

# Nomination, appointment and removal of directors



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The following rules for the nomination, appointment and removal of directors of the Board of LGIAsuper Trustee have been extracted from the Trust Deed and the Fund's *Fit and Proper Policy*.

## TRUST DEED EXCERPT

### 3. APPOINTMENT AND REMOVAL OF DIRECTORS

#### 3.1 Application of appointment rules

This clause 3.1 applies to the appointment and removal of directors on and from the ES Merger Date.

#### 3.2 Transitional board

- (a) On the ES Merger Date and for the period to the Transition End Date, the board of directors of the Trustee ("**Transitional Board**") must consist of:-
- (i) 6 Employer representatives, comprising:-
    - (A) 3 directors nominated by LGAQ who hold office immediately before the ES Merger Date;
    - (B) 1 director who had been nominated to the board of the Energy Super Trustee by MEA;
    - (C) 1 director who had been nominated to the board of the Energy Super Trustee by Energy Queensland, as notified to the Trustee by the Energy Super Trustee prior to the ES Merger Date; and
    - (D) 1 director nominated by ES Employers other than Energy Queensland, as notified to the Trustee by the Energy Super Trustee prior to the ES Merger Date; and
  - (ii) 6 Member representatives, comprising:
    - (A) 3 directors elected by the Members, who hold office immediately before the ES Merger Date;
    - (B) 2 directors who had been nominated to the board of the Energy Super Trustee by ETU; and
    - (C) 1 director who had been nominated to the board of the Energy Super Trustee by QSU; and
  - (iii) 3 independent directors, comprising the 3 independent directors who hold office immediately before the ES Merger Date.
- (b) The term of appointment for each director who holds office under clause 3.2(a) is the period commencing on the ES Merger Date and ending immediately before the Transition End Date.

### **3.3 Trustee board on Transition End Date**

- (a) On the Transition End Date and up to 31 May 2023, the board of directors of the Trustee must consist of:-
  - (i) 2 independent directors, determined by the Transitional Board from the directors who were in office immediately before the Transition End Date and who qualify as an independent director as defined under Superannuation Law;
  - (ii) 3 Employer representative directors, comprising:-
    - (A) 2 directors nominated by LGAQ, determined by the Transitional Board from the directors nominated by LGAQ who were in office immediately before the Transition End Date; and
    - (B) 1 director nominated by Energy Queensland; and
  - (iii) 3 Member representative directors, comprising:-
    - (A) 1 director nominated by QSU; and
    - (B) 2 Member elected directors appointed under clause 3.4.
- (b) The term of appointment of the directors who hold office under clause 3.3(a) is as follows:-
  - (i) the term of appointment of an Employer representative director:-
    - (A) nominated by LGAQ, is 2 years from the Transition End Date;
    - (B) nominated by Energy Queensland, is 4 years from the Transition End Date;
  - (ii) the term of appointment of a Member representative director:-
    - (A) nominated by QSU, is 2 years from the Transition End Date;
    - (B) who is a Member elected director under clause 3.3(a)(iii)(B), is 2 years from the Transition End Date.

### **3.4 Member elected directors for Transition End Date**

- (a) The ES Members and the LG Members will each be entitled to separately nominate and elect 1 Member representative director whose term of office commences on the Transition End Date.
- (b) The Trustee must call for nominations for those positions not less than 4 months and not more than 6 months before the Transition End Date.
- (c) The elections will be conducted in accordance with clause 3.9, on the basis that separate elections are conducted among the ES Members and the LG Members.

### **3.5 Trustee board from SMT Merger Date**

- (a) From the SMT Merger Date to 31 December 2024, the board of directors of the Trustee must consist of:-
  - (i) 2 independent directors;
  - (ii) 4 Employer representative directors, comprising:-
    - (A) 2 directors nominated by LGAQ;

- (B) 1 director nominated by Energy Queensland; and
  - (C) 1 Director notified by the SMT Trustee who was a director of the SMT Trustee and qualifies as an Employer representative; and
- (iii) 4 Member representative directors, comprising:-
  - (A) 1 director nominated by QSU;
  - (B) 1 Director notified by the SMT Trustee who was a director of the SMT Trustee and qualifies as a Member representative; and
  - (C) 2 Member elected directors appointed under clause 3.4.
- (b) From 1 January 2025 to 31 May 2026, the board of directors of the Trustee must consist of:-
  - (i) 2 independent directors;
  - (ii) 4 Employer representative directors, comprising:-
    - (A) 2 directors nominated by LGAQ;
    - (B) 1 director nominated by Energy Queensland; and
    - (C) 1 Director notified by the SMT Trustee who was a director of the SMT Trustee and qualifies as an employer representative; and
  - (iii) 4 Member representative directors, comprising:-
    - (A) 1 director nominated by QSU;
    - (B) 1 Director notified by the SMT Trustee who was a director of the SMT Trustee and qualifies as a member representative; and
    - (C) 2 Member elected directors appointed under clause 3.9;
- (c) From 1 June 2026, the board of directors of the Trustee must consist of:-
  - (i) 2 independent directors;
  - (ii) 4 Employer representative directors, comprising:-
    - (A) 2 directors nominated by LGAQ;
    - (B) 1 director nominated by Energy Queensland; and
    - (C) 1 Director nominated by Suncorp; and
  - (iii) 4 Member representative directors, comprising:-
    - (A) 1 director nominated by QSU; and
    - (B) 3 Member elected directors appointed under clause 3.9.
- (d) The term of office of the 2 Member elected directors who take office from 1 January 2025 under clause 3.5(c)(iii)(B) is 4 years (expiring 31 December 2028).
- (e) The term of office of the additional Member elected director who takes office from 1 June 2026 is 2 years and 7 months (expiring 31 December 2028).

### **3.6 Eligibility for appointment as director**

- (a) All directors must be persons who:-

- (i) are qualified under Superannuation Law to act as a director of a trustee of a regulated superannuation fund;
  - (ii) meet all criteria for fitness and propriety under the Fit and Proper Policy;
  - (iii) make a declaration in a form acceptable to the Trustee that they are qualified under Superannuation Law;
  - (iv) provide such evidence as the Trustee requires demonstrating that they meet the Fit and Proper Policy; and
  - (v) have not, within the period of 5 years before their appointment, been an employee of:-
    - (A) the Trustee, or a controlled entity of the Trustee; or
    - (B) the trustee of a Superannuation Entity that has transferred to LGIAsuper by a successor fund transfer, or a controlled entity of such a trustee.
- (b) A person who:-
- (i) is not qualified under Superannuation Law to act as a director of a trustee of a regulated superannuation fund; or
  - (ii) does not meet all criteria for fitness and propriety under the Fit and Proper Policy,
- is not eligible for appointment as a director.
- (c) The board of directors of the Trustee must assess all persons proposed or nominated for appointment as a director, and determine whether the person is eligible under clause 3.6(a).
  - (d) If a person nominated by an organisation is not eligible for appointment, the board of directors of the Trustee must not appoint them as a director and the Trustee must request the organisation to provide an alternative nomination.
  - (e) If a person nominated for election as a Member elected director is not eligible for appointment, the board of directors the Trustee must not propose the person as a candidate for the election.

### **3.7 Term of office for Employer representatives**

- (a) The term of appointment for a director nominated by LGAQ is 4 years ending on 31 October in the year of a quadrennial Local Government election:-
  - (i) except for directors holding office on the ES Merger Date, who will continue to hold office for the period to the Transition End Date;
  - (ii) except for directors that clause 3.3(b)(i)(A) applies to; and
  - (iii) except for directors nominated under clause 3.5(b)(ii)(A) , who will continue in office under clause 3.5(c)(ii)(A) and will hold office for a period of 3 years and 9 months (from 1 January 2025 to 31 October 2028).
- (b) The term of appointment for a director nominated by:-
  - (i) Energy Queensland;
  - (ii) Suncorp,

is 4 years from the date of appointment.

- (c) The term of appointment for an Employer representative director nominated under clause 3.5(a)(ii)(C) is 3 years from the date of appointment (expiring 31 May 2026).
- (d) Subject to clause 3.7(e), an Employer representative whose term has ended may be reappointed.
- (e) A person is not eligible to be appointed or reappointed as an Employer representative if the sum of the term of appointment and the terms of all previous service by that person as a director (appointed or nominated in any capacity), whether continuous or broken, exceeds 12 years. For a director who was:-
  - (i) a director of the Energy Super Trustee immediately before the ES Merger Date, the director's terms of previous service as a director of the Energy Super Trustee are counted;
  - (ii) a director of the SMT Trustee immediately before the SMT Merger Date, the director's terms of previous service as a director of the SMT Trustee are counted.

### **3.8 Term of office for Member representatives nominated by organisations**

- (a) The term of appointment for a director nominated by QSU is 4 years from the date of appointment, except for a director that clause 3.3(a)(iii)(A) applies to.
- (b) Subject to clause 3.8(c) a Member representative nominated by QSU whose term has ended may be reappointed.
- (c) A person is not eligible to be appointed or reappointed as an a Member representative if the sum of the term of appointment and the terms of all previous service by that person as a director (appointed or nominated in any capacity), whether continuous or broken, exceeds 12 years. For a director who was:-
  - (i) a director of the Energy Super Trustee immediately before the ES Merger Date, the director's terms of previous service as a director of the Energy Super Trustee are counted;
  - (ii) a director of the SMT Trustee immediately before the SMT Merger Date, the director's terms of previous service as a director of the SMT Trustee are counted.
- (d) The term of appointment for a Member representative director nominated under clause 3.5(b)(iii)(B) (notified by the SMT Trustee) is 3 years from the date of appointment (expiring 31 May 2026).

### **3.9 Member elected representatives**

- (a) The Member elected representatives must be persons nominated by Members of the Scheme.
- (b) A person is not eligible for nomination as a Member elected representative:-
  - (i) if he or she is not a Member of the Scheme; or
  - (ii) if the sum of the term of appointment (if the person were appointed) and the terms of all previous service by that person as a director (appointed or nominated in any capacity), whether continuous or broken, exceeds 12 years. For a director who was a director of the Energy Super Trustee immediately before the ES Merger Date, the director's terms of previous service as a director of the Energy Super Trustee are counted.
- (c) For the purpose of carrying out and overseeing the appointment of Member elected representatives, the Trustee must appoint an independent person as returning officer.

- (d) The procedures for appointment of the Member elected representatives will be as determined by the Trustee and notified to Members from time to time, and may provide mechanisms for voting by paper ballot and / or electronic mechanisms.
- (e) The persons with the highest number of votes cast in their favour, up to the number of representatives required, are the persons elected as Member elected representatives. In the event of equality of votes for 2 or more nominees such that one or more of them must be eliminated in order to have the required number of Member elected representatives, the returning officer must decide on the elimination by lot.
- (f) An election is valid despite the fact that:-
  - (i) one or more Members are omitted from the list of Members at the cut off date for voting and are for that reason unable to vote electronically or receive a paper ballot;
  - (ii) a Member is otherwise unable to vote electronically because of a failure of access to or function of the electronic voting system for reasons external to the voting system itself<sup>1</sup>;
  - (iii) a Member entitled to a paper ballot otherwise fails to receive it; or
  - (iv) for a paper ballot, a completed ballot is not received by the Trustee by the time specified in the election notice,

regardless of the reason (unless due to dishonesty or wilful default on the part of the Trustee or the returning officer).
- (g) The term of appointment for a Member elected director is 4 years except for directors that clause 3.3(b)(ii)(B) or clause 3.5(e) applies to.

### **3.10 Appointment of independent directors**

- (a) Independent directors must be appointed in accordance with procedures determined by the Trustee which conform to this clause 3.10 and Superannuation Law.
- (b) The term of appointment:-
  - (i) is the term, not exceeding 4 years, decided by the Trustee when the appointment is made; and
  - (ii) need not be the same for each director.
- (c) Subject to clause 3.10(d), an independent director whose term has ended may be reappointed.
- (d) A person is not eligible to be appointed or reappointed as an independent director if the sum of the term of appointment and the terms of all previous service by that person as a director (appointed or nominated in any capacity), whether continuous or broken, exceeds 12 years.
- (e) An independent director appointed under this clause does not have, and must not purport to exercise, a casting vote in any proceedings of the Trustee.

### **3.11 Vacancy in office of director**

- (a) A director's office is vacated, by force of this clause and without the need for any further notice or action, upon:-
  - (i) the death of the director;

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<sup>1</sup> For example, an inability to access the voting system because of loss of internet access due to an outage or similar event for which a carrier or service provider is responsible

- (ii) expiration of the term of appointment of the director (unless the director is reappointed);
  - (iii) resignation (by notice in writing) by the director;
  - (iv) the director suffering from mental or physical incapacity which prevents him or her from practicably or effectively carrying out his or her duties;
  - (v) the director becoming a disqualified person under Superannuation Law;
  - (vi) the director ceasing to be a person eligible for nomination or appointment under clauses 3.6(a)(v), 3.7(e), 3.8(c), 3.9(b) or 3.10(d);
  - (vii) the director no longer meeting one or more of the criteria for fitness and propriety relevant to the director under Superannuation Law, or otherwise no longer meeting the Fit and Proper Policy; or
  - (viii) the suspension or removal of the director under Superannuation Law.
- (b) For clause 3.11(a)(viii), a director is conclusively taken to no longer meet one or more of the relevant criteria if:-
- (i) an assessment carried out in accordance with the Fit and Proper Policy concludes that the director no longer meets one or more of the criteria under the Fit and Proper Policy;
  - (ii) a copy of the assessment is provided to the director;
  - (iii) the director is given not less than 14 days to make written submissions about the assessment or any other matter which the director considers relevant to his or her fitness or propriety; and
  - (iv) the Trustee, after giving proper and genuine consideration to both the assessment and any written submissions from the director, resolves that it is satisfied that the director no longer meets one or more of the criteria for fitness and propriety relevant to the director under Superannuation Law.
- (c) A decision under clause 3.11(b)(iv) must state the criterion or criteria on which the decision is based.
- (d) A director to whom a current or proposed process under clause 3.11(b) relates must not be present at or otherwise participate at a meeting of the Trustee:-
- (i) at which the Trustee considers whether to commence the process under clause 3.11(b) for the director; or
  - (ii) at which the Trustee makes a decision under clause 3.11(b)(iv).

### **3.12 Removal of directors**

Apart from the circumstances under which a position as director becomes vacant under clause 3.11:-

- (a) an Employer representative director:
  - (i) nominated by LGAQ may be removed by LGAQ;
  - (ii) nominated by MEA may be removed by MEA;
  - (iii) nominated by Energy Queensland may be removed by Energy Queensland;
  - (iv) nominated by ES Employers other than Energy Queensland may be removed by a procedure determined by the Trustee;

- (v) nominated by Suncorp may be removed by Suncorp;
- (b) a Member representative director:
  - (i) nominated by ETU may be removed by ETU;
  - (ii) nominated by QSU may be removed by QSU;
- (c) a Member elected representative director may be removed pursuant to a ballot of Members in which the majority of Members vote in favour of such removal;
- (d) an independent director may be removed in accordance with the procedure adopted by the Trustee (which procedure must comply with any requirements under Superannuation Law for removal of an independent director).

### **3.13 Publishing procedures for removal of directors**

The Trustee must publish the procedures for the removal of Member representative directors and independent directors in such a way that Members of the Scheme are aware of those procedures.

### **3.14 Filling of vacancies - Member elected representatives**

- (a) If there is a vacancy in a position of Member elected representative director (otherwise than by expiry of the term of appointment), that vacancy may be filled by the appointment of the unsuccessful candidate at the last election of Member elected representatives who received the highest number votes if he or she is eligible and willing to accept appointment.
- (b) Where the unsuccessful candidate who received the highest number of votes at the last election:-
  - (i) is not eligible for appointment or not willing to accept appointment; or
  - (ii) has previously been appointed as Member elected representative to fill a previous vacancy,

the vacancy may be filled by the appointment of the unsuccessful candidate at the last election of Member elected representatives who received the next highest number of votes if he or she is eligible for appointment and willing to accept appointment.
- (c) Clause 3.14(b) may continue to be applied to successive candidates in descending order of number of votes received at the last election until the vacancy is filled.
- (d) This clause does not prevent the Trustee from filling a vacancy in a position of Member elected representative by nomination and election in accordance with clause 3.9 (with any adaptations or modifications to those provisions considered necessary by the Trustee) in any case where the Trustee, in the Trustee's absolute discretion, decides not to apply this clause.
- (e) A vacancy in a position of Member elected representative must be filled within 90 days after the vacancy occurs.
- (f) The term of appointment of a person appointed to fill a vacancy is the balance of the term of the original appointee.

### **3.15 Filling of other vacancies**

- (a) Where there is a vacancy in a position of Employer representative:
  - (i) who is nominated by an organisation, that organisation must nominate a replacement;



- (ii) who is nominated under clause 3.5(b)(ii)(C) (notified by the SMT Trustee) the Board must determine a procedure for appointing a replacement.
- (b) A vacancy in a position of Employer representative must be filled within 90 days after the vacancy occurs.
- (c) Where there is a vacancy in a position of a Member representative:
  - (i) who is nominated by an organisation, that organisation must nominate a replacement;
  - (ii) who is nominated under clause 3.5(b)(iii)(B) (notified by the SMT Trustee), the Board must determine a procedure for appointing a replacement.
- (d) A vacancy in the position of independent director must be filled in the manner set out in clause 3.10.
- (e) The term of appointment of a person appointed to fill a vacancy is the balance of the term of the original appointee.

### 5 APPOINTMENT PROCESS

- 5.1 All appointments are subject to the *Trust Deed*. Each Director must be assessed by the Board as Fit and Proper under this Policy in order to be eligible for appointment.
- 5.2 All Directors are appointed and selected on a skills and competencies basis through a process conducted by the People and Culture Committee (the P&CC) having regard to the most recent Board skills matrix assessment undertaken for the Board and the suitability factors outlined in this Policy at 5.33.
- 5.3 With any vacancy the Board will have regard to the advice of the P&CC as to whether there are any skills and attributes that would enhance the operation of the Board having regard to the most recent skills matrix assessment undertaken for the Board.
- 5.4 The Trustee must replace any retiring Director within 90 days unless an extension is sought and approved by APRA.

#### ***Appointment of Employer Representatives***

- 5.5 Employer representatives are nominated by the Nominating Bodies. If a vacancy exists or a retirement of a director is anticipated LGIAsuper will write to the Nominating Bodies inviting one or more nominations for an employer representative and describe any Board requirements. The correspondence from LGIAsuper will include the items noted in Appendix A of this Policy.

#### ***Appointment of Member Representatives***

- 5.6 In the case of member representatives, the Board will call for expressions of interest. The notice will describe any Board requirements including a list of any particular skills and experience the Board wishes candidate to possess. The Board will then assess all nominations based on the documentation provided and on the recommendations of the P&CC. The Board will accept all nominations that satisfy the conditions of appointment and factors set out at clause 5.33. If there are more candidates than vacancies an election will be held in accordance with the election rules outlined in the Trust Deed.
- 5.7 Further detailed appointment and re-appointment procedures for members representatives are contained in the Trust Deed and this Policy at Appendix A.

#### ***Appointment of Independent Directors***

- 5.8 Any Director may notify the other Directors of a potential candidate for the position of Independent Director. The P&CC may also obtain support from a recruitment agency in finding a potential candidate. The P&CC will meet to discuss the suitability of potential candidates for the position of Independent Director.
- 5.9 In determining whether the nominated candidate for the position of Independent Director is a fit and proper person, the Board will have regard to the recommendation of the P&CC as to the skills and experience of the candidate, derived from the skills matrix assessment and the suitability factors at clause 5.32. In addition to this, it may interview any or all of the shortlisted candidates.
- 5.10 The Board will then determine by secret ballot the successful candidate, which will require a two-thirds majority of Directors.
- 5.11 Further detailed appointment and re-appointment procedures for independent, employer are contained in the Trust Deed and this Policy at Appendix A.

#### ***Tenure***

- 5.12 The normal term of appointment for a Director is four (4) years.
- 5.13 Other than in exceptional circumstances, a Director is expected to complete the full term of their appointment.

- 5.14 At the end of a Director's term the Director will be eligible for reappointment if the Director has not been previously removed from office, or vacated office.
- 5.15 Unless otherwise determined by the Board, Directors may serve up to three (3) full terms (i.e. twelve (12) years). This will provide balance between:
- retaining corporate knowledge;
  - minimising disruption to Board governance and stability;
  - obtaining adequate skills and experience; and
  - remaining open to new ideas and independent thinking.
- 5.16 The Board will aim to have a spread of tenure of Directors. Preferably, the tenure of Directors will be spread across the tenure range where possible taking into account the employer and member representative nomination processes.
- 5.17 The Board may, on an exception basis, decide to extend the tenure of a Director beyond (12) twelve years in exceptional circumstances if it believes that the interests of members of the Fund will be best served by retaining the skills, experience and expertise of the Director and where such extension would better manage the process of Board renewal and transition.

### ***Tenure Calculations and Monitoring***

- 5.18 A Director's appointment will be dated from the earlier of the date the Director:
- joined the Board; or
  - initially joined the Board of any fund with which LGIAsuper has merged.
- 5.19 The term of appointment of a person appointed to fill a vacancy is the balance of the term of the original appointee.
- 5.20 The current Directors, their terms and their nominee status are set out in the Appendix H to this Policy.
- 5.21 The composition of the Board and its renewal is a matter for regular review. The tenure trend will be calculated yearly and when a Director resigns or is removed or a new Director is appointed. The question of tenure is also a very relevant factor when the question of whether a Director should be reappointed at the end of their term.

### ***Performance Assessments***

- 5.22 The Board will undertake a formal annual assessment, including an assessment of the Board as a whole, the Board Committees and individual Directors.
- 5.23 The process for conducting the assessment against objectives will be agreed by the Board and the outcomes are to be treated with strict confidentiality amongst the Board and Management.
- 5.24 The assessment process will likely include all Directors and Management completing a detailed questionnaire regarding the Board's and Committees' performance and effectiveness as a whole. The process for consideration of performance of individual directors will be agreed by the Board.
- 5.25 The annual assessment is to be conducted as determined by the Board and the results of the review reported to the Board in accordance with agreed timeline. The Chair and the Committee Chairs will informally meet twice a year to review and discuss how the Committee is performing, their composition and other relevant issues. The outcomes of these meetings will be fed into the annual assessment process.
- 5.26 Any recommendations for action arising from an assessment are to be documented by the Board and timeframes agreed upon. The Company Secretary will oversee the actions that need to be completed within the agreed timeframe and no later than 12 months.

- 5.27 Annual Director assessments are conducted as part of the Board review process. Feedback will be provided on their individual performance as assessed by their peers, where appropriate.
- 5.28 The performance of the Chair will also be covered in the review process.
- 5.29 The Board can use external resources to assist with the process where the Board considers the assessment would be best undertaken by a party that is free from connections to the Trustee, and must do so at least once every three (3) years as part of a triennial review.

### ***Reappointment of Directors***

- 5.30 Board renewal, composition and succession is reviewed and considered by the P&CC.
- 5.31 Directors will be reassessed before the end of their term for reappointment. This process should commence at least one month prior to the end of a Director's term in order to enable the relevant checks and considerations to be undertaken.
- 5.32 If a member of the P&CC is the subject of a review and assessment the Director will absent themselves from the relevant item of business and not vote on the matter. The Company Secretary will ensure that the Director in question does not receive any Committee papers in relation to the matter.

### ***Suitability Factors***

- 5.33 The following suitability factors will be taken into account by the P&CC in making a recommendation to the Board as to whether a Director should, or should not, be reappointed at the end of the term include but are not limited to the:
- Trustee's size, business, complexity and strategic plans;
  - Director's ability to meet the standards in this Policy;
  - Director's area of skill in the context of the Board as a whole;
  - Director's skills and capabilities in effectively overseeing the implementation of the Trustee's business and strategic plans;
  - anticipated future skill set required by the Board;
  - overall aim of the Board to achieve gender, geographical, age and other diversity in its membership;
  - feedback from prudential reviews and discussions with Regulators;
  - feedback from the annual assessment of the Board as a whole, the Board Committees and individual Directors;
  - Director's contribution to Board discussions and decision making and attendance record at meetings;
  - Director's training undertaken and wider participation in the activities of the Fund (for example working parties, nominee directorships, study activities, site visits);
  - Director's tenure and whether the Director has served on the Board for a period that could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of beneficiaries;
  - tenure of other Directors;
  - need to ensure a smooth transition when Board changes are required; and
  - need to plan a staggered replacement process.
- 5.34 The Company Secretary is responsible for ensuring that the P&CC undertakes the reviews as and when they fall due, according to the Director's appointment anniversary.

- 5.35 With the assistance of the Company Secretary, the P&CC will collect the relevant information and feedback in relation to the relevant Director. Where the Chair considers it appropriate, the Chair can seek the assistance of other members of the P&CC in collating the information and feedback.
- 5.36 The P&CC will consider the matter and will make a recommendation to the Board in relation to the question of reappointment.
- 5.37 The Chair of the P&CC will provide the recommendation to the Board together with any supporting information that the Committee considers relevant.
- 5.38 Further detailed re-appointment procedures for independent, employer and members representatives are contained in the *Trust Deed* and this Policy at Appendix A.

## **APPENDIX A**

### **A. NOMINATION, APPOINTMENT AND RE-APPOINTMENT PROCESS, AND FIT AND PROPER ASSESSMENT**

- A.1 When a vacancy arises on LGIAsuper's Board, the P&CC will review the Board's Skills Matrix and will determine the skills and competencies required for the prospective Director. These will be documented as a Statement of Required Skills and Competencies affixed to the Candidate Agreement (Appendix E).
- A.2 The Candidate Agreement, Statement of Required Skills and Competencies, and a copy of this Policy will be provided to the Nominating Bodies or made public to prospective members or independent candidates, depending on the nature of the vacancy.
- A.3 Nominations for the vacant office must be made in writing to the Company Secretary accompanied by a completed Candidate Agreement, self-assessment against the Skill Matrix and any supporting evidence.
- A.4 The Nominating Bodies or the nominee (as the case may be) must promptly provide the Company Secretary with any additional information required by the P&CC to carry out their Fit and Proper assessment set out below.
- A.5 At least fifteen (15) days before the nomination is due to be made an authorised representative of each Nominating Body and the Chair must informally meet to discuss the nominees proposed by that Nominating Body and their suitability under this Policy having regard to the whole of the circumstances of the Fund. The Nominating Body must subsequently formally propose its nominee to the Company Secretary.
- A.6 In the event the Nominating Body nominates a person as a Director and there is evidence that the person may not meet the Fit and Proper Standard the Chair or Company Secretary will meet with the Nominating Body to discuss the issue and determine whether:
- further evidence and investigation is required; or
  - the Nominating Body will nominate another person.
- A.7 Should no employer candidates initially put forward by the Nominating Body meet the requirements of the Statement of Required Skills and Competencies, or if the chosen candidate does not meet the standard of Propriety, the Chair will meet with the Nominating Body to discuss the issue and request the Nominating Body to nominate other candidates.

### ***Nomination, Appointment and Re-appointment of Member Representative Directors***

- A.8 LGIAsuper will call for expressions of interest from members of LGIAsuper to nominate for the vacant office by issuing a notice listing any particular skills and experiences required from the potential candidate.

- A.9 Nominations for the vacant office must be made in writing to the Company Secretary, accompanied by any supporting information or documentation.
- A.10 The P&CC, with the support of the Company Secretary, will assess all nominations received from potential candidates based on the information or documents received.
- A.11 All nominations that satisfy the conditions of appointment, suitability factors set clause 5.32 and Fit and Proper assessment will be accepted. Where there are more candidates than vacancies, an election will be held in accordance with LGIAsuper's *Trust Deed*.

### ***Nomination, Appointment and Re-appointment of Independent Directors***

- A.12 Three months prior to the expiry of their term, Independent Directors are required to advise in writing, to the Chair of the Board, the Chair of the P&CC and the Company Secretary if they are seeking re-appointment to the Board.
- A.13 At least one month before the expiration of the term of the independent director, the P&CC will consider the re-appointment of the independent director having regard to factors noted at clause 5.32 and provide a recommendation to the Board for consideration. Following the P&CC's recommendation, the Board will convene a 'Board Only' session, to consider the re-appointment of the independent director with the recommendation from the P&CC. The independent director seeking re-appointment will be given an opportunity to make a statement to the Board and answer any questions from the Board before they leave.
- A.14 The Chair of the P&CC, or in their absence another non-independent director, will then conduct a secret ballot, which will require a two-thirds majority of Directors to determine if the re-appointment is to be confirmed. The Board should give consideration to the suitability factors outlined in clause 5.32 in making the determination and the P&CC recommendation.
- A.15 The Board will determine by resolution the term of the re-appointment, in accordance with tenure prescribed at clause [5.13-5.20] and having regard to the suitability factors in 5.32.
- A.16 If the Board determines that the independent director will not be re-appointed, the Board will proceed to appoint a new independent director within 90 days of the incumbent's cessation date per clause 5.4.
- A.17 Independent Director candidates will be asked to confirm that they qualify as independent and will be subject to a Fit and Proper Assessment as set out below.
- A.18 If the Independent Director candidate satisfies the Fit and Proper Assessment, the Chair of the P&CC will make a recommendation through the P&CC and the Board that the candidate/s should be recommended for election to the Board.

### ***Fit and Proper Assessment***

- A.19 The Company Secretary, with the support of the Head of People & Culture, will conduct a Fit and Proper assessment for each prospective Director or Responsible Person based on the information and documentations provided and having regard to clauses 7 and 11. The Company Secretary, with the support of the Head of People & Culture, will conduct an annual Fit and Proper assessments for each Director.
- A.20 As part of the process, LGIAsuper will require all prospective nominees (whether seeking appointment or re-appointment) to:
  - confirm they have received, read and understood this Policy;
  - declare, to the best of their knowledge, they possess relevant attributes of Fitness and Propriety set out in this Policy;
  - read and sign the Candidate Agreement ;
  - provide evidence of possessing the skills and competencies required in the Statement of Required Skills and Competencies;

- confirm their readiness to complete an annual performance evaluation, training plan and undertake relevant learning and development experiences after appointment;
  - provide their consent enabling LGIAsuper to disclose any relevant information to APRA;
  - declare any known conflicts of interest;
  - confirm they are ordinarily resident of Australia (such that the majority of directors are ordinarily resident); and
  - confirm that they are ordinarily able to attend Board meetings.
- A.21 The P&CC will review all appointment documentation and checks undertaken and must be satisfied that every Director nominee meets the requirements for skills, knowledge and experience set out in the Statement of Required Skills and Competencies. This will be done by considering the person's character, qualifications and experience, resume, business references, and obtaining evidence of the person's qualifications.
- A.22 Prior to their appointment, the prospective Director or other Responsible Person is required to sign a Fit and Proper and Other Matters Statutory Declaration. The Company Secretary is responsible for ensuring the Fit and Proper and Other Matters Statutory Declaration is completed and maintained on file.
- A.23 Where a Fit and Proper assessment is conducted and a person is found not to be Fit and Proper, they will not be appointed to the Responsible Person position in question.
- A.24 The prospective Director or other Responsible Person must also provide sufficient evidence of their identity prior to their appointment. The Company Secretary is responsible for ensuring the identity of the prospective Director or Responsible Person is confirmed. Copies of the relevant identity documents sighted by the Company Secretary must be maintained.
- A.25 Prior to their appointment, the following external agency searches will be undertaken by the Company Secretary, with the support of the Head of People & Culture P&CC, on the prospective Director or other Responsible Person (and triennially thereafter):
- APRA Disqualified Register search
  - ASIC Disqualified Persons, Banned Securities Representatives, Banned Futures representatives and AFS Banned / Disqualified Persons searches
  - AFP (Australian Federal Police) Criminal History check – APRA specific
  - Australian Bankruptcy and National Personal Insolvency check
- A.26 Where a Director has resided overseas for more than 12 months after the age of 18 years, consideration will also be given as to whether to obtain criminal record checks from the country or countries of residence, similar to that required by the Department of Immigration for a visa application. Any matter identified as part of the above searches does not automatically disqualify the prospective Director or Responsible Person from being appointed (except where they are a Disqualified Person).
- A.27 A person disqualified by APRA or banned from acting as a company director under the Corporations Act 2001 or similar overseas legislation cannot be a Director or Responsible Person.