

## **Appointment of Directors**

No new Director may be appointed except in compliance with the Fit & Proper Policy and the Policy on Monitoring, Training & Supervision of Representatives. Subject to this precondition:

- (i) The Board may appoint any natural person to be a Director. The Board's policy is that all Directors will be appointed as Independent Directors. There will not be an appointment of an Executive or Alternate Directors.
- (ii) Nominations to fill vacancies on the Board may be lodged with the Audit & Compliance Committee which will recommend candidates for further consideration after checking résumés for any essential prerequisite criteria.
- (iii) Recommendations can only be made in compliance with the Fit & Proper Policy and Policy on Monitoring, Training & Supervision of Representatives.
- (iv) The Committee must have regard to required skills and experience in identifying and selecting and recommending candidates.
- (v) Potential candidates may be sought from any business arena including industry and union bodies. Each of the AWU and NFF may nominate a director for consideration by the Board.
- (vi) The Audit & Compliance Committee will assess each candidate's suitability based on the pre-determined selection criteria for the vacancy, or vacancies, in question. The selection criteria for each vacancy will include reference to the qualifications, skills & experience as well as geographical location.
- (vii) Prior to the offer of appointment, each short listed candidate must under go all of the probity checks set out in the Fit & Proper Policy. No candidate may be appointed without completion or disclosure (where applicable) of:
  - A Statutory Declaration regarding "disqualified persons";
  - A Consent To Act form;
  - A Federal Police check request (AFP);
  - A Bankruptcy check;
  - The candidate's personal CV;
  - (disclosure of) any current or potential conflicts of interest;
  - (disclosure of) all contact details (including emergency telephone number);
  - and
  - any other document or information required to be provided under the Fit & Proper Policy.
- (viii) New Directors are appointed by vote of incumbent Directors, who vote for each candidate referred by the Audit & Compliance Committee. A first past the post voting procedure will be adopted to fill any vacancy.
- (ix) Following appointment of a new Director, the CEO will ensure he or she receives the material specified in the Fit & Proper Policy and Policy on

Monitoring, Training & Supervision of Representatives. New Directors are expected to familiarise themselves with this material as soon as possible.

### **Rotation and Removal of Directors**

The Constitution does not specify the length of appointment for a Director and the Board has resolved to adopt the following:

- (i) A Director deemed unsuitable in terms of the Fit & Proper Policy must resign or be dismissed within 14 days of being deemed unsuitable.
- (ii) Subject to this section 11.4, the maximum period that a Director can hold office is ten years from the date of their appointment, comprising:
  - (a) one initial term from the date of appointment of the Director to the next Annual Meeting; and
  - (b) three additional terms, each of three years' duration, thereafter.

At each Annual Meeting, those Directors that are required to retire shall retire and, if eligible for re-election, may stand for re-election for a further term in accordance with section 11.4(ii).

- (iii) The factors that will determine whether an existing Director will be re-appointed include the following:
  - (a) the previous terms of appointment (if any) of the Director;
  - (b) the skills and expertise of the individual Director;
  - (c) the skills and expertise of the Board as a whole; and
  - (d) future requirements and needs of the Board and the Fund.
- (iv) The Board may extend a Director's term beyond the maximum period of ten years if it deems it appropriate. Any Director whose term is extended beyond 10 years is subject to re-election by the Board at the next Annual Meeting.
- (v) If a former Director has been absent from the Board for 3 years, the Board has the discretion to re-appoint the former Director in accordance with this section 11.4
- (vi) A Director remains on the Board until s/he is required to vacate in accordance with this section 11.4 or clause 5.2 of the Constitution, or until resignation or removal is required under the Fit & Proper Policy.
- (vii) A Director may be removed from office by unanimous resolution of the remaining Directors.
- (viii) The terms and conditions applying to the appointment and tenure of Directors are contained in their letter of appointment and any relevant policy the Trustee may put in place from time to time.

(ix) If it is necessary to appoint a Director for a short period of time to gain necessary expertise or skills on the Board this will be clearly identified in the letter of appointment.

(x) In determining whether to:

- re-elect a Director for a further term pursuant to paragraph 11.4(ii); or
- to extend a Director's term beyond the maximum period pursuant to paragraph 11.4(iv),

the Board must consider whether that 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 members.