

HUMAN RESOURCES, REMUNERATION AND GOVERNANCE COMMITTEE CHARTER

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1. Definitions

Defined terms in this document shall have the same meaning as in the Constitution or the Trust Deed where such terms are defined.

Board means the board of directors of the Trustee.

Chief Executive Officer or CEO means the person appointed to that position by the Board from time to time.

Committee means the Human Resources, Remuneration and Governance Committee.

Constitution means the constitution of NGS Super Pty Limited as amended from time to time.

Executive Team means direct reports of the CEO who have been appointed by the CEO to the Executive Team

Fund means NGS Super established by the Trust Deed dated 10 June 1988

General Staff includes all staff (excluding Executive Team members) who are employed by NGS Super Pty Limited and includes permanent and contract staff as well as consultants

Regulator means any applicable governmental authority and for the avoidance of doubt includes the Australian Prudential Regulation Authority (APRA), the Australian Securities and Investments Commission (ASIC), Australian Transaction Reports & Analysis Centre (AUSTRAC) and/or the Australian Taxation Office.

Relevant Law means:

- The *Superannuation Industry (Supervision) Act 1993* (Cth) and Regulations and *Corporations Act 2001* (Cth) and Regulations
- the Trustee's RSE licence conditions
- the Trustee's AFS licence conditions
- APRA's Prudential Standards
- and all applicable laws, regulations, and standards.

Senior Management Staff means those members of staff nominated to ASIC and / or APRA as Responsible Managers or Responsible Persons and those whose appointment requires the approval of the Board on recommendation from the Human Resources, Remunerations and Governance Committee.

Trustee means NGS Super Pty Limited ABN 46 003 491 487.

Trust Deed means the trust deed establishing the Non-Government Schools Superannuation Fund dated 10 June 1988 as amended from time to time.

2. Purpose

This Charter sets out the roles, responsibilities, composition and operation of the Human Resources, Remuneration and Governance Committee. This charter has been prepared in accordance with APRA Superannuation Prudential Standard 510 (CPS510) Governance, and related Standards and Guidance.

3. Membership of Committee

Size of the Committee: There must be a minimum of three and a maximum of six Directors on the Committee at all times.

Appointment to the Committee: The Board appoints the Members of the Committee.

Composition of the Committee: The Committee shall consist of a minimum of three Directors who will be the current Chair of the Board, Deputy Chair of the Board and any previous Chair or Deputy Chair or any other Director appointed by the Board.

Chair: The Board may appoint a Chair of the Committee for a meeting or for a term and terminate that appointment at any time. If the Chair is not present (or unwilling to act as Chair) within 10 minutes after the time appointed for a meeting to commence, the Committee members present at the meeting may elect one of their number to be Chair of the meeting. The Chair shall have no second or casting vote.

The Chair of the Board may not act as Chair the Committee pursuant to SPS 510.

Secretary: Management will propose a Committee Secretary to be endorsed by the Committee.

Fit and Proper: The Committee must report to the Board if they form the view that they or a proposed Committee Member does not in the context of the Committee have skills appropriate to fulfil their responsibilities as a Committee Member.

Replacement of Members: The Board can remove and replace a member of the Committee at any time.

Advice: The Committee can choose to engage a third-party expert to provide independent advice on any areas that are the responsibility of the Committee and to attend meetings of the Committee as required.

Induction: The Company Secretary will arrange a suitable induction program for new committee members tailored to the key responsibilities of the Committee.

4 Duties of the Committee members

The Committee Members must:

- (a) act honestly
- (b) exercise the degree of care and diligence that a reasonable person would exercise if they were in the member's position
- (c) not make use of information acquired through being a Committee Member to either gain an improper advantage for the member or another person or cause detriment to the Members, and
- (d) not make improper use of their position as a Committee Member to gain (directly or indirectly) an advantage for themselves or for any other person or cause detriment to the Member.

5 Powers delegated to the Committee

5.1 General delegations

The Board may delegate to the Committee at any time, powers that the Board has under the Trust Deed.

The Board agrees to delegate the following specific powers to the Human Resources, Remuneration and Governance Committee:

5.2 Remuneration and Recruitment

- (a) The review and approval of the Remuneration Package of the CEO within parameters approved by the Board
- (b) The review and approval of any and all salary reviews recommended by the CEO in respect of the Executive Team

- (c) Review and recommend to the Board any and all annual salary reviews approved by the CEO in respect of all General Staff within agreed parameters
- (d) Review and approve the recruitment and the initial Remuneration Package of any Senior Management Staff member. If an appointment occurs between Committee meetings, the Chair of the Committee has delegation to endorse a recommendation from the CEO
- (e) Recruit and appoint a CEO when requested to do so by the Board and approve an initial Remuneration Package within parameters approved by the Board
- (f) Approve or refuse the recommendation of the CEO to terminate any Executive Team member
- (g) Ongoing monitoring of the Fund's development and implementation of plans and programs for the employment and most effective utilisation of human resources to support Fund objectives
- (h) Developing and reviewing the effectiveness of the Fund's Remuneration Policy and its compliance with SPS 510 and the implementation of plans and programs of employee compensation and benefits to provide a competitive level of remuneration and motivation for all staff
- (i) Ongoing monitoring of Directors' Fees and all compensation and benefits paid to Directors of Trustee Boards within the Industry Funds sector
- (j) Establishment of an ongoing review procedure for the monitoring and annual assessment of the Board and Board Committees and their continued compliance with the requirements of the Fit and Proper Policy.

5.3 **Succession**

- (a) Succession planning for CEO and other designated senior positions.

5.4 **Termination**

In appropriate circumstances and where immediate action is required to preserve the integrity and good name of the Trustee, the CEO may terminate an Executive Team Member after consultation with and the verbal approval of the Chair of the Committee

5.5 **Performance**

- (a) Undertake the half yearly and annual performance review of the CEO
- (b) Oversee the implementation of any performance management program that maybe required in respect of the CEO
- (c) Obtain external legal advice as required in relation to the appointment and/or termination of the CEO and Executive Team members Approve the Board and Committee and Committee Charter Self-Assessment checklists.
- (d) Director performance including but not limited to:
 - tenure review
 - annual competency review.

- (e) All Board Committees' performance and appointments including but not limited to:
- reviewing annual committee self-assessments
 - reviewing committee membership to ensure appropriate levels of skills and experience
 - undertaking tenure reviews of Committee members
 - making recommendations to the Board in relation to committee membership and committee Chair appointments.

5.6

Policies

- (a) Approve policies relating to the management of Human Resources.
- (b) Developing and reviewing the Board's Governance Policy including but not limited to:
- purpose of the Board
 - position descriptions for Directors
 - code of conduct
 - training policy and procedures including induction
 - skills gap analysis for Board appointees.

5.7

Reporting and Relationship with Service Providers

In fulfilling its responsibilities, the Committee will:

- (a) receive regular reports from the Fund's own management and any relevant third-party advisor or service provider where appropriate
- (b) report to the Board after each Committee meeting and provide relevant papers and minutes to all Directors.

5.8

Recommendations to the Board

- (a) On all other Human Resources and related matters, the Committee shall make a recommendation to the Board. Such matters will include but are not limited to:
- the overall staffing structure to meet the current and future needs of the Fund
 - changes to policies that relate to remuneration and governance
 - the annual review of Directors' fees, compensation and benefits
 - outcome of the triennial review of Director fees
 - annual review of the percentage salary increase for all staff
 - any matters arising from the annual assessment of the Board and Committees
 - changes to any aspects of Board governance.
- (b) The Committee must provide to the Board sufficiently detailed documentation for the purposes of the Board making a decision on any recommendation of the Committee.

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Limitations on Powers delegated

The Board may revoke such delegation and may permanently or temporarily exercise, or delegate to another person to exercise, its powers concurrently to, or to the exclusion of, the exercise of the powers by the Committee.

7.

Meetings

Meeting frequency: The Committee shall meet at least quarterly and at other

times as the Committee deems necessary. The Chair may determine the manner in which a meeting of the Committee Members will be regulated. The decision of the Chair on any matter relating to the conduct of a meeting is final.

Adjournment: The chair has power to adjourn a meeting for any reason to such place and time as the committee thinks fit.

Agenda and meeting papers: The CEO or delegate or Committee Secretary, in conjunction with the Chair, will be responsible for circulating the meeting agenda and papers to the Committee prior to each meeting.

Minutes: The minutes of the Committee shall be prepared in the same manner as minutes of the Board of Directors and in accordance with the *Corporations Act 2001*(Cth).

Meeting by electronic means: Any member of the Committee may participate in a meeting by conference telephone, video conferencing, or similar communications equipment provided all persons participating in the meeting can hear each other. Participation in this way will be deemed to constitute the presence of a Committee member at the meeting.

Participation in Committee: All Committee members shall have the right to speak and be heard in all discussions. The CEO and relevant managers and staff are permitted to attend the meeting to report, provide advice and secretarial support but are not able to vote.

Quorum: A quorum will consist of a majority of the voting Members of the Committee.

Voting: All business arising at the Committee meetings will be determined by resolution. For a resolution to be effective it must be carried by a majority of the voting Members of the Committee.

All Committee Members shall be entitled to vote on any resolution unless disqualified from doing so.

Circular Resolution: A circular resolution may be used between meetings to facilitate the work of the Committee.

The resolution is passed when the majority of Committee members consent to the resolution.

A Committee member may consent to a resolution by giving the Committee Secretary a written notice (including by, electronic mail or other electronic means) that signifies the Committee member's assent to the resolution.

Voting by Proxy: Voting members of the Committee who are not able to attend the meeting in person or by electronic means may appoint another member of the Committee as their Proxy who will attend the meeting to vote on their behalf. Proxies will hold mandated votes or discretionary votes, respectively.

The Committee Member appointing the proxy shall either instruct their proxy to vote on particular resolutions, and/or allow their proxy to decide how to cast the vote(s) themselves, referred to as mandated and discretionary votes respectively.

If a Committee Member's Proxy does not attend the meeting, the Committee Member's votes will not be cast.

Referral of matters to the Board: If an equal number of votes is cast for and against any resolution, any Member of the Committee may require that such business as was subject to the resolution will be considered by the next Board meeting for determination.

Disclosure of interests: A Committee Member must disclose to the first meeting of the Committee after they become aware of a direct or indirect pecuniary interest and/or conflict of duties that they have in a matter being considered or about to be considered by the meeting if it could conflict with the proper performance of their duties in relation to the consideration of the matter, and the disclosure must be recorded both in the minutes and the Interests and Duties register.

Resources: The Committee must inform the Board if it believes that it does not have adequate resources or access to information to enable it to properly perform its functions as a committee

Meetings with APRA: Members of the Committee will make themselves available to meet with APRA on request.

8. Review of the Charter

The Committee will review the operation of this Charter on at least an annual basis. Any proposed change to the Charter will be submitted to the Board for approval.

Revision and sign-off history

Version	Revision date	Author/s	Revision notes	Review by Committee	Approved by Board
1.0	1/4/2008	John McCrory	First version	-	-
2.0	13/5/2008	Anthony Rodwell-Ball	Minor changes including formatting	-	-
3.0	29/6/2010	John McCrory	Definition of senior managers included, and CEO given delegation re terminating senior managers following consultation	-	29/6/2010
4.0	31/5/2011	John McCrory	Updating committee membership and appointment and including sections on fit and proper, replacement, retirement, meeting frequency, quorum and voting	-	31/5/2011
5.0	9/8/2011	John McCrory	Definition of CEO included and updates to replacement and retirement section	-	9/8/2011
6.0	28/8/2012	Laura Wright	Updated to meet the requirements of APRA's draft Governance Prudential Standard	20/8/2012	28/8/2012
7.0	3/4/2013	Laura Wright	Adding section on reviewing Committee performance	22/4/2013	30/4/2013
8.0	28/8/2013	Laura Wright	Added co-opted member and section on attendees	15/10/2013	15/10/2013
9.0	20/1/2014	Laura Wright	Update to Committee composition	-	25/2/2014
10.0	21/6/2016	Laura Wright	Changes to size and composition, removal of co-opted membership, inclusion of APRA's membership criteria, updates to and clarification of some delegations	12/9/2016	20/9/2016
11.0	21/12/2016	Laura Wright	Clarifying membership following changes to the Governance Policy	6/2/2017	14/2/2017
12.0	11/5/2018	Risk and Compliance Officer	'Voting by Proxy' in Section 7: Meetings and changes to membership plus some additions and clarifications of duties and delegations	12/6/2018	19/6/2018
13.0	5/7/2019	Senior Manager Governance	Added changes arising from 2018 Governance Review including induction process, annual review of Committee size	22/7/2019	30/7/2019

Version	Revision date	Author/s	Revision notes	Review by Committee	Approved by Board
			and provision for circular resolutions		
14.0	14/05/2020	Senior Manager Governance	Annual review – minor changes only.		
15.0	31/05/2022	Chief Risk and Governance Officer and Legal Counsel, Compliance and Governance	Annual Review Simplification of language	14 June 2022	23 June 2022

Records management

Record management system	Date up-loaded:
Shared Drive:	24 June 2020
Resource Centre - diligent	24 June 2020