

## Board Charter

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## 1. Purpose

This Charter sets out the authority, responsibilities and operation of the Board of Directors (Board) of Togethr Trustees Pty Ltd (Trustee) in its capacity as Trustee for the Equipsuper Superannuation Fund (Equip).

The Charter guides and informs the Directors as to their responsibilities and authorities when conducting the day to day business of the Board.

This Charter has been prepared having regard, in particular, to the requirements of APRA Superannuation Prudential Standard SPS 510 – Governance, and SPG 510 – Governance.

## 2. Objective

The Board is ultimately responsible for the oversight and review of the management, operations and overall corporate governance of the Trustee and the Fund.

Its objectives are to:

- (a) provide strategic guidance for the Trustee and effective oversight of the CEO, Executive Officers and the Management Team (Management);
- (b) optimise performance of all aspects of the Trustee's business for all stakeholders within a framework of appropriate risk assessment and management, and with a particular focus on acting in the best financial interests of beneficiaries of the Fund in delivering retirement outcomes and services; and
- (c) recognise the Trustee's legal and other obligations to all legitimate stakeholders.

## 3. Authority

The Board derives its authority to act from each of the following:

- (a) The Fund's Trust Deed;
- (b) The Trustee's Constitution;
- (c) The applicable laws governing corporations and superannuation trustees in all jurisdictions in which the Trustee operates.

The Board may delegate certain of its powers to the Chief Executive Officer, Board Committees and other persons. The Board retains ultimate responsibility for all matters the subject of delegated authority.

## 4. Role and Responsibilities

The overall role of the Board is to ensure the sound and prudent management of the Trustee's business operations, which encompasses:

- (a) Making reasonable and informed decisions in a timely manner in the best financial interests of beneficiaries of the Fund (and which consider the impact of its decision on beneficiaries);
- (b) Approving the Risk Management Framework and determining the Trustee's risk appetite and tolerances;
- (c) Within the approved Risk Management Framework and risk appetite, approving and regularly reviewing the strategic and financial objectives and direction of the Trustee's business overall in order to maximise the retirement benefits of its members;
- (d) Approving, reviewing and monitoring the Strategic Plan and annual operating budget for the

- Fund;
- (e) Reviewing and approving the Trustee's significant frameworks;
  - (f) Ensuring that appropriate risk, compliance and financial control systems are in place and monitored regularly, and that appropriate actions are implemented to address any issues which arise;
  - (g) Ensuring appropriate oversight of the financial management of the Trustee and the Fund, and approving the annual financial statements for the Trustee and the Fund;
  - (h) Ensuring that there are adequate resources for the business operations of the Fund;
  - (i) Appointing and subsequently reviewing the performance of the CEO, setting an appropriate remuneration package, and ensuring adequate succession planning; and
  - (j) Performing such other functions as required by the relevant laws and ensuring the Trustee acts legally, responsibly, fairly and ethically on all matters.

## **5. Specific Responsibilities**

### **5.1. Governance**

The Board is ultimately responsible for ensuring that appropriate governance structures are implemented to provide for the sound and prudent management of the Fund in the best financial interests of the beneficiaries of the Fund.

The Board must ensure the Directors collectively have the appropriate range of skills, education and experience needed for the sound and prudent management of the Trustee's business operations in accordance with the Trustee's Appointment and Renewal Policy.

The Board is ultimately responsible for ensuring the fitness and propriety of the Responsible Persons of the Trustee in accordance with the Trustee's Fit and Proper Policy.

The Board is also responsible for reviewing and approving any revisions to the delegations of authority from the Board to Committees or Management.

### **5.2. Risk Management**

The Board is ultimately responsible for approving the Risk Management Framework, including: determining the risk appetite and tolerance for the Fund, and ensuring the appropriate management and monitoring of risk across all aspects of the Trustee's business. In doing so, the Board is responsible for ensuring that adequate and appropriate technical, human and financial resources are maintained to undertake the Trustee's business, within the parameters of the Risk Management Framework.

The Board is responsible for ensuring that the Fund holds adequate reserves, including the Administration Reserve and the Operational Risk Financial Requirement (ORFR).

### **5.3. Conflicts of Interest**

The Board is ultimately responsible for having a Conflicts Management Policy that is appropriate to the size, business mix and complexity of the Trustee's entire business operations and which applies to the entirety of its business operations.

### **5.4. Investment Governance**

The Board is ultimately responsible for the sound and prudent management of the investments of the Fund and for ensuring there is at all times an Investment Governance Framework which

appropriately governs the selection, management and monitoring of investments and investment managers to meet the Trustee's obligations to beneficiaries and other stakeholders in the Fund.

The Board must take appropriate and timely action regarding information and any key recommendations contained in reports to the Board on investment matters.

#### **5.5. *Outsourcing***

The Board is ultimately responsible for any outsourcing of material business activities. It must ensure that the outsourcing risks and controls are taken into account as part of its overall Risk Management Framework.

#### **5.6. *Business Continuity Management***

The Board is ultimately responsible for the business continuity management of the Trustee's business operations. It must ensure that the business continuity risks and controls for its business operations are taken into account as part of its overall Risk Management Framework.

#### **5.7. *Insured benefits for members***

The Board is ultimately responsible for having an Insurance Management Framework that reflects the risk associated with making available insured benefits that is appropriate to the size, business mix and complexity of the Fund's operations.

#### **5.8. *Remuneration***

The Board is ultimately responsible for approving a Remuneration Policy which outlines the remuneration objectives and the structure of the remuneration arrangements for all employees of the Trustee.

#### **5.9. *Outcomes assessment***

The Board is ultimately responsible for the oversight and approval of the Member Outcomes Assessment on an annual basis in accordance with section 52(9) of the SIS Act and SPS 515, and the Strategic Planning and Member Outcomes Framework.

### **6. *Chair***

The Chair is responsible for:

- (a) Leadership of the Board;
- (b) Representing the Fund to external stakeholders and the general public;
- (c) Creating and nurturing relationships with external stakeholders;
- (d) The efficient conduct of the Board's function;
- (e) Briefing of all Directors on key issues;
- (f) Facilitating the effective contribution of all Directors;
- (g) Guiding Board deliberations, free of undue bias;
- (h) Ensuring that regular reviews are undertaken of the performance of the Board overall and each Director individually in accordance with the Trustee's Board Appointment and Renewal Policy, and that any actions arising from, and opportunities for improvement identified in those reviews, are implemented in an appropriate and timely manner; and
- (i) Promoting constructive and respectful relations between Directors (and the Board) and

Management.

The Chair will work closely with the Chief Executive Officer, acting as a sounding board and providing counsel without dominance.

## **7. Delegation to Committees**

The Board may establish Committees as it considers necessary or appropriate to assist it in carrying out its responsibilities. As a minimum, the Board has established and maintains the following Committees:

- (a) Audit and Finance Committee;
- (b) Risk and Compliance Committee;
- (c) Investment Committee;
- (d) Governance and Rewards Committee; and
- (e) Stakeholder Engagement and Innovation Committee.

The Board will determine the composition of each Committee, having regard to its functions and responsibilities. Committee members may be Directors or appropriate independent persons with expertise relevant to the Committee's functions. The Board may also appoint expert advisors to assist a Committee with specialist expertise.

Each Committee has a Charter setting out its role and objectives, responsibilities, authorities and membership. All Committees report regularly to the Board.

The Board or its Committees may further delegate specific functions or authorities to other groups, sub-committees or members of Management. Wherever specific responsibilities are delegated, the Board must ensure there is adequate formal communication of this authority and oversight of its execution.

## **8. Relationship with Management**

Whilst ultimate responsibility for the sound and prudent management of the Fund rests with the Board, the Management has responsibility for the day to day management of the Trustee and the Fund, which includes the development, implementation and monitoring of frameworks, strategies, policies and procedures used in managing the Trustee's business operations.

## **9. Access to Board**

The following persons have full and unfettered access to the Board and each of its Directors and can raise matters directly at any time:

- (a) Chief Executive Officer;
- (b) Company Secretary;
- (c) Senior staff responsible for, or involved in, risk management;
- (d) External Auditor;
- (e) Internal Auditor; and
- (f) the Fund Actuary.

## **10. Conflicts of Interest and Duty**

All Directors must have the ability to recognise, disclose and manage or avoid actual, perceived and

potential material conflicts of interest and conflicts of duty (conflicts) so as to ensure that priority is given to interests of the Fund's beneficiaries.

Where there is a conflict, the Board must give priority to the interests of the beneficiaries of the Fund over the interest of other persons and ensure that the Trustee's duties to the beneficiaries are met despite the conflict and that the interests of the beneficiaries are not adversely affected by the conflict.

Conflict procedures are included as a standard Board agenda item for every meeting. The Chair will remind Directors at the beginning of every meeting of their obligation to disclose any actual, potential or perceived conflict with regard to any agenda item for consideration at that meeting.

Any identified conflicts are recorded in the minutes as along with the action taken to avoid or manage the conflict in accordance with the Trustee's Conflict Management Policy.

#### **11. Commitment and continuing education**

The Board is responsible for ensuring that Directors have access to continuing professional education to update and enhance their skills and knowledge to be able to discharge their duties and responsibilities.

#### **12. Secretary and Board Administration**

The Company Secretary has management responsibility for the quality and timeliness of the governance and administration of the Board.

An agenda will be prepared by the Company Secretary and approved by the Chair, prior to each meeting.

The agenda and papers for all Board meetings will be distributed to Directors and requisite parties generally no later than one week prior to each meeting.

#### **13. Meetings**

The Board will meet at least six times per year, unless determined otherwise. Additional meetings will be convened where required for the proper conduct of the Trustee's business. All Directors are expected to attend each meeting, unless genuinely unable to do so.

A Director may requisition a Board meeting at any time by giving reasonable notice. Directors may participate in meetings by attending in person, or by means of telephone, video conference or other electronic means as deemed appropriate.

With the consent of the Chair, the Board may meet without the presence of Management at any time either prior to, or during, any meeting.

The CEO and Company Secretary are generally expected to attend all meetings of the Board (unless requested by the Chair to be absent).

Other members of Management and service providers will attend Board meetings as required.

Where the Chair is unable to attend a meeting, or where the Chair is unwilling to act, the Directors present shall elect one of their number in attendance at the meeting to be Chair of the meeting.

#### **14. Composition**

The Board is comprised of three Member Directors, three Employer Directors, and three Independent Directors. One Independent Director being the Chair.

All Directors individually, and the Board overall, must meet the relevant fit and proper standards of education, training, experience and knowledge prescribed in the Trustee's Board Appointment and Renewal Policy and Fit and Proper Policy or as otherwise determined by the Board from time to time.

The composition of the Board, its Committees, and the skills of Directors (both collectively and individually) will be reviewed periodically by the Governance and Rewards Committee to ensure that they continue to be structured in the most effective way, and comprise Directors with an appropriate combination of skills and attributes to provide for the effective leadership and oversight of the Trustee and the Fund, in accordance with relevant legislative requirements.

The key terms and conditions of each Director appointed to the Board are included in a formal letter of appointment.

#### **15. Voting and Quorum**

A quorum of the Board will be two thirds of Directors (i.e six Directors).

Unless otherwise required by law, agreement by two thirds majority of the total number of Directors in office at the relevant time is required for all resolutions.

#### **16. Reporting**

The minutes of all Board meetings are to be distributed to the Chair for review, within a reasonable time. The final version is to be approved and (unless the Board determines otherwise) signed at the next meeting by the Chair or other person chairing the meeting.

#### **17. Review**

The performance of the Board overall and of Directors individually will be reviewed regularly in accordance with the Trustee's Board Appointment and Renewal Policy.

This Charter will be reviewed at least every two years for ongoing relevance and effectiveness, or otherwise on any material change to the nature, size, structure, complexity and risk of the Trustee's business operations, or the role, ownership or control of the Trustee.