



# **BOARD CHARTER**

## **SUMMARY**

for

**AUSCOAL Superannuation Pty Ltd**

December 2023

## 1. Introduction

The purpose of this document is to summarise the Board approved Board Charter, which outlines the scope and responsibilities and the manner of operation of the Board of AUSCOAL Superannuation Pty Ltd.

AUSCOAL Superannuation Pty Ltd (“Company”) is a corporate entity and acts as Trustee for the Mine Superannuation Fund. The Board of Directors of the Company (“Board”) is responsible for the oversight and management of both the Company and the Fund. The Company is licensed by APRA under a Registrable Superannuation Entity (RSE) License and is licensed to operate as a Trustee of a public offer superannuation fund. The Company also holds an Australian Financial Services (AFS) License for the provision of general financial product advice and dealing in superannuation products.

In this document, the Company, the Mine Superannuation Fund and Mine Super Services Pty Ltd are referred to collectively as “the Group”.

## 2. Relationship with Shareholders

The shareholders of the Company are:

- NSW Minerals Council (NSWMC) (25%)
- Queensland Resources Council (QRC) (25%);
- Mining and Energy Union (MEU) (50%).

The Board is committed to an open and transparent relationship with its Shareholders, recognising their role in appointing Member and Employer representatives to the Board and works closely with Shareholders to ensure that the skill and competency requirements of the Board are considered in this process. The Board recognises however that in undertaking its role, it must be unfettered in its decision making capabilities and that it is subject to director duties that apply under regulatory requirements, governing documents, internal policy and at common law. The CEO is the Board appointed delegate for the purposes of communicating and discussing relevant strategic and operational matters with Shareholders.

## 3. Role and Responsibilities of the Board

The Board has overall responsibility for the management of the Company and, in its capacity as Trustee, of the Fund in accordance with the regulatory and legal requirements which apply from time to time. In undertaking its role, the Board is accountable for risk related matters including articulating the Group’s risk appetite for material risks, overseeing business operations and overseeing the Group’s activities directed at managing its operational risk and compliance management framework.

The Board has set the following objectives for its activities:

- to meet its role and responsibilities as set out in the Board’s Charter;
- to focus on strategic issues in the undertaking of its duties;
- to oversee activities of its Committees to ensure they fulfil their roles and responsibilities as set out in their Terms of Reference;
- to provide guidance and support to the CEO in implementing the Mine Group’s Strategic Plan.

The Board has also set a number of objectives for individual Directors as follows:

- demonstrate in practice the Group's values;
- actively contribute to Board and Committee deliberations;
- undertake ongoing professional development and meet required skills levels within any requisite timeframes;
- meet the Board's attendance standards;
- comply with the Board's policies.

#### **4. Roles and Responsibilities of Management**

The Board and Directors' objectives are set out in section 3 of this document. In addition to meeting its legislative and regulatory obligations, the Board is required to conduct its operations prudently and transparently to act honestly and ethically in all matters and to act in the best interests of Mine Superannuation Fund members and their dependants at all times.

##### **Chief Executive Officer**

On a day to day basis the Board carries out its responsibilities through the Chief Executive Officer who has been delegated appropriate authorities and responsibilities to conduct the business. The Chair is the main point of contact between the Board and the Chief Executive Officer.

The Chief Executive Officer is accountable to the Board for the implementation on a day to day basis of the approved strategic and business plans and ensuring the proper, efficient and legal operation of the business including the utilisation of business assets and human resources.

##### **Secretary**

The Secretary is responsible to the Board for the day to day functioning of the Board and fulfils the role of the primary administration officer of the Board. The Secretary meets directly with the Chair as required and is available to consult directly with Directors to assist them in meeting their obligations to the Board, Committees, business and members. The role of the Secretary is undertaken by an Executive who also fulfils other governance related functions and therefore has a dual reporting line to the CEO and Board through the Chair.

The Secretary's activities include advising the Board and its Committees on governance matters, monitoring that Board and Committee policies are implemented and ensuring that procedures are followed, coordinating the completion and despatch of Board and Committee papers, ensuring that the business at Board and Committee meetings is accurately captured in the minutes, helping to organise and facilitate the induction and professional development of Directors.

#### **5. Composition of Board**

The Board will comprise suitably qualified persons with relevant expertise as determined from time to time so that as a whole, the Board has the appropriate diversity, experience in terms of professional qualifications, industry and business experience to understand the Australian regulatory environment, financial services and in particular the superannuation industry.

All Directors must satisfy relevant fitness and propriety standards together with any other standards of operation which are mandated by legislation including Prudential Standards and/or the Company through relevant policy.

The Board has determined that a Board size of nine (9) Directors is the appropriate size for the current operating environment taking into account the complexity and nature of operations, the strategic direction of the Group, the responsibilities of the Board and its Committees and the allocation of duties in this regard. The Board will periodically review this decision when deemed necessary including when the operating environment changes or when other significant business changes are being considered.

## **6. Appointment of Directors and Term of Office**

### **Appointment of Member and Employer Representative Directors**

The Company's Constitution and Trust Deed provide guidelines and/or requirements in relation to the appointment of Directors. The material principles are outlined below.

The Board's Directors are all non-executive Directors. Eight (8) Directors are appointed under equal representation principles comprising equal numbers of Employer and Member representatives appointed as follows:

- two (2) Employer Directors each appointed by the NSWMC and QRC;
- three (3) Member Directors appointed by the MEU;
- one (1) Member Director appointed by the MEU after nomination by participating unions.

### **Appointment of Independent Director**

The ninth (9<sup>th</sup>) non-executive Director is independent of the sponsoring organisations and is appointed by the Board.

For this purpose the definition of 'Independent Director' is a person who is not:

- a) a Member of the Fund (unless so allowed by relevant legislation);
- b) a Participating Employer or an associate of a Participating Employer;
- c) an employee of a Participating Employer or an employee of an associate of a Participating Employer;
- d) a representative of a trade union, or other organisation, representing the interests of one or more Members of the Fund; and
- e) a representative of an organisation representing the interests of one or more Participating Employers of the Fund.

### **Appointment of Chair, Deputy Chair and Meeting Chair**

The Chair and Deputy Chair of the Board must be Directors and are appointed by the Board.

### **Board Renewal**

Whilst ensuring the continuity of the Board's expertise as a whole, the Board is committed to a Director renewal process to ensure that its composition is renewed over time to meet the Company's future requirements. The Board recognises that it is important that an appropriate mix of skills, experience, diversity, new ideas and independent thinking is retained and that this mix will change as the requirements of the Company evolve. The Board Renewal Policy outlines the practices deployed to manage Board renewal.

## **Director Removal**

The Board has established and documented circumstances in which a Director will be requested to step down and the processes, including Shareholder and other Stakeholder consultation which will be undertaken in this situation.

## **Casual Board Vacancies**

Casual vacancies are filled by the Shareholder who appointed the departing Nominee Director. In the case of a departing Independent Director, casual vacancies are filled by the Board. All candidates are required to meet the Trustee's fitness and propriety criteria and any other applicable legislative requirements.

## **7. Directors' Remuneration**

Directors including Alternate Directors are eligible to receive remuneration from the Fund for undertaking their role as Director of the Company at a Target Remuneration rate recommended by the Board's Remuneration and Nominations Committee and approved by the Board from time to time. The Board's approach to remuneration is set out in the Group's Remuneration Policy.

Target Remuneration is reviewed each financial year however there is no requirement for Target Remuneration to be amended as a result of the review.

## **8. Conduct of Meetings**

The Board will meet with sufficient frequency to ensure that it is able to receive sufficient and up-to-date information on the operations of the Company and Fund, the financial position of the Company and Fund and other matters of strategic and operational relevance.

Attendance by all third parties including Group Management, auditors, service providers, external advisers and other third parties is at the invitation of the Board and subject to appropriate confidentiality provisions.

It is expected that no more than two (2) meetings per annum should be missed by any particular Director unless reasonable circumstances exist and the Director has discussed the matter with the Chair. Directors who do not meet the required attendance standards may be requested to resign from the Board.

The Quorum for meetings is a two thirds majority of Directors with equal numbers of Member and Employer representatives unless the Board agrees, as per the Trust Deed that alternative quorum requirements will apply.

Minutes are an accurate representation of the decisions made at a Board meeting. All decisions of the Board taken at the meeting will be passed by means of a formal resolution.

## **Board Committees**

The Board has constituted several Committees to enable more detailed consideration of matters and to increase its own efficiencies. The Board Committees as at the date of this Charter are:

- Investment Committee;
- Audit, Risk and Compliance Committee;
- Insurance Committee;
- Mergers and Acquisitions Committee; and
- Remuneration and Nominations Committee.

Each of these Committees operates under Terms of Reference approved by the Board from time to time.

In constituting the Committees and in the development of the Committees' Terms of Reference, the Board is mindful of ensuring that the delegations and activities of the Committees are consistent with the Board's obligations under relevant law.

## **9. Resolutions of the Board**

Resolutions of the Board at Board meetings are carried by a two thirds majority. Resolutions of the Board may also be made via Circular Resolution. In this case the resolution can only be carried with approval of 100% of the Directors.

## **10. Board Papers**

The Board has implemented processes to assist Directors with management and retention of their Board papers.

## **11. Board Conduct and Standards**

The Board has a genuine commitment to effective corporate governance. It is committed to fairness, transparency and accountability in the way in which it conducts its business and to act honestly and ethically in all matters.

Directors are required to keep confidential all information and material provided or made available to them in their role as Director which is not publicly available unless required by law to disclose the information. This obligation continues after they cease to be a Director.

Directors are required to lodge an annual declaration attesting to their ongoing propriety in accordance with the requirements of the Company's Fitness and Propriety Policy. Each Director is also subject to an annual fitness and propriety assessment. Directors have an ongoing obligation to advise if there is any matter or event which has changed their continuing compliance with the requirements of the Fitness and Propriety Policy.

Directors are required to adhere to the Group's Conflicts of Interest Management Framework and Policy which details the framework for and management of perceived, potential and actual conflicts of interest that may arise from Group company common directors, conflicts with third party suppliers, financial product conflicts, conflicts between classes of members and beneficiaries, advice based conflicts and gifts, hospitality and entertainment related conflicts.

Directors (including Alternate Directors) are expected to commit sufficient time to undertake appropriate professional development relevant to their position on the Board.

The Board reviews its own activities annually to ensure that its operations remain prudent and that its performance and effectiveness is at the appropriate level. In this regard an external review, including benchmarking to appropriate standards is undertaken triennially. The Board also undertakes a continuous improvement assessment at the end of each Board and Committee meeting.

The Group maintains appropriate insurance and indemnities for current and former Directors including providing each Director with a Deed of Indemnity and Access.

## **12. Access to Independent Professional Advice**

The Board provides Directors with guidelines in relation to seeking advice and clarification on matters from the Company's auditors, financial and legal advisers on any matters related to the Company or the Board and their access to independent professional advice to help them carry out their responsibilities to the Company.