

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

July 2019

Index

1.	Introduction	3
2.	Purpose.....	3
3.	Authority.....	3
4.	Responsibilities	3
5.	Composition	4
	5.1 Size	4
	5.2 Knowledge	4
	5.3 Independence	4
	5.4 Chair	5
6.	Meetings	5
	6.1 Frequency	5
	6.2 Attendees	5
	6.3 Closed Door Meeting	5
	6.4 Secretarial	5
	6.5 Quorum	5
7.	Compensation	6

1. Introduction

This Charter outlines the purpose, authority, responsibilities, composition meetings and compensation of the Nominations and Remuneration Committee ("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.

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:

- Attracting and retaining high quality executives and directors;
- Planning for the succession of the Chief Executive Officer and senior executives;
- Ensuring that the Board and its committees are performing to a high standard;
- Compensating executives and directors in a fair and equitable manner;
- Giving proper regard to the objectives of members and shareholders; and
- The oversight and application of the Fit and Proper Policy;

The Committee has:

- Free and unfettered access to internal risk and financial control personnel and other parties (internal and external) in carrying out its duties; and
- Power to engage independent third party experts for advice.

4. Responsibilities

The Committee is responsible for considering and making recommendations to the Board on the following matters:

- a) Remuneration Policy
 - Conducting regular reviews of the *Remuneration Policy*, assessing its effectiveness and compliance with Prudential Standard SPS 510;
- b) Management Succession
 - Selection and appointment of the Chief Executive Officer;
- c) Performance of CEO
 - Conducting an annual review and assessment of the performance of the Chief Executive Officer;
- d) Remuneration
 - Making annual recommendations to the Board on:
 - Financial year goal setting and assessment;
 - The remuneration of the Chief Executive Officer;
 - The remuneration of directors and committee members;
 - The remuneration incentives and superannuation policies of the Chief Executive Officer, directors and Board committee members;
 - The terms in employment contracts for the Chief Executive Officer and senior executives; and
 - Annual Staff Remuneration Report proposed by the Chief Executive Officer;
- e) Board Renewal and Composition and Fitness and Propriety
 - All matters in connection with the Board Appointment and Renewal Policy and Fitness and Propriety including the composition of and renewal of the Board;
 - Conducting an annual review the Fit and Proper Policy;
 - Conducting an annual review of the Board Appointment and Renewal Policy; and
 - Conducting an overview of Induction and continuing education standards and programs for directors and Committee Members and an annual quality review;

- f) Disputes
 - Managing disputes in relation to the nomination, appointment, re-appointment or removal of Directors;
- g) Other
 - Conducting an annual review to assess the adequacy of the Committee Charter, requesting Board approval for any proposed changes, and ensure appropriate disclosure as may be required by law or regulation;
 - Providing an annual confirmation that all responsibilities in the Charter have been carried out; and
 - Performing other activities related to this Charter as requested by the Board.

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

The Committee has the delegated authority of the Board to make decisions on behalf of the Board on the following matters:

- Approve the terms of the Precision Administration Services Enterprise Agreement;
- Management succession and development plans;
- Recruitment, retention and termination policies and procedures for the Chief Executive Officer and senior executives;
- Consideration of annual Workplace Gender Equality Agency and gender pay gap reports;
- As required, approval of appointments of Sunsuper staff to legislatively required positions e.g. appointment of responsible managers for Sunsuper Group Australian Financial Services Licences;
- Approve the Annual Remuneration Review Process;
- Approve the Annual Incentive Design;
- Annually review and assess the performance of all Sunsuper employees (excluding the Chief Executive Officer);
- Annually review the remuneration of all Sunsuper employees (excluding the Chief Executive Officer); and
- Such other matters as may be delegated to the Committee from time to time.

5. Composition

5.1 Size

The membership of the Committee shall consist of at least 3 directors including the respective Chairs of Sunsuper Pty Ltd, and the Sunsuper Audit, Compliance and Risk Management Committee together with any other directors as nominated by the Board.

The Chief Executive Officer may attend meetings by invitation, but is not a member of the Committee.

5.2 Knowledge

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

5.3 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.

Appointment 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.

5.4 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.

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 teleconference or video conference.

6.2 Attendees

The Chief Executive Officer, the Executive General Manager, People and Culture, the Chief Risk Officer, the General Counsel and 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 Secretarial

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

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

A summary report of the Committee's deliberations and recommendations shall be presented to the Board at its next meeting.

6.5 Quorum

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

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

A resolution of Committee members is passed if at least two-thirds of the members present at the meeting 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.

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.