving to every other member prior

notice of no fewer than two business days confirming the venue, time and date together with an agenda of items to be discussed.

(c) A notice or agenda may be given by mail (electronic or otherwise), personal delivery or facsimile transmission to the usual place of business or residence of the member or at any other address given to the secretary of the Code Governance Committee by the member or by any technology agreed by all the members.

(d) A failure to meet this clause 10.4 does not affect the validity of any act, transaction, agreement, instrument, resolution or other thing if, at a meeting at which all members are present, the Code Governance Committee resolves unanimously to excuse the failure to meet this clause 10.4.

10.5 Minutes

(a) The secretary will minute the proceedings and resolutions of all Code Governance Committee meetings, including the names of those present and in attendance.

(b) Minutes of Code Governance Committee meetings will be circulated to each member of the Code Governance Committee and will be approved by the Code Governance Committee.

10.6 Meetings by Technology

(a) Each member of the Code Governance Committee consents to the use of each of the following technologies for holding a meeting of the Code Governance Committee:

(i) video;

(ii) telephone;

(iii) electronic mail;

(iv) any other technology which permits each member of the Code Governance Committee to communicate with every other member; or

(v) any combination of these technologies.

(b) Where the members of the Code Governance Committee are not all in attendance at one place and are holding a Code Governance Committee meeting using technology and each member can communicate with the other members:

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(i) the participating members are, for the purpose of the Code and this Charter concerning Code Governance Committee meetings, taken to be assembled together at a Code Governance Committee meeting and to be present at that Code Governance Committee meeting; and

(ii) all proceedings of those members conducted in that manner are as valid and effective as if conducted at a Code Governance Committee meeting at which all of them were physically present in the one location.

10.7 Voting

(a) Each Code Governance Committee Member has one vote.

(b) Every question arising at a meeting will be determined, on a show of hands or as determined by the Code Governance Committee Chair, by a simple majority.

10.8 Delegation of authority by the Code Governance Committee

The Code Governance Committee may from time to time, by written resolution, assign to or vest in the Code Governance Committee Chair powers and responsibilities of the Code Governance Committee. A copy of the resolution of the Code Governance Committee as to the authority of the Code Governance Committee Chair in respect of any matter shall be accepted as conclusive.

11 Material Personal Interests and Conflicts

11.1 Personal interest in a matter being considered at a Code Governance Committee meeting

If a Code Governance Committee Member has a material personal interest in relation to a matter that is being considered at a meeting of the Code Governance Committee they will not:

(a) be present while the matter is being considered at the meeting; or

(b) vote on the matter, unless:

(i) the Code Governance Committee Member has notified the other Code Governance Committee Members and the Code Governance Committee Secretariat of their material personal interest;

(ii) the other Code Governance Committee Members and the Code Governance Committee Secretariat are satisfied that the material personal interest should not disqualify the Code

Governance Committee Member from voting on the matter;

(iii) the nature of the personal material interest and the circumstances in which it was disclosed have been recorded in a minute; and

(iv) the minute, relevant determination or other reports on the matter are made available for the inspection on request by any Code Subscriber affected.

For the avoidance of doubt, a material personal interest for the purposes of this clause does not arise solely by reason of a Code Governance Committee Member's previous employment with a Code Subscriber, or by reason of the insurance company of which a Code Governance Committee Member is a customer.

11.2 General Law obligations

The requirements in clause 11.1 have effect in addition to and not in derogation of any general law about conflicts of interest or conflicts of duties.

11.3 Appointment of alternate Code Governance Committee Members

(a) From time to time, it may be necessary for an alternate to a Code Governance Committee Member to attend and vote at Code Governance Committee meetings when a Code Governance Committee Member is unable to do so because of illness, absence from Australia, conflicts of interest or conflicts of duties, a material personal interest or because of other significant circumstances.

(b) An alternate may be appointed for a specified meeting in accordance with clause 11.3(c).

(c) The process for appointing an alternate for a specified meeting requires that:

(i) each Code Governance Committee Member, other than the Code Governance Committee Chair, may nominate an alternate to take part in a specified meeting provided that the nominee has the relevant broad experience and knowledge as would be required if they were appointed a Code Governance Committee Member and cannot be:

- an employee of a Code Subscriber or Insurance Council Member, the EDR Scheme, the Insurance Council; or

- a member of the EDR Scheme Board or the Insurance Council

Board; and

(ii) the nominee's appointment is confirmed in writing before the meeting which the alternative is to attend by each of the other Code Governance Committee Members.

(d) A person appointed as an alternate may exercise the same powers as their nominator, other than the power to nominate another alternate, and are subject to all the requirements applying to their nominator at the meeting they attend and where their nominator is not present.

12 Definitions

In this Charter, unless inconsistent with the context or subject matter or otherwise stated:

AFCA means the Australian Financial Complaints Authority.

Annual Report means the report published by the Code Governance Committee.

ASIC means the Australian Securities and Investments Commission or any replacement or successor government agency.

Code Governance Committee is the committee established to be responsible for the monitoring, reporting and enforcement of Code compliance.

Code Governance Committee Chair means the chair of the Code Governance Committee.

Code Governance Committee Member means a member of the Code Governance Committee.

Code means the General Insurance Code of Practice dated [*Insert Date*]. The Code's Industry Principles do not form part of the Code.

Code Subscriber means the organisation that has adopted the Code.

Confidential information has the same meaning at clause 9.2(a).

CPI means Consumer Price Index, with specific reference to the 'All Groups CPI - Weighted average of eight capital cities' published by the Australian Bureau of Statistics.

EDR Scheme means AFCA, or any replacement or successor external dispute resolution scheme, whose jurisdiction encompasses subjects

addressed by the Code.

EDR Scheme Board means the board of directors of the **EDR** Scheme.

Independent means a person who is not a director, officer, employee or agent of any Code Subscriber or Insurance Council Member, the Insurance Council, the Service Provider or the **EDR Scheme** and is free from business or other relationships that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of judgement.

Insurance Council means the Insurance Council of Australia Limited ABN 50 005 617 318.

Insurance Council Board means the board of directors of the Insurance Council.

Service Provider means the service provider appointed by the Association, through the Code Governance Committee, from time to time, in accordance with the Code and this Charter, to monitor Code compliance on behalf of the Code Governance Committee.

Significant Breach has the same meaning in the Code.

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