



# **Charter of Governance and Remuneration Committee**

**Prepared September 2019**

## 1. Purpose

The Governance and Remuneration Committee (GRC) is a Committee of the Trustee Board and reports to the Board. The GRC is responsible to the Board for the development, implementation and review of:

- Governance policies including professional development standards;
- Remuneration policies of the Board, management and staff;
- Board succession planning and renewal and the management of board vacancies.

The GRC is also responsible for ensuring that Governance and Remuneration policies comply with relevant Prudential Standards. Members of the GRC will be available to meet with APRA on request.

## 2. Membership

The Committee will consist of:

- The Chair and Deputy Chair of the Board
- Up to two additional Member Directors, and
- Up to two additional Employer Directors.

In attendance:

- Chief Executive Officer (Committee Secretary – Remuneration)
- Executive Manager – Governance and Risk (Committee Secretary – Governance)
- Executive Manager – Corporate Services (as required).

A quorum is three Directors including the Committee Chair and comprising of at least one Member and one Employer Director. If members of the Committee are unable to attend a meeting they can nominate their alternate or another Member Director or Employer Director (as the case may be) to represent them. In these circumstances, the Committee member should advise the Chair of the Committee or the Fund's Chief Executive Officer.

## 3. Committee Chair

The Deputy Chair of the Board will be appointed Chair of the Committee. If the Committee Chair is unable to attend a meeting the members may appoint an acting Chair for the meeting, other than the Fund Chair.

## 4. Terms of reference

The principal functions and program of the Committee will be:

- a. Remuneration – to develop and oversee the implementation of the remuneration and travel policies for the Fund's Directors, management and staff.

The Committee will implement the decisions made in respect of the Chief Executive Officer and will review the implementation of decisions in respect of the Executive Managers and selected key staff by the Chief Executive Officer.

- b. Fund governance – to develop, monitor and oversee the implementation of policies governing the activities of the Board including:
  - Board Performance Assessment
  - Board Skills Evaluation & Matrix, including reviewing competency data and overseeing agreed Director development plans

- Fit and Proper requirements, including reviewing annual attestations and ongoing monitoring of fitness and propriety and relevant interests/potential conflicts
  - Individual director assessment and counselling
  - Ongoing professional development, collectively and for individual directors
  - Board renewal/succession, overseeing the timely operation of director appointment policy and the renewal process, including tracking terms and identifying desirable skills and attributes for approval by the Board and recommending priorities for future candidates to possess
  - Stakeholder relations
  - Diversity
  - The Fund's Committee structure, including recommending any changes to the Board and individual directors for participation on committees
  - Corporate Responsibility and Sustainability
  - Annual attestation for Australian Institute of Superannuation Trustees (AIST) Governance Code
- c. Board vacancies – to oversee and manage the Board vacancy process, in accordance with the process set out in the constitution and governance framework and to recommend candidates for appointment as an independent director.
- d. Reviews – conduct regular reviews and assessments, and make annual recommendations to the Board on the Remuneration Policy and recommendations to the Board on the constitution and Fund Trust Deed as required.
- e. Stakeholder relations – monitor relationships with sponsoring entities and report to the Board.
- f. Monitoring management –
- Consider reports from management on the exercise of management's delegated authorities and escalate to the Board any important issues arising from its consideration of those reports
  - Periodically review staff manual to ensure it reflects desired culture, and
  - Monitor and review management's governance and remuneration-related activities and reports and escalate to the Board any important issues arising from its review.

## 5. Meeting arrangements

The Committee will meet at least four times a year with additional meetings scheduled as determined necessary to complete the functions of the committee. A teleconference or video-conference (including Skype) can also constitute a meeting. Decisions or approvals can be made via emailed communication.

Meetings will not necessarily be held to coincide with Board meetings and members may participate by teleconference.

The agenda and committee papers will be distributed to members no later than five working days before each committee meeting.

Following the meeting, draft minutes of the meeting will be authorised by the Chair for distribution to all committee members. The minutes will be confirmed (or amended) at the next meeting and signed by the Chair of the Committee.

## **6. Powers**

In the exercise of its functions, the Committee will:

- a. Have the power to act in accordance with its delegated authorities;
- b. Have free and unfettered access to risk and financial control personnel and other parties; and
- c. Have the power to independently engage third party experts at a cost not exceeding \$30,000 and receive their advice independently.

## **7. Matters reserved for the Board**

Matters reserved specifically for the Board's determination are final decisions on the Remuneration Policy, Board Charter, Conflicts Management Policy, Fit & Proper Policy, Governance Framework, Delegations Policy, Board Appointment, Renewal and Removal Policy, Corporate Responsibility and Sustainability Policy and all other matters on which the GRC is required to make recommendations to it.

## **8. Review**

The terms of reference and membership of the Governance and Remuneration Committee will be reviewed by the Board on an annual basis.