

Meat Industry Employees' Superannuation Fund

Board Renewal Policy

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| Trustee: | Meat Industry Employees' Superannuation Fund Pty Ltd |
| ABN: | 58 005 793 199 |
| AFSL: | 239 953 |
| APRA Licence No: | L0001434 |
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This is the Board Renewal Policy of the Trustee. It was ratified by the board of directors of the Trustee on 1 December 2016.

Signed in accordance with section 127 of the *Corporations Act 2001* (Cth).

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| _____ | _____ |
| Director / Secretary | Date |
| _____ | _____ |
| Director | Date |

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1. Introduction

The Meat Industry Employees' Superannuation Fund Pty Ltd is the Trustee of the Meat Industry Employees' Superannuation Fund ("The Fund"). This Board Renewal Policy satisfies the requirements in paragraphs 18(c) and 23 of APRA Prudential Standard SPS 510 – *Governance (SPS 510)* i.e. the Board's policies on the size and composition of the Board, Board renewal and the nomination, appointment and removal of directors including defined director terms in office and maximum tenure periods.

(a)

2. Eligibility for Appointment as Director

To be eligible for appointment as a Director, a person is required to satisfy the following conditions:

- (a) Be at least 18 years of age;
- (b) Not be convicted of an offence in respect of dishonest conduct in Australia or overseas at any time unless otherwise approved by the Directors and the Australian Prudential Regulation Authority (APRA);
- (c) Not have a civil penalty order under the *Superannuation Industry (Supervision) Act 1993 (the SIS Act)* made against them;
- (d) Not be insolvent or bankrupt;
- (e) Not be in prison;
- (f) Not be ineligible to be a Director in accordance with the requirements of the *Corporations Act 2001 (Cth) (the Corporations Act)*; and
- (g) Not have been prohibited from managing a corporation by an order of the Federal Court or the Supreme Court of any jurisdiction in Australia or the Australian Securities & Investments Commission.

A person who is appointed a Director must execute all necessary documents to act as a Director of the Trustee.

3. Term of Appointment

A person who is appointed as a Director shall continue as a Director for a term of 4 years and then be eligible for reappointment (see paragraph 14) after each term with a maximum of 3 terms (totalling 12 years).

Following the expiration of the 3 terms, a Director may be reappointed by the Board to enjoy one further 4 year term only if the Board believes it to be necessary taking into consideration the Board's structure and level of experience existing at the time.

The Secretary of the Victorian Branch of the Australasian Meat Industry Employees' Union ("the Union") may enjoy an indefinite duration of term as Director / Secretary of the Trustee subject to the provisions of paragraph 8.B(h).

It is expected that this Director would not continue as a Director for longer than 1 year after ceasing to be Secretary of the Victorian Branch of the Union if he or she had already served 16 years as a Director.

Each of the above is subject to the Board's right to remove any Director in accordance with paragraph 8.

4. Number of Directors

The number of Directors shall be 15 or such other lesser number as the Board of Directors may from time to time resolve. Half of the total number of Directors excluding any additional Independent Director shall be Member Directors and half shall be Employer Directors.

5. Appointment of Member Directors

Up to 7 Member Directors may be appointed by Resolution of the Board of Directors from nominations made by the State Branch Committees of Management of the Union in accordance with paragraph 10. The appointments shall be made as follows:

- (a) Up to 4 Member Directors may be appointed to represent the Victorian Branch; and
- (b) Up to 3 Member Directors may be appointed to represent the Branches of Queensland, South Australia, New South Wales, Western Australia, Northern New South Wales and Tasmania pursuant to paragraph 10.

6. Appointment of Employer Directors

Employer Directors shall be full time employees of a participating Employer, other than the Union, at the time of their appointment.

Up to 7 Employer Directors may be appointed by Resolution of the Board of Directors from nominations made in accordance with paragraph 11. The appointments shall be made as follows:

- (a) Up to 4 Employer Directors may be appointed to represent participating Employers of Fund members located in Victoria;
- (b) One Employer Director may be appointed to represent participating Employers of Fund members located in Queensland;
- (c) One Employer Director may be appointed to represent participating Employers of Fund members located in New South Wales;
- (d) One Employer Director may be appointed to represent participating Employers of Fund members located in South Australia;
- (e) One Employer Director may be appointed to represent participating Employers of Fund members located in Western Australia, and
- (f) One Employer Director may be appointed to represent participating Employers of Fund members located in Tasmania.

7. Appointment of Additional Independent Director

One additional Independent Director may be appointed by the passing of a resolution by a two-thirds majority of all the Board of Directors. An Independent Director must not be:

- (a) An employee of the Trustee in the 3 years prior to being appointed;
- (b) A principal of a material professional adviser or a material consultant to the Trustee or an employee materially associated with a service provided to the Trustee in the 3 years prior to being appointed;
- (c) An employee or director of a participating Employer of the Fund or an employee or director of an associate of a participating Employer;
- (d) A representative of the Union in any State or any other organisation representing the interests of one or more members of the Fund, or
- (e) A representative of an organisation representing the interests of one or more participating Employers.

8. Removal

- A. A Director shall cease to be a Director by the passing of a resolution by a two-thirds majority of all the Board of Directors, in the event of:
- (a) Death; or
 - (b) Mental or physical incapacity; or
 - (c) Retirement; or
 - (d) Termination of employment; or
 - (e) The member representative becoming a disqualified person within the meaning of Part 15 of the SIS Act; or
 - (f) Suspension or removal of the Trustee under Part 17 of the SIS Act; or
 - (g) Other prescribed circumstances in accordance with superannuation law.
- B. The Board of Directors may at any time pass a resolution by two-thirds majority agreeing to remove a Director from the Board in any circumstances including the following:
- (a) On becoming insolvent or bankrupt; or
 - (b) If absent from all meetings of the Trustee held during a period of six months without the consent of the Board of Directors; or
 - (c) If an Employer Director ceases to be a full time employee of the participating Employer which nominated him or her unless a majority of the remaining Employer Directors agree that the person can remain an Employer Director; or
 - (d) If a Member Director's appointment is withdrawn by the Branch Committee of Management of the Union who originally appointed the Member Director; or
 - (e) Is directly or indirectly interested in any contract or proposed contract entered into with the Trustee and fails to declare the nature of his or her interest in the manner required by the Trustee's Conflicts Management Framework, the SIS Act, the Corporations Act or the general law; or
 - (f) Fails to meet the requirements in the Trustee's Fit & Proper Policy or the Conflicts Management Framework which includes failure to advise of any conflicts or potential conflicts of interest or duty; or
 - (g) If an Independent Director ceases to meet the appointment criteria in accordance with paragraph 7 of this policy; or
 - (h) If the Board of Directors determines that the Secretary of the Victorian Branch of the Union's extended period of service as a Director materially interferes with his ability to remain objective in exercising his Director duties including acting in the best interest of beneficiaries.

9. General Vacancies

The Directors shall seek the appointment of replacement Directors within 90 days in accordance with the SIS Act, to ensure that there are an equal number of Member Directors and Employer Directors.

The Directors may determine that there shall be less than 14 Directors from time to time provided that there are an equal number of Member and Employer Directors in which case vacancies will not be filled.

10. Member Director Vacancies

If the Directors seek the appointment of one or more Member Directors to fill a vacancy, the following procedures shall apply:

- (a) If the appointment of a new Member Director is sought as a replacement for a Member Director who has resigned or been removed pursuant to paragraph 8 or who has not been reappointed pursuant to paragraph 14, then the State Branch Committee of the Union which nominated the retiring Director shall be given the opportunity to nominate the replacement Director. Should that State Branch Committee of the Union decline to make such a nomination, then the State Branch with the largest number of Fund members that is unrepresented shall be asked to nominate a replacement Member Director.
- (b) If the Directors request the appointment of a Member Director to fill a vacancy created as a result of a resolution of the Board of Directors to increase the total number of Directors then the unrepresented State Branch of the Union with the largest number of members of the Fund shall be asked to make the nomination unless less than 51% of the current Member Directors were nominated by the Victorian Branch of the Union in which case the Victorian Branch of the Union shall be asked to nominate the new Member Director. Should a State Branch Committee of the Union decline to make such a nomination then the State Branch with the next largest number of Fund members that is unrepresented shall be asked to nominate a replacement Member Director.
- (c) For both paragraphs 10(a) and 10(b), the Board will make the nominating body aware of APRA's requirements in SPS 510 and of this policy, and engage in a dialogue with the nominating body regarding how their nomination process can support this policy.

11. Employer Director Vacancies

If the Directors seek the appointment of one or more Employer Directors to fill a vacancy the following procedures shall apply:

- (a) If the appointment of a new Employer Director is sought as a replacement for an Employer Director who has resigned or been removed pursuant to paragraph 8 or who has not been reappointed pursuant to paragraph 14, the Directors shall invite the participating Employers in the State which the retiring Employer Director represented to nominate a replacement Employer Director.
- (b) If the appointment of a new Employer Director is sought to fill a vacancy created as a result of a resolution of the Board of Directors to increase the total number of Directors then the Directors shall invite the participating Employers of Fund Members in the State which is unrepresented by an Employer Director having the highest number of members in the Fund to nominate a person to fill the vacancy. If no nominations are received from the participating Employers in relation to that State then the Directors shall invite the participating Employers in the unrepresented State with the next highest number of Fund members to nominate a person to fill the vacancy. This paragraph is subject to the proviso that if less than 51% of the Employer Directors represent Victoria, then the Directors shall invite the participating Employers in Victoria to nominate a person to fill the vacancy.
- (c) For both paragraphs 11(a) and 11(b), the Board will make the nominating body aware of APRA's requirements in SPS 510 and of this policy, and engage in a dialogue with the nominating body regarding how their nomination process can support this policy.

12. Appointment of Alternate Directors

A Director may, with the approval of the Board of Directors, appoint a person to be his or her Alternate Director to act in his or her place during such period as the Director shall determine provided that:

- (a) An Alternate Employer Director must be an employee or officer of the same participating Employer or related corporate body; or
- (b) An Alternate Member Director must be approved by the State Branch Committee of the Union that nominated the Member Director.

13. Removal of Alternate Directors

An Alternate Director shall cease to be an Alternate Director immediately:

- (a) On death; or
- (b) On becoming of unsound mind or physically or mentally incapable of performing the functions of the office; or
- (c) On becoming insolvent or bankrupt; or
- (d) On becoming a disqualified person as defined in the Act; or
- (e) On being removed and/or replaced by operation of law; or
- (f) On the Trustee being suspended or removed under the Act; or
- (g) On ceasing to satisfy any other condition that was required to be satisfied in order to be eligible for appointment as an Alternate Director; or
- (h) By the passing of a resolution by a two-thirds majority of all the Board of Directors agreeing to remove an Alternate Director; or
- (i) Is directly or indirectly interested in any contract or proposed contract entered into with the Trustee and fails to declare the nature of his or her interest in the manner required by the Trustee's Conflicts Management Framework, the SIS Act, the Corporations Act or the general law; or
- (j) Fails to meet the requirements in the Trustee's Fit & Proper Policy or the Conflicts Management Framework which includes failure to advise of any conflicts or potential conflicts of interest or duty; or
- (k) If the Director who appointed the Alternate Director terminates the appointment of the Alternate Director; or
- (l) In any other circumstances in accordance with superannuation law.

14. Reappointment of Directors

Subject to paragraph 3 (maximum tenure period) and any other restriction on a Director's eligibility to be reappointed as set out in this policy, following the cessation of a Director's 4 year term, the Board will take the following factors into consideration in deciding whether to reappoint the Director:

- (a) The performance of the Director;
- (b) The Director's experience taking into account the size, business mix and complexity of the Trustee's business operations;
- (c) The Board's desire to inject new ideas and philosophies in the way the Fund is operated;
- (d) 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 of the Fund; and
- (e) The need to retain adequate expertise and experience on the Board.

15. Review of Policy

This Policy will be reviewed by the Board on an annual basis.