



Board Charter

Version 3

Approved Board Meeting of
22 May 2018

1. Overview

CARE Super Pty Ltd (the 'Company') is the Trustee of CareSuper (the 'Fund'), a superannuation fund whose sole purpose is to invest superannuation contributions for the long term benefit of its members and their beneficiaries. Superannuation is designed to provide members with an income in retirement. The success of a superannuation fund is determined by efficient and cost effective administration and processes, provision of appropriate insurance benefits, a prudent investment strategy and implementation, provision of information and advice to assist members in their decision making, the offering of relevant ancillary benefits, sustainable distribution and promotional strategies, consideration of and management of risks and compliance with prudential regulations.

This Charter outlines and supplements the elements of the Constitution of CARE Super Pty Ltd which governs the conduct of its Board of Directors (Board) and the regulation of meetings. The Charter sets out the Board's role and responsibilities, composition and operational matters relevant to the functioning of the Board.

The central focus of the Board will be the evaluation of and oversight of strategic direction and the oversight of the CEO and senior executives in their management of the Fund. The Board is also expressly required by law to meet various statutory requirements such as approval of the annual accounts.

2. Board role and responsibilities

2.1 The fundamental role of the Board is to:

1. provide input into and final approval of the corporate strategy and resultant business plan and operating budget (including performance objectives);
2. monitor the implementation of corporate strategy, business plan and operating budget;
3. appoint and remove the Chief Executive Officer and to evaluate his/her performance, particularly in respect of the development of a competent and effective management team appropriately resourced to meet responsibilities.

2.2 Subject to the limitations imposed by the Company's Constitution, statutes and other regulations, the Board retains discretion to alter the Board's role and responsibilities. The Board's role and responsibilities include, but are not limited to the matters set out in this section.

GOVERNANCE

- 2.3 Review, approve and revise the delegations of authority from the Board to Committees or Management.
- 2.4 Determine the need to establish specific Board Committees, establish charters and delegations under which the Board Committees operate, approve membership of each Committee, oversee and review the work of the Board Committees including to receive recommendations and notification of delegated duties from the Board Committees.
- 2.5 Develop and implement a process for assessing the performance of the Board including an external assessment.
- 2.6 Approve the specific remuneration of the CEO and other responsible persons within the parameters of the Remuneration Policy.
- 2.7 Appoint and remove Fund Secretary and CEO.
- 2.8 Approve the appointment of all material outsourced service providers.
- 2.9 Appoint Directors to external boards where CareSuper has that right, and to ensure that adequate reporting is received from these Directors.

STRATEGIC AND BUSINESS PLANNING

- 2.10 Contribute to the development of the Fund's strategy and objectives and approve the Fund's strategic plan.
- 2.11 Monitor the implementation of the agreed strategic plan.
- 2.12 Approve the Fund's business plan and budgets.
- 2.13 Approve and monitor major projects including major capital expenditure and significant initiatives or opportunities arising outside the Fund's planning and budgeting process.
- 2.14 Oversee the conduct and performance of the Fund to ensure it is being appropriately managed.

RISK MANAGEMENT, INTERNAL CONTROL AND COMPLIANCE

- 2.15 Review, approve and monitor systems of risk management and internal control, codes of conduct and legal and regulatory compliance.
- 2.16 Define the Fund's risk appetite, approve and oversee the Fund's risk management framework including monitoring its effectiveness and reviewing the management of major/significant risks.
- 2.17 Monitor, review and oversee the operation, adequacy and effectiveness of the Fund's internal control framework.
- 2.18 Approve, review and monitor adherence with the Fund's policies established for compliance with legislative and regulatory requirements.
- 2.19 Monitor or review any litigation or matter which may attract significant adverse public, government, regulatory or other interest.
- 2.20 Encourage the reporting of unlawful or unethical behaviour and ensure that management and employees are protected where violations are reported in good faith.

FINANCIAL REPORTING, AUDIT AND OVERSIGHT

- 2.21 Oversee the Fund's financial position.
- 2.22 Approve the annual audited financial statements of the Fund.
- 2.23 Appoint or remove the Fund's internal and external auditors based on the recommendations of the Compliance, Audit and Risk Management Committee.
- 2.24 Approve and monitor the progress of major capital or corporate projects.

INVESTMENT

- 2.25 Approve investment philosophy, strategy (including the objectives for each asset class and option and strategic asset class ranges) and regulatory policies.
- 2.26 Review and maintain the Fund's Investment Governance Framework.
- 2.27 Appoint/terminate the Fund's custodians and investment consultants.

ADMINISTRATION, INSURANCE AND MARKETING AND MEMBER/EMPLOYER SERVICES

- 2.28 Appoint/terminate the Fund's administrator.
- 2.29 Oversee the management of the operation of the administration contact.
- 2.30 Appoint/terminate the Fund's group risk insurer.

- 2.31 Oversee the management of the operation of the group risk insurance contract.
- 2.32 Determine any claims if consensus has not been reached by the BPSC.
- 2.33 Approve and oversee the Fund's Insurance Management Framework.
- 2.34 Oversee marketing and member/employer services strategy and projects.
- 2.35 Review major changes to the Fund's Promotions and Sponsorships Policy.

3. Board structure & processes

- 3.1 The structure of the Board of CARE Super Pty Ltd is set out in the Governance Framework document.
- 3.2 Appointment of Directors and Senior Management.
The processes for the appointment of Directors and Senior Managers of CareSuper are set out in the Fund Governance Framework and associated policies.
- 3.3 Managing Conflicts of Interest
The manner in which the Trustee identifies and manages conflicts of interest is set out in the Governance Framework.
- 3.4 Director Remuneration
The remuneration of Directors is reviewed annually in accordance with the Remuneration Policy contained in the Governance and Remuneration Committee Charter.
- 3.5 Ongoing Professional Development
The Board implements a program to induct and train Directors. This may require members of the Board to undertake formal training and development to enable the Board in its entirety to possess the necessary knowledge, skills and competencies to carry out its responsibilities under this charter.

The Board has delegated oversight of the maintenance of fit and proper status and ongoing professional development of director and senior staff to the Governance and Remuneration Committee. The processes to be followed are set out in the Committee Charter.
- 3.6 Board committees
 - 3.6.1 In accordance with Clause 21 of the Company's Constitution, the Board may from time to time establish committees to assist it in carrying out its responsibilities in monitoring the management of the Fund. The Board will adopt charters setting out matters relevant to the role, composition, responsibilities, delegations and administration of those committees. The committees will have access to adequate resources to carry out their activities effectively.
 - 3.6.2 Each committee will be composed of Directors determined by the Board to be best suited to fulfil the Committee's Charter.
 - 3.6.3 The Chair of each Committee will regularly report to the Board concerning the Committee's activities and will table the minutes of the Committee at the Board meeting following each Committee meeting.
 - 3.6.4 Committees have the power to make determinations within the limits of their delegations and will be required to make recommendations to the Board on other relevant matters so that the Board can proceed with and make decisions on an informed basis in the best interests of the Fund and its members.

3.7 Access to independent professional advice

Each Director may, with the consent of the Chair and the assistance of the CEO, obtain independent professional advice at the Fund's expense on any matter connected with the proper exercise of their powers and duties as a Director. In order to obtain the consent of the Chair, the Director will scope out the reasons for seeking the independent professional advice and the projected costs of the proposed advice and will provide this to the Chair for consideration. A copy of the independent professional advice provided to the Director will be made available to the Chair, who may distribute it to all Directors.

3.8 Board evaluation

The Board will conduct annual performance evaluations encompassing the collective Board, Committees established by the Board, the Chair, individual Directors and the governance processes that support the functions of the Board. An independent, external review of Board performance will be undertaken on a biennial basis and on an internal basis on alternate years. The purpose of the performance evaluation is to ensure that individual directors and the Board as a whole continually find ways to operate more effectively and strategically in the interests of the Fund. The outcomes from the Board evaluation will be discussed at a Board Meeting within 3 months of the performance assessments being conducted and may also result in one-on-one meetings between the Chair and individual Directors.

4. Key roles

4.1 Chair and Deputy Chair of the Board

The Chair and Deputy Chair of the Board are appointed by the Board from its Directors. The Constitution provides that -

1. These appointments are for a four year period and are made following nomination of one candidate each by the Employer and Member Director categories. The nominees need not be from the same category of Director as their nominators.
2. The right to nominate the Chair and Deputy Chair respectively alternates on a four yearly basis between the two categories.

In practice, occupancy of the roles has rotated between Directors of the two categories. The Chair/Deputy Chair will serve for a maximum of one term as Chair subject to those terms being served within the three term maximum appointment for the Director.

This process is set out in detail in the Board Appointment, Renewal and Removal Policy and Fund Governance Framework.

The Chair shall have the authority to act for and represent the Board in between meetings including engaging with the CEO. The Chair will report to the Board as appropriate on decisions and actions taken between Board meetings.

The Chair is responsible for ensuring the Board functions efficiently and effectively and to chair all meetings of Directors. The Deputy Chair will act as Chair in the event that the Chair is unable to do so for any reason. If the Chair and Deputy Chair are absent from a meeting, the Directors present at the meeting shall elect another Director present to chair that particular meeting.

The Chair will establish the agenda in consultation with the CEO and Company Secretary. Any Director may request that an item be included in the agenda. Furthermore, the request for additional agenda items requested by a Director should proceed through the Chair or Company Secretary.

4.2 CEO

The CEO is accountable to the Board for the authority that is delegated to that position for the performance of the Fund.

The CEO will report any material developments and emerging issues to the Board in a timely manner. Information provided to the Board must be clear and concise, accurate, up-to-date and in a form that enables the Board to understand, assess, conduct inquiries and obtain assurance that the decisions and actions of the CEO are consistent with corporate strategy and Instrument of Delegation. Information may be in the form of reports, briefings or presentations at Board meetings or at other times throughout the year. The Board may determine the information requirements including making direct requests for information from the CEO or via the relevant Committee Chair in respect of Committee issues, the external auditor or any other party.

The CEO will ensure the attendance of senior executives at Board or Committee meetings as required to ensure regular discussion between the Board and the management group.

The CEO will keep the Board informed of all important matters that require reporting outside of the normal reporting cycle, including any significant financial deviations and significant communication with regulators.

The CEO will be the chief media spokesperson for the Fund except where the Chair elects to speak on behalf of the Fund.

4.3 Relationship between the Board and Management

The Board is ultimately responsible for the performance of the Fund. The Board has retained its authority to make decisions on matters specified in this charter, and save for those matters and CEO operational limits, determined from time to time by the Board, it delegates authority for all other matters to the relevant Committees or Management as outlined in the Instrument of Trustee Delegation and the Delegations Policy.

The Board maintains its independence from management through a number of measures, including appointing a non-executive chair and having a Board comprised of non-executive directors, which may include one or more independent directors.

The CEO is expected to provide candid reporting that accurately portrays Fund performance.

Board papers on matters for decision by the Board should normally conform to the Board's requirements, as determined from time to time.

Committee Chairs may communicate with relevant senior management on matters relating to Committee function. Members of the committee should direct their queries or comments through the Committee Chair. In respect of Board papers and minutes, Directors should refer matters of substance or clarification to the Company Secretary but minor amendments should be referred to the CEO's Executive Assistant. The Executive Assistant is also available to Directors to assist with logistics of Board or Committee meetings, conference attendance, travel and accommodation, the extranet, IT support, payment of Directors' fees or related issues.

4.4 Company Secretary

The Company Secretary is accountable to the Board and his or her appointment and removal is a responsibility of the Board.

The Company Secretary shall provide advice to the Chair and the Board on governance matters and enable the efficient operation of the Board.

The Company Secretary shall obtain legal and other relevant advice at the request of the Board or Board Committees.

The Company Secretary will establish and maintain the information systems and processes required by the Board to fulfil its role.

5. Board meetings and procedural requirements

- 5.1 The Board will establish an annual program of Board and Committee meetings. The Board will meet at other times as considered necessary by the Board or the Chair. Directors will use all reasonable endeavours to attend Board meetings in person. A Director who is unable to attend a Board meeting must notify the Chair and/or Company Secretary as soon as practicable and provide reasons for the non attendance. The Board at its discretion may invite any person to attend meetings of the Board.
- 5.2 A notice of each meeting confirming the date, time, venue and agenda will be forwarded to each member of the Board in the week prior to the date of the meeting. The notice will include supporting papers to enable agenda items to be discussed.
- 5.3 The Constitution of CARE Super Pty Ltd outlines the requirements in relation to proceedings of Directors meetings including the election of the Chair, meeting requirements, quorums, and voting provisions.
- 5.4 If considered necessary by the Chair, meetings other than in person may occur in accordance with the Constitution, using a circular or written resolution, or by using any technology that gives the Directors as a whole a reasonable opportunity to participate.
- 5.5 Minutes of Board meetings and resolutions are to be kept by the Company Secretary, who will distribute minutes to all Board members following preliminary review by the Chair. The draft minutes will be circulated for adoption at the next meeting of the Board.
- 5.6 To ensure Board meetings are constructive:
 - a) the Board will seek to focus on strategic/directional issues rather than day-to-day responsibilities of management;
 - b) a list of action items will be maintained by the Company Secretary to ensure all outstanding matters are considered, such list is to be included with the Board papers as a standing agenda item;
 - c) Directors, in addition to confirming their standing declarations and advising of any changes to their interests, will declare any specific conflicts of interest arising from the business of a particular meeting. Any such conflicts will be recorded in the minutes of the meeting. Should it be established that one or more Directors have a conflict of interest in respect of a matter on the agenda the Board will follow the conflicts management process set out in the Conflicts Management Policy;
 - d) each Director will use his or her range of skills, knowledge and experiences in the promotion of the best interests of the Fund;

Directors commit to a collective decision-making process in which they actively participate. Directors will debate issues openly and constructively and will be free to express their individual judgments and perspectives. Directors will respect the contributions of other Directors. Once a decision is made, all Directors are bound by the decision and will refrain from expressing any public dissent;
 - e) Directors will maintain strict confidentiality in respect of all matters considered by the Board.

6. Availability and review of Charter

The Charter will be available to each Board member, external and internal auditors, regulators and stakeholders.

The Board will review this Charter and the charters of any established committees from time to time and make any required or desirable amendments to ensure they remain consistent with the Board's role, responsibilities, current applicable laws and best practice.

7. Inconsistency with Constitution

Proceedings and meetings of the Board are governed by the provisions of the Company's Constitution. To the extent that there is an inconsistency between this Charter and the Company's constitution, the Constitution shall prevail.