

AWARE SUPER PTY LTD BOARD

CHARTER

The Aware Super Board Charter is continued by resolutions of the Board made on 28 August 2013 and 23 September 2020.

1. INTRODUCTION

- 1.1. In carrying out its responsibilities and exercising its powers, the Board at all times recognises its overriding responsibility to act honestly, ethically, diligently and in accordance with the law and its policies, procedures and guidelines in serving the interests of the Company and members of the Aware Super Fund (the Fund).
- 1.2. The Board works to promote and maintain an environment within the Company at all times that establishes these principles as basic guidelines for all of its employees and representatives.

2. Role of the Board of Directors

- 2.1. The objects for which the Company was established (and which are contained in its Constitution) are:
 - 2.1.1. "to act as a trustee of the Fund;
 - 2.1.2. to promote the Fund;
 - 2.1.3. to do anything that the directors consider necessary or desirable for the above purposes;
 - 2.1.4. to do anything that the directors consider incidental to the above purposes; and
 - 2.1.5. solely for the above purposes, to do anything allowed by the operation of SIS and the Law..."¹
- 2.2. Consistent with the objects of the Company, the Board² is responsible for:
 - 2.2.1. setting the strategic direction and financial objectives of the Fund and monitoring senior management's implementation of those strategies and financial objectives;
 - 2.2.2. monitoring compliance with all statutory and regulatory requirements of the Fund;
 - 2.2.3. monitoring compliance by the Company and the Fund's appointed service providers with statutory and regulatory requirements; and
 - 2.2.4. appointing and reviewing the performance of the Chief Executive Officer and the Executive Team.

¹ See clause 2.1 of the Company's Constitution.

² Where these responsibilities relate to the Fund, the Company has responsibility in its capacity as trustee and the Board takes on those responsibilities to enable the Company to comply with its obligations as trustee of the Fund.

- 2.3. In discharging its responsibilities, the Board should act at all times:
 - 2.3.1. in a manner designed to maximise long term value for members of the Fund through appropriate investment strategies consistent with the investment options chosen by members of the Fund;
 - 2.3.2. in accordance with the duties and obligations imposed upon the Directors by the Company's Constitution, by its Policies, (as directors of the trustee of the Fund) by the Fund's Trust Deed and Rules, and by law; and
 - 2.3.3. In a manner that maintains and continues the good name and reputation of the Company and the Fund.

3. Duties and Responsibilities of Directors

- 3.1. In addition to matters expressly required by law to be approved by the Board, powers specifically reserved for the Board include:
 - 3.1.1. reviewing and approving each of the following:
 - (i) systems of risk management, internal control and compliance, codes of conduct, continuous disclosure and legal compliance (this includes identifying the main risks associated with the Company and the Fund and reviewing procedures and systems in place to manage these risks);
 - (ii) external financial and other reporting to members of the Fund and the regulators; and
 - (iii) the operating budget of the Company (in respect of the Fund) including capital expenditure (as and when required);
 - 3.1.2. approving the Strategic Plan for the Fund (the Board participates in its development);
 - 3.1.3. reviewing and approving business plans and budgets for the Fund including the setting of performance objectives;
 - 3.1.4. approving the appointment of material service providers for the Fund.
 - 3.1.5. monitoring the Company's and the Fund's operational and financial position and performance;
 - 3.1.6. approving the Company's and the Fund's financial policies and financial statements;
 - 3.1.7. monitoring compliance with control and accountability systems, regulatory requirements and ethical standards;
 - 3.1.8. approving the financial and other reporting mechanisms for adequate, accurate and timely information being provided to the Board;
 - 3.1.9. approving processes, procedures and systems to ensure that financial results are appropriately and accurately reported on a timely basis;
 - 3.1.10. reviewing the remuneration and conditions of service, for the Chief Executive Officer and members of the Executive Team reporting to the Chief Executive Officer; and
 - 3.1.11. approving any changes to the delegations made by the Board.

In discharging its duties and responsibilities, the Board may delegate any of its functions to Board Committees, to third party service providers, or in respect of day to day management, to the Aware Super Executive.

The Board will be available to meet with APRA on request including any meeting required by APRA with Board Committees.

4. Composition and Structure of the Board

- 4.1. The Company's Constitution provides that there will be not less than 2 nor more than thirteen (13) directors (Approved Number): seven (7) employer representative directors and seven (7) member

representative directors, with the discretion by the Board to appoint an independent Director. Directors may increase the Approved Number of directors up to a maximum of seventeen (17) to meet business needs, however any increase to the approved number of Directors must be reduced to thirteen (13) within five (5) years of any increase taking effect.

- 4.2. The Board of Directors appoints the Chairman.
- 4.3. The Board will comprise Directors:
 - 4.3.1. each of whom possess at least the minimum standard of fitness and propriety as detailed in its Fitness and Propriety Policy;
 - 4.3.2. who collectively possess an appropriate range of skills, experience and expertise to complement the Company's business;
 - 4.3.3. who have a proper understanding of and are competent to deal with current and emerging issues relevant to the superannuation industry; and
 - 4.3.4. who can effectively review and challenge the performance of management and exercise independent judgement.
- 4.4. Directors are appointed under formal letters of appointment setting out the key terms and conditions of the appointment to ensure that Directors clearly understand the Company's expectations.
- 4.5. Directors are appointed to three year terms and may serve a total of 3 full terms (ie nine years). Where a Director's nine year anniversary occurs before the completion of a third term the Aware Super Chair, with the approval of the Board of Directors, may request that the Director complete the term. The Board of Directors may resolve to extend the final term of a director by no more than 3 years if they consider that such an extension is in the best interests of Fund beneficiaries.
- 4.6. A person who was a member of an audit firm or a director of an audit company or an employee who acted as a lead auditor or review auditor, and served in a professional capacity in the audit of Aware Super cannot be appointed to the role of Director (or senior manager of Aware Super) until at least two years have passed since they served in that professional capacity³.

5. Chairman

- 5.1. The Chairman is elected by the Directors in accordance with the Company's Constitution. The Directors may also appoint a Deputy Chairman. Where such an appointment is made, the Deputy Chairman must be from one of the existing Board members.
- 5.2. Should the Chairman and the Deputy Chairman be absent from a meeting, the Directors present at that meeting shall elect an acting Chairman for that meeting.

6. Board Skills

- 6.1. The Board shall ensure that, collectively, it has the appropriate level of skills and experience required, consistent with its Fitness and Propriety Policy, to properly fulfil its responsibilities.
- 6.2. The Board may declare the position of a Director to be vacant where a Director fails to meet the standards of Aware Super policy, procedure or guideline.
- 6.3. The Board shall review the mix of skills and experience of Directors on a regular basis and ensure that it has the appropriate level of technical skills and expertise relevant to the Company's business.
- 6.4. Whenever necessary and appropriate, the Board may make arrangements for ready access to such skills externally where they are not available within the Board.

7. Committees of the Board

³ This includes prohibiting a person being appointed a director (or senior manager) of Aware Super if the person was, or is, a director/member of the audit entity or is responsible for the audit of Aware Super and there is already employed by Aware Super as a director or senior manager a person who was a director of the audit entity at the time the entity undertook the audit of Aware Super at any time during the previous two years.

- 7.1. The Board may establish committees to assist it in the discharge of its responsibilities from time to time. The Board has established the following committees:
 - 7.1.1. Audit, Risk and Compliance Committee;
 - 7.1.2. Investment Committee;
 - 7.1.3. Member Services, Marketing and Business Development Committee;
 - 7.1.4. Disputes Committee; and
 - 7.1.5. Remuneration and Human Resources Committee.

Board Committees may delegate work to Sub Committees at the discretion of the Committee. Special purpose Committees may be established by the Board from time to time.

- 7.2. The Board approves Committee Charters in respect of all Board Committees addressing the role, duties and responsibilities, composition and structure, administration and any other matter the Board determines relevant to such Committees. Amendments to Committee Charters are also approved by the Board.
- 7.3. The Board will appoint members to the Committees and make changes to membership. Members of the Executive Team and other invitees may attend Committee meetings.
- 7.4. The Board evaluates the operations and performance of each Committee annually following the evaluation made by each Committee of its own performance.
- 7.5. Any Director may attend any Committee meetings of which they are not members.

8. Independence of the Board

- 8.1. All Directors are to exercise independent judgement in decision-making.
- 8.2. Directors may access information and seek independent advice that they consider necessary to fulfil their responsibilities and to exercise independent judgement in decision-making.
- 8.3. Directors will be entitled to:
 - 8.3.1. access members of management at any time to request relevant and additional information and to seek explanations but should seek to minimise any disruption to the operations of the Company in doing so;
 - 8.3.2. have access to Auditors without management present to request additional information and seek explanations; and
 - 8.3.3. subject to obtaining the necessary approval in accordance with section 11 below, seek independent professional advice, which is to be at the Company's expense.

9. Meetings of the Board of Directors

- 9.1. The Board meets formally approximately ten times per annum and whenever necessary to deal with urgent matters which might arise between scheduled meetings.
- 9.2. No business may be transacted at any meeting of the Board unless a quorum is present. A quorum comprises two thirds of the total number of Directors, who must include at least 2 members who are Fund Employer Representative Directors and at least 2 members who are Fund Member Representative Directors.
- 9.3. The Board has guidelines to ensure that all Directors receive papers for consideration and regular reports in advance of meetings to enable them to participate in an informed manner.
- 9.4. Senior management normally attend Board meetings to present reports on, or seek approval within, their areas of responsibility.

- 9.5. At the meeting of the Board which next follows each Committee meeting, the Board is provided with a verbal report on Committee meeting proceedings as well as a copy of either the draft or confirmed Minutes of that meeting.
- 9.6. The external auditor meets with the Audit, Risk and Compliance Committee on behalf of the Board as part of the full year financial reporting process.

10. Remuneration of Directors

- 10.1. In accordance with the Company's Constitution, the Board will determine the remuneration payable to Directors and to members of Committees after first obtaining the advice and recommendations from an appropriate independent external expert.

11. Independent Expert Advice

- 11.1. The Board, an individual Director or a Committee may engage an independent external advisor in relation to any Board or Committee matter at the expense of the Company. Prior to obtaining any external advice, an individual director or a Committee must first notify either the Chairman of the Board or the Board of Directors.
- 11.2. The Chairman of the Board may determine that any external advice received by an individual Director or Committee be circulated to the remainder of the Board.

12. Assessment and Evaluation of Board Performance

- 12.1. The Board and Committees shall undertake at least annually a performance assessment of itself that:
 - 12.1.1. assesses the Board's performance relative to its objectives
 - 12.1.2. assesses the performance of individual directors
 - 12.1.3. compares the performance of the Board or the relevant Committee with the requirements of its Charter;
 - 12.1.4. sets forth the goals and objectives of the Board and/or of the relevant Committee for the upcoming year; and
 - 12.1.5. effects any improvements to the Board and/or Committee Charters deemed necessary or desirable.
- 12.2. The performance evaluation shall be conducted generally each year and in such a manner as the Board deems appropriate.

13. Conflicts of Interest of Directors

- 13.1. A Director who has:
 - 13.1.1. a material personal interest in a matter which relates to the affairs of the Company; or
 - 13.1.2. any other interest which the Director believes is appropriate to disclose in order to avoid an actual or potential conflict of interest or the perception of a conflict or interest, may not be present at a meeting when the matter is being considered and may not vote on the matter unless the other Directors pass a resolution that the interest should not disqualify the Director from being present and/or voting.⁴

⁴ Although the Company is not a public company, the Board considers that the procedure set out in section 195 of the *Corporations Act 2001 (Cth)* represents good corporate governance and ordinarily should be followed by the Company. The Board may adopt other procedures in appropriate circumstances.

- 13.2. The Minutes of the meeting should record the decision taken by the Directors who do not have an interest in the matter.
- 13.3. The Conflict of Interest Policy sets out Directors' obligations with regard to conflicts of interest.

14. Indemnification of Directors

- 14.1. The Directors of the Company are each indemnified against liability they incur in their capacity as a director in accordance with the Company's Constitution and the Fund's Trust Deed and Rules.⁵

15. Separation of Functions between the Chairman and the Chief Executive Officer

- 15.1. The roles of the Chairman and the Chief Executive Officer are strictly separated.
- 15.2. The Chairman is responsible for:
 - 15.2.1. ensuring the Board provides leadership and vision to the Company;
 - 15.2.2. establishing the Board agenda;
 - 15.2.3. presiding over Board meetings and directing Board discussions to effectively use the time available to address the critical issues facing the Company;
 - 15.2.4. ensuring Board Minutes properly reflect Board decisions;
 - 15.2.5. making certain that the Board has the necessary information to undertake effective decision making and actions;
 - 15.2.6. developing an ongoing relationship with the Chief Executive Officer. As the major point of contact between the Chief Executive Officer and the Board, the Chairman should be kept fully informed of the day-to-day matters of interest to Directors;
 - 15.2.7. acting as a mentor for the Chief Executive Officer;
 - 15.2.8. commencement of the annual process of Board and Director evaluation;
 - 15.2.9. approving any public statements which reflect significant issues of the Company's or the Fund's policy or strategy; and
 - 15.2.10. guiding the ongoing effectiveness and development of the Board and individual Directors.
- 15.3. The Chief Executive Officer is responsible for:
 - 15.3.1. taking and approving all and any actions and initiatives required to deliver the Company's strategic and operational plans as approved by the Board;
 - 15.3.2. ensuring transactions outside the Chief Executive Officers' delegation levels are referred to the Board for approval;
 - 15.3.3. ensuring that all actions comply with the Company's policies in force from time to time; and
 - 15.3.4. other responsibilities as delegated by the Board to the Chief Executive Officer.

16. Secretary

- 16.1. The Company Secretary is responsible for carrying out the administrative and legislative requirements of the Board as follows:
 - 16.1.1. ensuring that the Board agenda is developed in a timely and effective manner for review and approval by the Chairman;
 - 16.1.2. ensuring, in conjunction with the Chief Executive Officer, that Board papers are developed in a timely and effective manner;
 - 16.1.3. co-ordinating, organising and attending meetings of the Board and Members of the Company and ensuring that correct procedures are followed;
 - 16.1.4. drafting and maintaining Minutes of Board meetings;

⁵ There are limits on the indemnity contained in the Company's Constitution and the Fund's Trust Deed and Rules.

- 16.1.5. in conjunction with the Chief Executive Officer, the Executive Team and other senior management, carry out the instructions of the Board and giving practical effect to the Boards' decisions;
- 16.1.6. meeting statutory reporting requirements in accordance with relevant legislation; and
- 16.1.7. working with the Chairman and the Chief Executive Officer to establish and deliver best practice governance.

17. Authority Delegated to Senior Management

- 17.1. The Board has delegated to the Chief Executive Officer and the Executive Team, authority over the day-to-day management of the Company and its operations. This delegation of authority includes responsibility for:
 - 17.1.1 developing business plans, budgets and strategies for the Company for consideration by the Board and, to the extent approved by the Board, implementing these plans, budgets and strategies;
 - 17.1.2 operating the Company's business within the parameters set by the Board from time to time, and keeping the Board informed of material developments in the Company's business;
 - 17.1.3 where proposed transactions, commitments or arrangements exceed the parameters set by the Board, referring the matter(s) to the Board for its consideration and approval;
 - 17.1.4 identifying and managing operational and other risks and, where those risks could have a material impact on the Company's business, formulating strategies for managing these risks for consideration by the Board;
 - 17.1.5 managing the Company's current financial and other reporting mechanisms and control and monitoring systems to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively;
 - 17.1.6 ensuring that the Board is provided with sufficient information on a timely basis in regard to the business of the Company, and in particular with respect to the Fund's performance, financial condition, operating results and prospects, to enable the Board to fulfil its governance responsibilities;
 - 17.1.7 implementing the policies, processes and Codes of Conduct approved by the Board; and
 - 17.1.8 implementing policies, processes and procedures for the management and development of the Company's employees.

18. Review of the Charter

- 18.1. The Board will review its Charter on a regular basis and make any changes it determines necessary or desirable.

Annexure A to the Board Charter

1. Board of Directors

Neil Cochrane - Chairman
Travis Bates
Glenn Bunney
Gabrielle Bell
Paula Carew
John Dixon
Patricia Faulkner
Jocelyn Furlan
Dr Rosemary Kelly
Antoinette Masiero
Philip Moffit
Mark Morey
Roslyn Ramwell
Naomi Steer
Tom Symondson

2. Company Secretary

Ian Pendleton

3. Attendance at Board meetings

Members of the Executive may also attend Board meetings by invitation, including:

- Chief Executive Officer
- Chief Operating Officer
- Director of Investment Services
- Other members of the Executive as necessary from time to time

Visitors may also attend Committee meetings by invitation.