

HUMAN RESOURCES, REMUNERATION AND GOVERNANCE COMMITTEE CHARTER

DATE APPROVED: 19 JUNE 2018

VERSION: 12.0

CONTENTS

1. Definitions	1
2. Purpose.....	1
3. Membership of Committee.....	3
4. Duties of the Committee members	4
5. Powers delegated to the Committee	4
6. Limitations on Powers delegated.....	5
7. Meetings.....	5
8. Reporting and relationship with Service Providers	6
9. Review of the Charter.....	6

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 (CEO) means the person appointed to that position by the Board from time to time.

Committee means the Human Resources, Remuneration and Governance Committee established pursuant to these guidelines.

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

Fund means NGS Super declared and established by the Deed dated 10 June 1988, as amended from time to time, and, where relevant, includes and refers to all Plans and Sub-plans of the Fund.

Non-Executive Director means member of a company's board of directors who is not part of the executive team.

Regulator means the Australian Prudential Regulation Authority, the Australian Securities and Investments Commission and/or the Australian Taxation Office.

Senior Management Staff means those members of staff nominated to ASIC and / or APRA as Responsible Managers and those whose appointment requires the approval of 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 it may be amended from time to time.

2. Purpose

The Purpose of the Committee is to act as a delegate of and an advisory body to, the Board in relation to:

- a) the 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 to assist the Board to ensure that:
 - i. An overall staffing structure to meet the current and future needs of the Fund is established and maintained
 - ii. The roles, responsibilities and accountabilities and key performance indicators of each position within that structure are clearly defined by specific position descriptions and agreed performance plans
 - iii. The knowledge skills and experience required of the most appropriate person to fill a position is clearly defined within the position description
 - iv. The most appropriate internal or external candidate to fill a position is selected on merit based on the knowledge skills and experience specified in the position description
 - v. the plans and programs are within the framework of the Fund's overall policies and Strategic Plans and Risk Management Framework.

- b) Developing and reviewing the effectiveness of the Fund's Remuneration Policy and its compliance with Prudential Standard SPS 510 and the implementation of plans and programs of employee compensation and benefits (including retirement benefits) to provide a competitive level of remuneration and motivation for all staff and that:
- i. All compensation and benefits policies and procedures are maintained in accordance with the Board's strategy and Risk Management Framework
 - ii. The pay review procedure, including any procedure used to set pay levels, such as performance reviews are conducted in an orderly and timely manner
 - iii. An in-depth understanding of external pay markets and trends therein is maintained in order that the compensation and benefits package remains competitive.
- c) the ongoing monitoring of Directors' Fees and all related or relevant compensation and benefits paid to Directors of Trustee Boards within the Industry Funds sector to ensure that:
- i. Directors Fees, compensation and benefits are maintained in line with Industry standards and in accordance with the Board's policy
 - ii. a review procedure, including any procedure used to set fee levels, is established and reviews are conducted in an orderly and timely manner
 - iii. An in-depth understanding of fees, compensation and benefits within the Industry Fund sector and trends therein is maintained in order that the fees, compensation and benefits package are within Industry standards.
- d) the establishment of an ongoing review procedure for the monitoring and annual assessment of the Board and Board Committees and their continued compliance with the 'fitness' and 'competency' requirements of the Fit and Proper Policy. The review procedure will take into consideration the annual review of all Responsible Managers required by the Fit and Proper Policy. This process will take into consideration the results of the Directors regular skills self- assessment results.
- e) Succession planning for the CEO and other designated senior positions.
- f) 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.
- g) the Board's compliance with the Trust Deed, the Constitution, Relevant Law and general law regarding employment and governance matters
- h) The Board's compliance with its HR and Corporate Policy and any other policies that relate to HR and governance matters
- i) Director performance including but not limited to:
- tenure review
 - annual competency review.

- j) 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 member
 - making recommendations to the Board in relation to committee membership and committee Chair appointments.

3. **Membership of Committee**

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

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

Composition of the Committee: The Committee membership shall consist of a minimum of three Non-Executive 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 Chairperson of the Board may not Chair the Committee except where the Chairperson of the Board is the only independent Director.

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

Fit and Proper: The Committee must report to the Board of the Trustee 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 Trustee 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.

Restrictions on membership: APRA's Prudential Standard SPS 510 Governance states that the Board Remuneration Committee must have at least three members and all members of the Committee must be Non-Executive Directors.

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 an 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:

- (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 all Senior Management Staff (permanent, contract or consultants)
- (c) Review and recommend to the Board any and all annual salary reviews approved by the CEO in respect of all General Staff (Permanent, Contract or Consultants) within agreed parameters
- (d) Review and approve the recruitment and the initial Remuneration Package of any Senior Management Staff member. In the event that 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 Senior Management Staff member
- (g) In appropriate circumstances and where immediate action is required to preserve the integrity and good name of the Trustee, the CEO may terminate a Senior Management Staff member after consultation with and the verbal approval of the Chair of the Committee
- (h) Undertake the annual performance review of the CEO
- (i) Oversee the implementation of any performance management program that maybe required in respect of the CEO
- (j) Obtain external legal advice as required in relation to the appointment and/or termination of the CEO and other Senior Management Staff
- (k) Approve the Competency matrix, Board and Committee and Committee Charter Self-Assessment checklists.

5.2 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 the Human Resource and Corporate policy
 - changes to other policies that relate to HR, Remuneration and Governance
 - changes in legislative and regulatory requirements that effect staff
 - specialist external training courses
 - the annual review of directors fees, compensation and benefits
 - 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 Corporate Governance
- (b) The Committee must provide to the Board sufficiently detailed documentation (including but not limited to relevant minutes and papers from any Committee meetings) for the purposes of the Board making a decision on any recommendation of the Committee.

6. 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 thinks appropriate. 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 associated documentation to the Committee members prior to each meeting.

Minutes: The minutes of the proceedings of decisions of the Committee shall be made in the same manner in all respects as minutes of the proceedings of the board of directors are required to be made pursuant to the *Corporations Act 2001*.

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

Participation in Committee: All Committee members shall have the right to speak and be heard in any and all discussions.

The CEO and relevant managers can attend and present to, and speak at meetings, but not vote.

Quorum: A quorum will consist of the majority of 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 non-executive directors appointed to the Committee shall be entitled to vote on any resolution unless disqualified from doing so.

Attendees at the meeting are not able to vote.

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.

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

8. Reporting and relationship with Service Providers

In fulfilling its responsibilities, the Committee will:

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

The Committee must provide to the Board sufficiently detailed documentation (including but not limited to relevant minutes and papers from any Committee meetings) for the purposes of the Board ratifying a decision of the Committee.

9. Review of the Charter

The Committee will review the continuing existence of the Charter on at least an annual basis. Where changes are deemed necessary they will be submitted to the full Board for endorsement.

The Committee will assess its own performance on an annual basis by reviewing its areas of responsibility including but not limited to:

- Policy review deadlines met
- Identified projects and action items completed in agreed format and time frames
- Remuneration process deadlines met.