



CSF Pty Limited
(ABN 30 006 169 286) (AFSL 246664)

MYLIFEMYMONEY Superannuation Fund

Director Appointment, Renewal & Removal Procedures

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1. Introduction

1.1 Background

- 1.1.1 This document sets out the procedures relating to the appointment, renewal and removal of the Directors of CSF Pty Limited (the Trustee), the trustee of the MyLifeMyMoney Superannuation Fund (the Fund), and records its approach to ensuring that the Trustee meets the requirements relating to the appointment, renewal and removal of Directors as set out in:
- a. The *Superannuation Industry (Supervision) Act 1993 (the SIS Act)* and Regulations (as amended).
 - b. *APRA Prudential Standard SPS 510 – Governance (July 2017) (SPS 510)*.
 - c. *APRA Prudential Practice Guide SPG 510 – Governance (July 2017) (SPG 510)*.
- 1.1.2 This document should be read in conjunction with the Trust Deed and the Constitution, as well as the Trustee's Governance Policy, Fit and Proper Policy, Remuneration Policy, Terms of Reference for the Nomination Committee and Risk Management Strategy.

1.2 Scope

- 1.2.1 An Appointed Director means a director appointed by the board not pursuant to an election.
- 1.2.2 An Elected Director is a director elected by either the members of the Fund or the employers of members of the Fund.
- 1.2.3 These Procedures cover the appointment, renewal and removal of Elected Directors, Appointed Directors and Independent Directors (if so appointed from time to time).

1.3 Board Composition

- 1.3.1 The Board is composed of Elected Directors and Appointed Directors (equal representation of members and employers is to be maintained).
- 1.3.2 The Board retains the right to appoint an Independent Director under the Constitution.
- 1.3.3 The Trustee seeks a mix of skills and experience on the Board and Directors are encouraged to identify potential Directors to ensure candidates of sufficient calibre nominate for election or are appointed to the Trustee Board.

1.4 Power to Appoint, Renew and Remove

- 1.4.1 The Trustee Board is empowered to appoint, renew and remove Directors pursuant to the Constitution.

1.5 Nomination Committee

- 1.5.1 The Board has constituted a Nomination Committee, to whom it has delegated authority to act on its behalf in respect to fulfilling certain obligations associated with these Procedures.
- 1.5.2 The role, responsibilities and objectives of the Nomination Committee are set out in detail in the **Terms of Reference for the Nomination Committee**.

2. Elected Directors – Appointment, Renewal and Removal Procedures

2.1 General

- 2.1.1 An equal number of Employer Elected Directors and Member Elected Directors (together **Elected Directors**) must respectively be appointed and removed by a simple majority of Employers and Members (as the case may be).
- 2.1.2 The Chairperson and Deputy Chairperson shall be nominated and chosen by the Board. The initial term of office will be for the remainder of that Director's term of office, or such other term agreed by the Board. Subject to the maximum period of twelve (12) years as a Director, the Chairperson and Deputy Chairperson can be chosen directly by the Board for further terms.

2.2 Nomination to Office of an Elected Director

- 2.2.1 An individual will be eligible for nomination as an Elected Director provided they do not meet one or more of the criteria outlined in Section 2.2.2 below.
- 2.2.2 An individual will not be eligible for nomination as an Elected Director if they are:
- a. Employed by a service provider or otherwise associated directly or indirectly with a service provider.
 - b. Consultants and advisors (including their employees) of the Fund or any other fund or perceived competitor (includes tax advisors and auditors).
 - c. Employed by the Trustee or any associated company or body thereof.
 - d. A former employee of the Trustee or any associated company or body (for a period of three (3) years after ceasing such employment).
 - e. A member of the Fund with less than three years standing.
 - f. In the case of a nominee as an Employer Elected Director, nominated by an employer who is not an active registered employer of the Fund for at least the last three years and who is not making mandated contributions to the Fund. For this purpose, the Board may also specify a minimum number of employees on behalf of whom the employer is contributing to the Fund.
 - g. A Director of another fund or of a direct competitor in the marketplace.
 - h. An individual who has completed in aggregate, including through different periods, twelve (12) or more years as a Director of the Fund and/or a former fund which had merged with the Fund.
 - i. Deemed by the Returning Officer to hold a conflict of interest at the time of nomination.

2.3 Term of Office of an Elected Director

- 2.3.1 Subject to Section 2.1.2 above and Section 2.3.2 below, the term of office of an Elected Director shall be four (4) years.
- 2.3.2 Subject to Section 2.1.2 above, Elected Directors may serve a maximum of three (3) terms of office. The Trustee is confident that a maximum term of twelve (12) years will not, and will not be reasonably perceived to materially interfere with an Elected Director's ability to act in the best interests of beneficiaries.¹

¹ See **APRA Prudential Standard SPS 510 – Governance (Paragraph 23(g))**.

- 2.3.3 At the cessation of each Elected Director's term of office (other than the cessation of the Elected Director's maximum term of office) the Trustee will review the Elected Director's conformity with, and ability to continue to conform with, the propriety and competency requirements outlined in the Trustee's **Fit and Proper Policy** and consider whether it is appropriate that the individual stand for re-election.
- 2.3.4 The Trustee is confident that this renewal policy, with its staggered terms of tenure, ensures that the Board remains open to new ideas and independent thinking, whilst ensuring ongoing effective oversight, and supporting continuity and the appropriate transfer of knowledge and skills.

2.4 Vacation of Office of an Elected Director

- 2.4.1 The Office of an Elected Director immediately becomes vacant:
- If an Elected Director's circumstances change during their term of office so that they now meet one or more of the criteria outlined in Section 2.2.2 above.
 - As detailed in the Constitution.
 - If a Director fails a condition of appointment as outlined in the Trustee's **Fit and Proper Policy**.
 - If a Director fails to maintain the propriety and/or competency requirements as outlined in the Trustee's **Fit and Proper Policy**.
 - On the expiration of the Director's term of office (subject to Section 2.1.2).
- 2.4.2 Any vacancy must generally be filled within ninety (90) days (or such other period prescribed by the Superannuation Law) of the vacancy occurring.
- 2.4.3 The Trustee Board has the discretion to appoint a Director rather than follow the election procedure below.
- 2.4.4 If, during the term of office of an Elected Director, the Office of that Elected Director becomes vacant for any reason, then:
- In the case of a vacancy in the office of a Member Elected Director, a majority of the remaining Member Elected Directors; and
 - In the case of a vacancy in the office of an Employer Elected Director, a majority of the remaining Employer Elected Directors,
- must choose a person to fill the casual vacancy.
- 2.4.5 The candidate chosen to fill the casual vacancy in accordance with this Section will remain in office for the remainder of the term of the Employer Director or Member Director whom the candidate replaces.

2.5 Nomination, Voting and Election Procedures

- 2.5.1 Whenever it becomes necessary for any reason to commence a Director Election, the Returning Officer will call for nominations for Member Elected Persons or Employer Elected Persons (as the case may be) by ensuring that Nomination Forms are made available to each Member or to each Employer (as the case may be).
- 2.5.2 The Returning Officer will ensure that the Nomination Forms are accompanied by an outline of the duties, requirements and expected competencies of a Director.
- 2.5.3 Each candidate for a position as an Elected Person must be a Member for at least three (3) years and must be nominated in writing by another Member or Employer (as the case may be). In addition,

each candidate must have their nomination seconded by a separate Member or Employer (as the case may be).

- 2.5.4 Each candidate, at or before nomination, must be provided with a copy of the Trustee's **Fit and Proper Policy** and must consent in writing to the nomination and to act as a Director of the Trustee in accordance with the requirements of the Corporations Law, the Superannuation Law, the Financial Services Reform Act, any other Act or Regulation, and the Trustee's Constitution.
- 2.5.5 The Nomination Committee may, in accordance with these procedures, assess the suitability of each candidate prior to any election.
- 2.5.6 If the number of candidates nominated is equal to or less than the number of positions to be filled by those candidates, the nominated candidates will be declared elected and any remaining positions shall be chosen by a majority of the remaining Employer Elected Directors or a majority of the remaining Member Elected Directors (as the case may be).
- 2.5.7 If more than one candidate is nominated for any position, an election of the relevant Members or Employers (as the case may be), will be conducted.
- 2.5.8 The Returning Officer will be appointed as scrutineer. Alternatively, the Returning Officer may appoint a person or persons to act as scrutineer(s) if so required.
- 2.5.9 If any dispute arises concerning the election process, the decision of the Returning Officer will be final.
- 2.5.10 The Returning Officer will notify each Member or Employer (as the case may be) of the ballot process by email, by SMS, via the respective Member and Employer Newsletters and/or via the website.
- 2.5.11 The position of each candidate on the ballot will be determined by the Returning Officer by lot. In the case of an 'electronic' ballot, the online process may be set up to randomly allocate the position of each candidate.
- 2.5.12 Each vote in respect of the election must be given by ballot and no person may cast more than one vote for each position to be filled.
- 2.5.13 The ballot must be lodged or returned as required by the notice of the election.
- 2.5.14 The results of the election will be ascertained by the Returning Officer by counting the votes given in favour of each candidate. In the event of a tie between two or more candidates for a position as a Member Elected Person or two or more candidates for a position as an Employer Elected Person (as the case may be), the Returning Officer shall determine the issue by lot.
- 2.5.15 The result of the election will be declared by the Returning Officer, who will advise each candidate of the result.
- 2.5.16 A person who is elected in accordance with these Procedures will be deemed to have been appointed as a Member Elected Director or an Employer Elected Director (as the case may be), once the Board resolves to accept the candidate as an Elected Director.
- 2.5.17 All Members and Employers will be advised of the result on the Fund's website and/or in the next newsletter to Members and Employers (or Annual Report if this is prepared first).

Terms used in the Trustee's Constitution have the same meaning where used in these Procedures.

3. Appointed or Independent Directors – Appointment, Renewal and Removal Procedures

3.1 Nomination to Office of an Appointed or Independent Director

- 3.1.1 The Board may appoint a Director rather than seeking candidates for an election.
- 3.1.2 The Company Secretary must provide any candidate for appointment as a Director with a copy of the Trustee's **Fit and Proper Policy and the Director Assessment Process**.
- 3.1.3 To be eligible for appointment, that person must satisfy the requirements detailed in the Trustee's Constitution.

3.2 Term of Office of an Appointed or Independent Director

- 3.2.1 At the time of any appointment of a Director, the Elected Directors should determine whether or not a term of office is to be specified.

3.3 Vacation of Office of an Appointed or Independent Director

- 3.3.1 The Directors may resolve to remove an Appointed or Independent Director at any time.
- 3.3.2 The office of a Director immediately becomes vacant as detailed in the Trustee's Constitution.
- 3.3.3 Any vacancy in the office of an Appointed or Independent Director may be filled by the Directors appointing a further Appointed or Independent Director.

Terms used in the Trustee's Constitution have the same meaning where used in these Procedures.

4. Director Selection Assessment Process

4.1 Preliminaries

- 4.1.1 The recruitment of a new Director commences with the evaluation of the existing skills, knowledge, experience of current members of the Board and of the current level of diversity.
- 4.1.2 The Committee will then develop a description of the role that is to be filled and the capabilities required.
- 4.1.3 From time to time a communication program may be developed to inform potential candidates of pre-requisites that are considered essential to be considered in any future selection process.
- 4.1.4 There need not be a current vacancy for these preliminaries to be undertaken.

4.2 Seeking Candidates

- 4.2.1 The Committee or its delegate will seek candidates by notifying eligible members in the case of a member representative vacancy, or employers in the case of an employer representative vacancy.
- 4.2.2 Potential Directors will be actively sought by the Committee.
- 4.2.3 The notification to members and employees will include the role description and capabilities referred to in Section 4.1.2 above.
- 4.2.4 The identification of potential directors may be assisted by the use of an external search organization.

4.3 Managing the selection process

- 4.3.1 The Committee will decide the process to be followed for each election or appointment of a new Director.
- 4.3.2 In the case of an election, the Committee will follow the process included in these Procedures.
- 4.3.3 Eligibility and information requirements for director candidates are included in Section 6 of these Procedures.

4.4 Offer of appointment

- 4.4.1 An offer of a Board appointment may be made by the Chair only after any recommendations from the Nomination Committee have been circulated to all Directors and there has been approval by the Board.
- 4.4.2 All new Board appointments will be confirmed by letter in the standard format as approved by the Board or the Committee from time to time.

5. Criteria for Director Selection

5.1 Potential candidates

- 5.1.1 Factors to be considered when reviewing a potential candidate for a Board position may include:
- a. The skills, experience, expertise and personal qualities and attributes that will best complement the existing Board effectiveness;
 - b. The diversity of Board composition before and after an election or appointment;
 - c. The capability of the candidate to devote the necessary time and commitment to the role;
 - d. Potential conflicts of interest, and independence;
 - e. Alignment with culture, philosophy and values of the governing body which is dedicated to exceptional service to its members and employers;
 - f. Capacity to uphold the Fund's Values, Vision and Mission;
 - g. Protection of the Fund's catholic legacy and heritage; and
 - h. Protecting the Fund and Trustee from unintended consequences of mergers, acquisitions and alliances.

5.2 Personal characteristics of candidates

- 5.2.1 The Board of CSF Pty Limited is committed to the values the business lives by, and seeks candidates that collectively and individually as Directors will act in the best interest of members and no one else.
- 5.2.2 In applying for a future directorship, candidates need to display some or all of the qualities as listed below either in an interview or in written form:
- a. Can demonstrate **leadership** and who can **embrace change**;
 - b. Understand the nature and purpose of superannuation in people's lives;
 - c. Can master over time the complexity of investment, insurance, regulation and law, and retirement and business strategies;
 - d. Are **Visionaries** who can lead the organisation through the complex issues around retirement and superannuation;
 - e. Are Team players who appreciate diversity, are experienced in life, display wisdom and alternative views;
 - f. Have **Broad** industry background (health, education, age care, child care etc.);
 - g. **Demonstrate understanding** of the importance of **relationship** with members and employers;
 - h. Understand the difference between **governance** and **management**, and understand the crucial importance of **risk management** to good governance;
 - i. Demonstrate **understanding and commitment** to the **values, vision, mission and goals** of the Trustee;
 - j. Understand the **time commitment** required to fulfil the responsibilities of a director of CSF Pty Limited (average 1 day a week); and
 - k. Are **committed to the Trustee community's** future outcomes.

5.3 Diversity Policy

- 5.3.1 The Trustee highly values individual differences;
- 5.3.2 The Trustee recognises the importance of a diverse Board;

- 5.3.3 Diversity embraces differences including, and not limited to, gender, age, ethnicity and cultural background;
- 5.3.4 The board actively promotes gender balance.

6. Eligibility and information requirements in respect of candidates for election

6.1 Eligibility criteria for nomination for elections

- 6.1.1 Member Representative nominee – must be a current member of the Fund of at least 3 years standing.
- 6.1.2 Employer Representative nominee - must be nominated by a current participating employer of the Fund of at least 3 years standing.

6.2 Information to be provided by all prospective Directors

- 6.2.1 An information pack will be sent to each nominee requesting the personal information that the Committee requires.
- 6.2.2 Each nominee must provide the following information in order to be considered by the Committee:
 - a. A Curriculum Vitae showing relevant qualifications, experiences and skills;
 - b. Details of other Directorships;
 - c. Details of other material relationships (e.g. working for a major provider);
 - d. Availability for the interview process.

6.3 Statement to be made by the candidate

- 6.3.1 Each nominee / candidate must provide a statement confirming they:
 - a. Are not a minor;
 - b. Are not an employee of the Trustee or associated companies;
 - c. Are not an employee of a major service provider;
 - d. Are not a declared bankrupt;
 - e. Are not disqualified or prevented by law for a reason other than the candidate's age; and
 - f. Have not been convicted in the last ten years of an indictable offence in relation to the promotion, formation or management of a body corporate, or an offence involving fraud or dishonesty, and have provided all the information and consents the Nomination Committee reasonably requests to determine if the person is of appropriate fitness and propriety to be and act as a director by reference to the Trustee's Fit and Proper Policy.

7. Education

7.1 Professional Development – Induction

- 7.1.1 Each new Director is required to undergo the satisfactory completion of agreed induction training within three (3) months of their appointment or such other timeframe as determined by the Trustee. The Trustee's Fit and Proper Policy includes the requirements.

7.2 Professional Development – Ongoing

- 7.2.1 Each Director must undertake relevant ongoing training and professional development for at least 15 hours per calendar year or such greater number prescribed by the Trustee in respect of an individual. The Trustee's Fit and Proper Policy includes the requirements.

8. Review of Procedures

8.1 Annual Review

- 8.1.1 The Nomination Committee will ensure that the appropriateness, effectiveness and adequacy of these Procedures is subject to an annual review.
- 8.1.2 Prior to the commencement of this review, the Nomination Committee will determine whether the review will be undertaken internally, or outsourced to an appropriately qualified and experienced service provider, or a combination of both.
- 8.1.3 The results of the review will be reported to the Nomination Committee as part of the next scheduled meeting following completion of the review.
- 8.1.4 The Nomination Committee will then report to the Board on the results of the review.

8.2 Ad Hoc Review

- 8.2.1 Where institutional, operational or other developments that materially affect the size, business mix and complexity of the Trustee's business operations are identified outside the annual review timetable, the Nomination Committee will assess whether any immediate amendments to, or a review of, these Procedures is necessary to take account of these developments.
- 8.2.2 The Trustee may determine to complete an ad hoc review of these Procedures in response to:
 - a. An identified, systemic breach occurring as a result of these Procedures;
 - b. A change to the Relevant Law;
 - c. A change to the Trustee's constituent documents;
 - d. A material change to the operation of the Fund; and/or
 - e. A relevant amendment being made to the Trust Deed.
- 8.2.3 Prior to the commencement of this review, the Nomination Committee will determine whether the review will be undertaken internally, or outsourced to an appropriately qualified and experienced service provider, or a combination of both.
- 8.2.4 The results of the review will be reported to the Nomination Committee as part of the next scheduled meeting following completion of the review.
- 8.2.5 The Nomination Committee will then report to the Board on the results of the review.