

Sunsuper Pty Ltd

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Sunsuper Pty Ltd
Sunsuper Superannuation Fund
Sunsuper Financial Services Pty Ltd
Sunsuper Pooled Superannuation Trust
Precision Administration Services Pty Ltd

Nominations and Remuneration Committee Charter

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Index

1.	Introduction	3
2.	Purpose.....	3
3.	Authority.....	3
4.	Responsibilities	3
4.1	Remuneration	3
4.2	Management Succession	4
4.3	Performance of CEO	4
4.4	Diversity and Inclusion	4
4.5	Board Renewal and Composition and Fitness and Propriety	4
4.6	Disputes	4
4.7	Other.....	4
5.	Composition	5
5.1	Size.....	5
5.2	Chair.....	5
5.3	Knowledge	5
5.4	Independence	5
6.	Meetings	5
6.1	Frequency.....	5
6.2	Attendees.....	6
6.3	Closed Door Meeting	6
6.4	Conflicts of Interest.....	6
6.5	Secretarial	6
6.6	Quorum	6
6.7	Meeting with APRA	6
7.	Compensation	6
	Appendix 1	7

1. Introduction

This Charter outlines the purpose, authority, responsibilities, composition meetings and compensation of the Nominations and Remuneration Committee ("the Committee") established by the Board of Directors ("Board") of Sunsuper Pty Ltd ("Sunsuper").

2. Purpose

The purpose of the Committee is to assist the Board in providing an objective, non-Executive oversight of the effectiveness of the Sunsuper remuneration and nominations frameworks, and Board renewal. The Committee fulfils this function in a manner that is consistent with the requirements of Prudential Standard SPS 510 Governance and other applicable legal requirements

The scope of the Committee's responsibilities extend to the Sunsuper Group which includes all entities controlled by the Trustee and includes but is not limited to Precision Administration Services Pty Ltd (Precision), Sunsuper Financial Services Pty Ltd (SFS), Sunsuper Pty Ltd (Sunsuper), and Sunsuper Fund.

As deemed appropriate, the Board may delegate some decisions to the Committee. The Committee may make decisions on behalf of the Board where such delegation is specified, and acts in an advisory and oversight capacity to the Board in relation to other decisions.

3. Authority

The Committee has authority to review any matters within its scope of responsibility.

In conducting its activities and making recommendations to the Board, the Committee will have regard to the following objectives:

- a) attracting and retaining high quality Executives and Directors;
- b) planning for the succession of the Chief Executive Officer (CEO) and Senior Executives;
- c) ensuring that the Board and its committees are performing to a high standard;
- d) compensating Executives and Directors in a fair and equitable manner;
- e) giving proper regard to the objectives of members and shareholders; and
- f) oversight and application of the Fit and Proper Policy.

The Committee has free and unfettered access to risk and financial control personnel and other parties (internal and external) in carrying out its duties. If choosing to engage third-party experts, the Committee has the power to do so in a manner that ensures that the engagement, including any advice received, is independent.

4. Responsibilities

The Committee is responsible for the following matters:

4.1 Remuneration

- a) Regularly reviewing and making recommendations to the Board on the Remuneration Policy, assessing its effectiveness and compliance with the requirements of Prudential Standard SPS 510 Governance¹.
- b) Making annual recommendations to the Board on:
 - bi) The remuneration (including Fixed Pay, Superannuation and Incentives) for:
 - bii) Responsible Persons, excluding auditors and actuaries (including the CEO and Directors²) and Expert Advisers to Committees;
 - biii) Other persons whose activities may in the Committee's opinion affect the financial soundness of Sunsuper's business operations;
 - biv) Any other person specified by APRA; and
 - bv) Any other categories of persons covered by the Remuneration Policy (other than those for whom such recommendations are already required above)³.

¹ At the time of updating this Charter, APRA is undertaking consultation in relation to Draft Prudential Standard CPS 511.

² Note that changes must also be made consistent with provisions of the Sunsuper Constitution.

³ Para 30 of SPS 510 sets out the categories of persons that the Remuneration Policy must cover.

- bvi) Annual Remuneration Review Budget (including Fixed Pay, Superannuation and Incentives) for all categories of employees and Directors⁴;
 - bvii) Financial Year Goal Setting and Assessment; and
 - bviii) Any changes to the Directors' Remuneration Policy following the Annual Review Process.
- c) Approving the:
- ci) Annual Remuneration Review process;
 - cii) Design of the Annual Performance-Based Incentive Program; and
 - ciii) Review of Key Employment Contract Terms and Recruitment, Retention and Termination Policies and Processes for the CEO and Senior Executives; Annual Remuneration Review Recommendations (Fixed Pay, Superannuation and Incentives) for all categories of employees and reporting these to the Board for noting, except in bi1, bi2 and bi3 above (which are approved by Board).
- d) Reviewing Management reports including:
- di) The annual Workplace Gender Equality Agency (WGEA) Report and Gender Pay Gap Report.
- 4.2 Management Succession
- a) Recommend to the Board the selection and appointment of the CEO.
- 4.3 Performance of CEO
- a) Recommend to the Board the annual review and assessment of the performance of the CEO.
- 4.4 Diversity and Inclusion
- a) Review and approval of the Board Diversity Policy and Diversity and Inclusion Policy; and
 - b) Review of diversity and inclusion objectives and monitoring performance against these objectives, reporting and making recommendations to the Board as required.
- 4.5 Board Renewal and Composition and Fitness and Propriety
- a) Confirming all action completed in relation to annual Fit and Proper assessment process and changes to director tier level;
 - b) Addressing all matters in connection with the Board Appointment and Renewal Policy and Fitness and Propriety, including the composition of and renewal of the Board and making any recommendations to the Board
 - c) Conducting an annual review of the Fit and Proper Policy and recommending any changes to the Board;
 - d) Conducting an annual review of the Board Appointment and Renewal Policy and recommending any changes to the Board; and
 - e) Conducting an overview of Induction and continuing education standards and programs for Directors and Committee Members and an annual quality review.
- 4.6 Disputes
- a) Managing disputes in relation to the nomination, appointment, re-appointment or removal of Directors.
- 4.7 Other
- Approving the terms of the *Sunsuper Group Enterprise Agreement*;
 - Approving the Essential Requirements Gate Policy and reviewing associated reporting;
 - Considering management succession and development plans;
 - Conducting an annual review to assess the adequacy of the Committee Charter, requesting Board approval for any proposed changes, and ensuring appropriate disclosure as may be required by law or regulation;

⁴ Advice has been obtained that the approval process set out in paragraphs b and c meets the requirement of SPS 510.

- Providing an annual confirmation that all responsibilities in the Charter have been carried out;
- Assessing the effectiveness of the Committee's performance (The process for the annual evaluation of the Board and individual Director performance is set out in the *Board Assessment Procedure*); and
- Performing other activities related to this Charter as requested and/or delegated by the Board.

5. Composition

5.1 Size

The membership of the Committee shall consist of at least three non-Executive Directors including the respective Chairs of Sunsuper Pty Ltd, and the Sunsuper Audit, Compliance and Risk Management Committee (ACRMC) together with any other Directors as nominated by the Board.

The CEO may attend meetings by invitation but is not a member of the Committee.

5.2 Chair

The Chair of the Committee shall be appointed by the Board, after consultation with all Directors, and on recommendation of all of the Employer Nominated Directors and Member Nominated Directors of the Board, and shall not be the Chair of Sunsuper Pty Ltd.

5.3 Knowledge

The Committee shall collectively have skills and knowledge in the areas of finance, corporate governance, risk management, and remuneration frameworks.

5.4 Independence

All members of the Committee shall be independent. An independent member is independent of management and free of any business relationship or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

A relationship is "material" if, in the judgement of the Board, it would interfere with the member's independent judgement.

Members shall be considered independent if they have no relationship with Sunsuper, its affiliates or external service providers that might materially interfere with the exercise of their unfettered and independent judgement.

Nomination of a Director by one of Sunsuper's sponsoring shareholders will not impact on the independence of the Director as a Committee member for the purposes of this section.

The Board shall, on an annual basis, review the position and associations of each of the members to determine if they are independent of management and free of any business relationship or other relationship that could materially interfere with - or could reasonably be perceived to materially interfere with - the exercise of their unfettered and independent judgement. The Committee shall affirmatively make a determination as to the independence of each member and disclose such determinations to the Board.

6. Meetings

6.1 Frequency

The Committee shall meet at least four times each year, with authority to convene additional meetings as circumstances require. All Committee members are expected to attend each meeting in person or via use of an appropriate technology (such as Teams or video conference).

6.2 Attendees

The CEO, the Executive General Manager, People & Culture, the Chief Risk Officer, the General Counsel, the Company Secretary and any other persons considered appropriate shall attend meetings of the Committee by invitation and provide pertinent information as necessary. Any Board member may attend a meeting as an observer.

6.3 Closed Door Meeting

The Committee has the option to have a closed-door meeting, without management present, where required.

6.4 Conflicts of Interest

If a Committee member, consultant or management team member has an interest in, or an association with, a particular decision beyond the scope of their Sunsuper responsibilities, then this interest must be declared ahead of the discussion and / or decision. The Committee will then decide whether or not that person should remain included in the decision or whether they should remove themselves from the meeting for the purposes of the recommendation and or decision.

6.5 Secretarial

The Company Secretariat team shall provide secretarial support to the Committee. The Company Secretary in conjunction with the Executive General Manager, People & Culture, and the Chief Risk Officer (or their delegates) and the Chair prepare an agenda which shall be circulated with supporting papers at least five business days prior to each meeting.

Minutes shall be prepared for each meeting, circulated to the Chair after each meeting and then confirmed as accurate at the following meeting.

The Committee minutes and recommendations shall be presented to the Board as soon as possible after the Committee meeting.

6.6 Quorum

The quorum for the transaction of business at any meeting of the Committee will be determined as follows:

$$\left[\frac{\text{Current members of the Committee}}{2} \right] + 1, \text{ rounded down to the nearest whole number}$$

Provided always that where the application of the formula would result in a number less than three, the presence of three members will be necessary to constitute a quorum.

A resolution of Committee members is passed if at least two-thirds of the members present at the meeting (rounded up to the nearest whole number) vote in favour of the resolution.

Members may not vote or participate by proxy. The Committee may act by unanimous written consent of all members.

6.7 Meeting with APRA

Members of the Committee must be available to meet with APRA on request.

7. Compensation

Members shall receive fees for services provided to the Committee, either independently or as part of their payment for acting as a Board member.

Appendix 1 summarises the decision-making powers delegated to the Committee by the Board as set out in this Charter.

Appendix 1

This list summarises the decision-making powers delegated to the Committee by the Board as set out in this Charter.

No	Decision Making Power
1	Approve the Annual Remuneration Review process
2	Approve design of the Annual Performance-Based Incentive Program
3	Approve Key Employment Contract Terms and Recruitment, Retention and Termination Policies and Processes for CEO and Senior Executives
4	Approve Annual Remuneration Review Recommendations (Fixed Pay, Superannuation and Incentives) for all categories of employees except as set out in Charter in paragraph 4 (b) (bi): bi1, bi2 and bi3 above, and reporting these to the Board for noting
5	Approval of the Board Diversity Policy and Diversity and Inclusion Policy
6	Approve the Essential Requirements Gate Policy
7	Approve the terms of the Sunsuper Group Enterprise Agreement
8	Confirming all action completed in relation to annual Fit and Proper assessment process and changes to director tier level
9	Assessing the effectiveness of the Committee's performance.