

# Director Appointment and Removal Policy

	<b>Date Actual or Expected</b>	<b>Responsible</b>
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# 1. Introduction

## 1.1. Purpose

This document describes the procedures (**Procedures**) Christian Super Pty Limited (**Trustee**) has adopted to ensure that the processes for the nomination, appointment and removal of directors of the Trustee comply with the requirements of the Trust Deed of the Fund and other statutory requirements.

## 2. Appointment, Reclassification or Removal of Directors

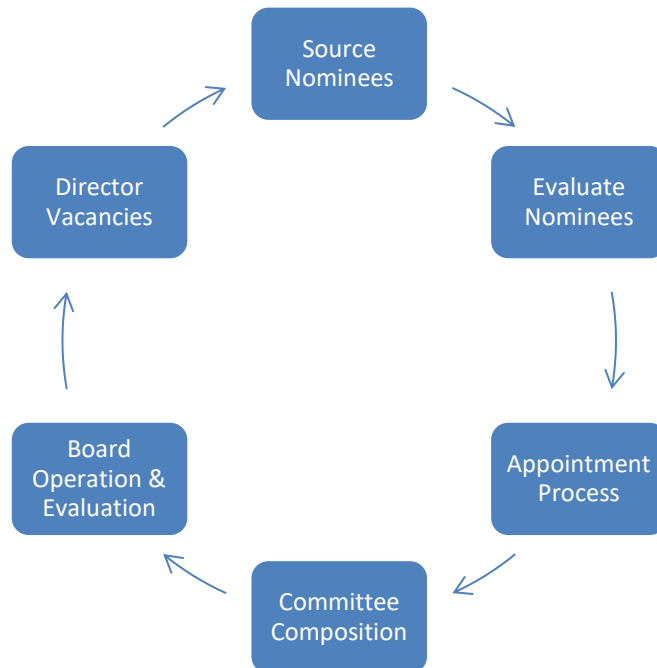
The appointment, reclassification or removal of directors is subject to:

- The requirements of this policy, which are consistent with the requirements of the *Trust Deed*.
- The requirements of the *Governance Framework*.
- Compliance with the *Responsible Officer Plan*, as all directors of the Trustee are responsible officers.
- The management of conflicts in accordance with the *Conflicts Management Framework*.

Directors may be appointed as member-elected directors, sponsor-elected directors or independent directors. In the interest of good governance, the Trustee does not appoint staff of the Fund or subsidiaries as directors. Similarly, the Trustee does not appoint directors who are directors of other superannuation funds. All director appointments and removals are to be appropriately documented.

### 2.1. Director Identification Process

The following process will typically be used for identifying potential directors:



- nominees are sourced according to gaps identified through the Trustee Standards
- nominees are evaluated by:
  - mapping of skills against the Trustee Standards

- a qualitative assessment of their diversity with reference to the remaining directors
- a meeting of the Board Governance & Remuneration Committee Chair, the CEO and other directors/senior management as appropriate
- the use of cognitive or psychological testing if desired
- contacting referees
- nominees are put through the relevant appointment process as outlined in this policy (depending on whether they are a member-elected, sponsor-elected or independent director)
- successful candidates are allocated Committee roles based on skills and existing composition
- director joins the Board and Committees and is reviewed in accordance with the Board Evaluation processes in the *Board Charter & Delegations Policy* and the Committee Evaluation process in the *Committees Charter & Terms of Reference*.
- Director vacancies arise, in accordance with this policy, and the process is repeated

### 3. Member-Elected Director Appointments

Member-elected director appointments will be conducted according to the following table.<sup>i</sup>

Item	Timing
Appointment of Returning Officer	Not less than 90 days before distribution of notice of election.
Seeking of Applications for Re-Appointment	N/A
Distribution of Notice of Election and Nomination Form to Members	N/A
Closure of Nominations	Not less than 60 days from distribution of notice of election.
Nominee Assessment	N/A
Distribution of Ballot Papers	N/A
Closure of Voting Period	Not less than 30 days from distribution of ballot papers.
Counting of Votes	N/A
Distribution of Certificate of Election and Notice of Results	Within three months of the close of the ballot.
Submission of Elected Candidates to Principal Sponsor	N/A
Appointment of Elected Candidates	N/A

#### 3.1. Member Election

The Trustee will ensure that an election is held in within the period commencing 3 months before and ending 3 months after the third anniversary of the preceding election.<sup>ii</sup>

The Trustee must appoint a Returning Officer, ordinarily the Company Secretary, who is not a disqualified person as defined in the *Responsible Officer Plan*, at least ninety days prior to the call for nominations.

The Electoral Roll will comprise of all members of the Fund, including new members whose application forms have been received by the Fund by that date. The Notice of Election must be sent to all members on the Electoral Roll, including a request for expressions of interest in nomination.

### **3.2. Nomination**

The Notice of Election shall contain a request for interest in nomination as member representative directors. Persons who express an interest in nomination shall be provided with an information pack containing the *Responsible Officer Plan* and a Nomination Form. The information pack will be publically available from the website. Appropriate Fund representatives, as nominated by the Board Governance & Remuneration Committee, will be available for questions from the nominees.

A nominee must be a member of the Fund at the time of the nomination. The nomination must be seconded by at least 4 other Members in writing on the Nomination Form, and accompanied by a completed Probity Declaration, nominee questionnaire and a signed statement that the nominee accepts the nomination and agrees with the Fund's *Statement of Faith*.

The Notice of Election and Nomination Form shall set out the closing date for nominations being by close of business on a date not less than sixty (60) days after the date of circulation of the Notice of Election.

A nominee may withdraw their nomination any time prior to signoff of final ballot papers, in writing (via post or email) to the Returning Officer. If a withdrawal is received after this date the election will proceed as if the nominee had nominated but the nominee will be excluded from the counting of the votes.

### **3.3. Nominee Assessment**

All valid nominees will be asked to consent to an eligibility assessment and make an appointment declaration in accordance with the *Responsible Officer Plan*. The Board Governance & Remuneration Committee is to conduct this assessment, provided that:

- all member-elected directors on the Committee who are standing for re-election abstain from the discussion; and
- the Committee has a quorum after taking into account the abstention. Where there is not, the Board shall second additional directors from the Board as required.

If the assessment process indicates the nominee is competent for the role, the nominee's status shall be advanced to that of a candidate. A candidate shall be given an opportunity to interview appropriate Fund representatives, as nominated by the Board Governance & Remuneration Committee, with regards to the role if requested. If the assessment process indicates the nominee is not competent for the role the nominee will be advised that they are not eligible for candidature. It should be noted that the results of the evaluation in Section 2.1 of this policy cannot prevent a nominee from advancing to candidature.

Where the number of nominees is less than the number of vacancies, the closing date for nominations may be extended by at least thirty days. If after the expiration of the extended period and the completion of the candidature assessments there are fewer than the required number of valid candidates, there will be deemed to be a director vacancy to be resolved in accordance with this policy.

Where the number of candidates is equal to the number of vacancies, those candidates shall be deemed to be duly elected.

Where the number of candidates is greater than the number of vacancies a ballot shall be conducted. All candidates will be required to complete a questionnaire, in a form determined by the Trustee, and to provide a candidate statement, in order to provide members with important information about the candidates and what they believe they would bring to the role of a director.

### **3.4. Voting Procedures**

The ballot shall be conducted by methods as deemed appropriate by the Trustee. All forms of voting shall contain a method for confirming that the vote has been cast by a person on the Electoral Roll and ensuring that each voting code or identifier may only be used to enter one valid vote. Candidate responses to the nominee questionnaire will be made publically available on the Fund website.

The ballot paper shall set out the name of each candidate for election, voting instructions, and the name and address of the Returning Officer and the final time and date for receipt of completed ballot papers, being a date not less than thirty days after the date of circulation of the ballot paper.

Once votes are returned, the Returning Officer shall appoint one or more independent persons who will act as scrutineers for the counting of votes. The Returning Officer shall in the presence of the scrutineers open all containers holding postal votes and withdraw the ballot paper from each envelope, and review all votes received electronically. The Returning Officer shall reject informal votes, being votes that:

- are returned postally to an address other than that designated on the ballot paper;
- cannot be identified as a unique vote originating from a member on the electoral roll
- are not marked substantially in accordance with the instructions printed on the ballot paper.

The Returning Officer will arrange for the formal votes to be counted. Candidates with the greatest number of votes shall be elected, subject to any constraints applied by the *Governance Frameworks* on Board composition. In the event of such a constraint applying that prevents a candidate from being elected, the candidate with the next greatest number of votes shall be elected in their place. In the event of a tie for any position the Returning Officer shall determine which candidate is to be excluded by lot.

The Returning Officer shall retain all ballot papers, both formal and informal, for a period of six months after the close of the ballot. After this time all ballot papers shall be destroyed.

### **3.5. Certificate of Election**

The Returning Officer shall furnish a Certificate of Election to the successful candidates and inform the existing directors. The Certificate of Election shall list the names of all successful candidates in alphabetical order, and unsuccessful candidates in order of numbers of votes.

Notice of the result of the ballot shall be sent to each Member, in writing, or by prominent display on notice boards accessible to Members, within three months of the close of the ballot. This notice will advise members of the names of the successful and unsuccessful candidates. The actual number of votes cast for any candidate shall not be disclosed.

### **3.6. Appointment**

The elected candidates shall be appointed for a three-year term to the Board of Christian Super.

The names of the elected candidates shall be submitted to the Principal Sponsor for appointment as Directors of Christian Super Pty Ltd for terms of three years.

## 4. Sponsor-Elected Director Appointments

Sponsor-elected director appointments will be conducted according to the following table.<sup>iii</sup>

Item	Timing
Appointment of Representative(s) for Nominee/Candidate Questions	N/A
Seeking of Applications for Re-Appointment	N/A
Seeking of Nominations from Principal Sponsor	N/A
Closure of Nominations	Not less than 60 days from seeking of nominations.
Nominee Assessment	N/A
Distribution of Candidates to Principal Sponsor	N/A
Appointment of Elected Candidates	N/A

### 4.1. Procedures for nomination

Sponsor elections will be ordinarily conducted eighteen months after member elections.<sup>iv</sup>

The Trustee will at least three months prior to the date of any sponsor-elected appointments seek nominations for consideration from the Participating Sponsors, being the constituent organisations of the Principal Sponsor. The Trustee will provide appropriate information to the Participating Sponsors to ensure nominees have appropriate skills to discharge duties. In addition, the Trustee can nominate additional nominees for consideration by the Principal Sponsor.

### 4.2. Assessment

The recommended nominees will be asked to consent to an eligibility assessment and make an appointment declaration in accordance with the *Responsible Officer Plan*. The Board Governance & Remuneration Committee is to conduct this assessment, provided that:

- all sponsor-elected directors on the Committee who are standing for re-election abstain from the discussion; and
- the Committee has a quorum after taking into account the abstention. Where there is not, the Board shall second additional directors from the Board as required.

A nominee shall be given an opportunity to interview appropriate Fund representatives, as nominated by the Board Governance & Remuneration Committee, with regards to the role if requested. If the assessment process indicates the nominee is competent for the role, the nominee's status shall be advanced to that of a candidate. If the assessment process indicates the nominee is not competent for the role, the nominee and the nominating organisation will be advised that they are not eligible for candidature.

### 4.3. Appointment

The declarations and any recommendation from the Trustee (determined by the Board Governance & Remuneration Committee) as to preferred candidates will then be forwarded to the representatives of the Participating Sponsors, who may interview short listed candidates and also any other candidates they wish to interview.

The persons to be appointed are the persons unanimously agreed by the Participating Sponsors. A response must be received from all Participating Sponsors before appointments can be made. Where all responses are received but there is not unanimous agreement, the persons to be appointed are determined by a simple majority of the Participating Sponsors. Where a simple majority is not achieved, a meeting of the Principal Sponsor must be held to appoint the sponsor-elected directors.

The elected candidates shall be appointed for a three-year term to the Board of Christian Super and as directors of Christian Super Pty Ltd.

## 5. Independent Director Appointments

In accordance with the *Trust Deed*, the Trustee may appoint a director who is independent of the members and the sponsors. Independent director appointments will be conducted according to the following table.<sup>v</sup>

Item	Timing
Making of Nomination by Board	N/A
Nominee Assessment	N/A
Distribution of Candidates to Principal Sponsor	N/A
Appointment of Elected Candidates	N/A

### 5.1. Procedures for Nomination

An individual may be put forward at any time by the Board as a nominee to be an independent director. The Board Governance & Remuneration Committee will, on the request of the nominating body, make an initial assessment as to whether there is an opportunity for an independent director to be added to the Board.

### 5.2. Assessment

If there is such an opportunity for an independent director to be added, the nominee will be asked to consent to an eligibility assessment and make an appointment declaration in accordance with the *Responsible Officer Plan*. The Board Governance & Remuneration Committee is to conduct this assessment, provided that:

- all independent directors on the Committee who are standing for re-election abstain from the discussion; and
- the Committee has a quorum after taking into account the abstention. Where there is not, the Board shall second additional directors from the Board as required.

An assessment will also be made by the Board as to whether the nominee is independent in accordance with the *Governance Framework*. If the assessment process indicates the nominee can be made a responsible officer, and is independent, their status shall be advanced to that of candidate. If they are not, the individual will be advised that they are not eligible for appointment.



A candidate shall be given an opportunity to interview appropriate Fund representatives, as nominated by the Board Governance & Remuneration Committee, with regards to the role if requested.

### **5.3. Voting Procedures**

Where the number of candidates is equal to the number of vacancies, those candidates shall be elected via resolution of the Board.

Where the number of candidates is greater than the number of vacancies a ballot shall be conducted by all members of the Board. Candidates with the greatest number of votes shall be elected, subject to any constraints applied by the Governance Frameworks on Board composition. In the event of such a constraint applying that prevents a candidate from being elected, the candidate with the next greatest number of votes shall be elected in their place. In the event of a tie for any position the Returning Officer shall determine which candidate is to be excluded by lot.

### **5.4. Appointment**

The candidate(s) shall be appointed by unanimous agreement by the Board. In the absence of unanimous agreement, the candidate(s) may be appointed by a simple majority of the Board. The candidate(s) shall be appointed for a three-year term to the Board of Christian Super.

The names of the elected candidates shall be submitted to the Principal Sponsor for appointment as Directors of Christian Super Pty Ltd for terms of three years. In the absence of unanimous agreement, the candidate may be appointed by a simple majority of the Participating Sponsor.

## **6. Notice of Appointment**

Where a director is appointed or re-appointed by way of this policy, and once all documentation as required by the *Responsible Officer Plan* has been returned, a letter will be issued to the new director to document their appointment and must include:<sup>vi</sup>

- Term of appointment
- Allocation of Committee roles
- Remuneration package

## **7. Re-Appointment of Directors**

At the completion of each director's term, an assessment will be conducted by the Board Governance & Remuneration Committee, including an assessment as to:<sup>vii</sup>

- the fitness and propriety of the director in accordance with the *Responsible Officer Plan*, where such assessment has not been conducted in the preceding 12 months;
- the director's tenure and whether, at the date of the re-appointment, they would exceed the tenure limits outlined in the *Governance Framework*.
- if an independent director, whether the director remains independent and eligible for re-appointment in that role; and
- if a member-elected or sponsor-elected director, whether the director is independent and should be appointed instead as an independent director.
- Other relevant factors, including performance and attendance record.

Where a director is approved for re-appointment, each director will be asked to apply for re-appointment, to be indicated in writing to the Company Secretary. Where a director is not approved for re-appointment, the director will be notified by the Chair of the Board Governance & Remuneration Committee, including reasons.

Where a director applies for re-appointment, they will be classified as nominees and follow the relevant process for appointment outlined in this policy based on their director classification.

## 8. Cessation of Directorship

Directors will cease to hold office:

- if the director retires by written notice to the Trustee;
- if the director dies;
- upon a resolution of the other directors in circumstances of mental or physical incapacity of the director or such other circumstances as the *SIS Act* may allow;
- if the director is not permitted to remain in office in accordance with the *SIS Act*;
- if the director is not re-appointed in accordance with this policy, at the completion of their term;
- in the case of sponsor-elected directors, if removed by notice in writing from the Principal Sponsor;
- in the case of member-elected directors:
  - other than those re-elected, immediately prior to the appointment of their replacement;
  - if the director ceases to be a Member;
  - where more than 50% of the Members vote in favour of the removal of the director from office in a poll held in accordance with the *SIS Act*, such poll being arranged by the Trustee as soon as practicable following a written petition signed by at least 20% of Members.
- in the case of independent directors, if removed by resolution of the Board.

## 9. Director Vacancies

Where a vacancy arises in accordance with this policy, the Trustee may address the vacancy by:

- the appointment of a replacement director by identifying suitable replacement directors;
- the reclassification of existing directors, by:
  - Reclassifying an independent director as a sponsor-elected director
  - Reclassifying a sponsor-elected or member-elected director as an independent director
  - Deeming a sponsor-elected or member-elected director as an independent director
- the removal of an existing director.

Where a vacancy arises, the Board Governance & Remuneration Committee will make an assessment as to process by which the vacancy should be addressed by having regard to:<sup>viii</sup>

- The Trustee's compliance with the following requirements:

- Equal representation; the Board must have an equal number of member-elected and sponsor-elected directors at all times, and must fill a vacancy within 90 days to be deemed to be compliant with these requirements;
  - Member-elected vacancy; Appendix 1 of the *Trust Deed* requires that a member-elected director who is removed other than by a member election must be replaced by the unsuccessful candidate who received the highest number of votes at the previous election who remains eligible and willing to be put forward as a candidate.
- The skills, expertise and workload of the remaining directors; and
  - The ease of finding a suitable replacement director.

Any appointment, reclassification or removal must be done in accordance with this policy.

## **10. Resolution of Disputes**

In the event of a dispute in relation to nomination or re-appointment, the matter may be referred by the Board Governance & Remuneration Committee to the Board, who may request the provision of external advice to assist with resolving the dispute. Where the Board cannot resolve the matter, it will be referred to the Principal Sponsor for final determination.

In the event of a dispute in relation to appointment or removal of a director, the matter will be referred to the Principal Sponsor for final determination.

## **11. Disclosure**

In accordance with the requirements of the *SIS Act*, this policy will be publicly available on the Fund's website at all times.<sup>ix</sup>

## **12. Review**

This policy is to be reviewed on an annual basis by the Board Governance & Remuneration Committee.<sup>x</sup>

# Document History

4 July 2005

Adopted by Trustee Board.

## Relevant Documents

*Responsible Officer Plan*

*Trust Deed*

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<sup>i</sup> Member-Elected Director Appointments

<sup>ii</sup> Triennial Member Election

<sup>iii</sup> Sponsor-Elected Director Appointments

<sup>iv</sup> Triennial Principal Sponsor Election

<sup>v</sup> Independent Director Appointments

<sup>vi</sup> New Director Notice of Appointment

<sup>vii</sup> Re-Appointment of Directors

<sup>viii</sup> Addressing of Director Vacancies

<sup>ix</sup> Annual Director Appointment and Removal Policy Disclosure Attestation

<sup>x</sup> Annual Director Appointment and Removal Policy Review