



Board Assessment and Renewal Policy

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1. OVERVIEW

As an RSE licensee, Tasplan Ltd (the *Trustee*), in its capacity as the Trustee of Tasplan Super is required to comply with *Prudential Standard SPS 510 Governance* (SPS 510). SPS 510 imposes an obligation on the Board of Directors of the Trustee to have in place a formal policy on Board renewal that meets the requirements of SPS 510.

This policy provides details of how the Board intends to renew itself in order to ensure it remains open to new ideas and independent thinking, while retaining adequate expertise. The policy gives consideration to whether directors have 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 Tasplan members and beneficiaries.

Tasplan Ltd acknowledges that the ultimate responsibility for the sound and prudent management of its operations rests with its Board of Directors. This document details the Trustee's formal policy on Board renewal and the procedures for assessing the Board's performance to achieve the Board's objectives.

2. OBJECTIVES OF THE POLICY

The objective of this policy is to outline the approach to be taken by the Trustee in assessing the Board's performance both collectively and individual Directors and ensuring that there is appropriate renewal of the Board.

Effective corporate governance depends upon the Board collectively, and each individual director, having appropriate skills and expertise to provide the strategic direction and oversight required for Tasplan's business. It is imperative that:

- Individual Directors have appropriate skills and experience for their role and must maintain their skills on an ongoing basis;
- The Board collectively must contain the appropriate mix of skills and experience and maintain this on an ongoing basis; and
- There must be a balance between the benefits of continuity of knowledge and prior experience and the benefits of new ideas and renewal.

The Tasplan Fit and Proper Policy provides details of the skills, experience, educational and professional development requirements for Directors, both new and existing.

3. GOVERNING RULES

The Governing Rules include the Constitution of Tasplan Ltd and the Tasplan Trust Deed.

4. BOARD STRUCTURE

The Board is structured to comply with the following principles:

4.1. Appropriate skills and experience

The Board comprises of persons who have and maintain adequate and relevant skills and experience for their role as a Director. All Directors must:

- Meet the requirements of the Fit and Proper Policy with regards to skills, knowledge and experience.

- Meet the ongoing training and continuing professional development requirements of the Fit and Proper Policy.
- Meet all of the applicable legislative and regulatory standards.

4.2. Diversity

The Board contains adequate and relevant diversity, including diversity of professional and personal background, age, experience and gender, to ensure that a relevant range of thought and experience is represented on the Board. Tasplan is committed to encouraging diversity in accordance with these principles, so far as practicable having regard to the nomination and election processes by which Directors are appointed.

4.3. Renewal

The general principles for renewal will be achieved through the following:

- Adopting a maximum tenure period.
- Staggering of Directors Terms of Office.

On an exception basis only, exercise discretion to extend the maximum tenure period where it is considered that such an extension would benefit the company.

5. ASSESSMENT OF PERFORMANCE OF BOARD, BOARD COMMITTEES AND DIRECTORS

The framework for assessing the performance of Directors individually or collectively as a Board or Committee is based on the expectation that individually and collectively they:

- Have the skills and experience required to act as a competent and experienced Director performing the role which they are undertaking;
- Are performing their duties in such a manner as to promote good prudential management and deliver an appropriate strategic direction for the overall business for the benefit of members and stakeholders; and
- Are performing their duties in accordance with relevant legislative requirements including governing documents and the Trust Deed.

5.1. Completion of Performance Assessments

The performance of the Board of Directors, Board Committees and Individual Directors will be assessed annually at a minimum.

The assessment of performance of the Board of Directors will be conducted internally every year and conducted by an external party every three years.

The external consultant appointed every three years or as determined by the Board of Directors is to undertake a specific brief with respect to the assessment of the performance of the Board of Directors which may include drafting and compiling the conclusions of a questionnaire, undertaking a desktop review of governance arrangements and Board policies and processes or benchmarking the governance arrangements of the Board of Directors.

The assessments for performance of Board Committees or Individual Directors, unless otherwise determined by the Board, will be undertaken internally.

5.2. Process for Performance Assessments

The performance assessments will be conducted after the end of each financial year against pre-determined criteria, which includes an assessment of performance against agreed objectives, both individually and collectively.

Prior to the assessments Fit and Proper requirements are provided to the Chair for each Director which include, copy of the annual declaration, details of the Individual Training Plan and the attainment of Continuing Professional Development Points, along with details of the number of Board and Committee meetings that the Director attended.

Each Director will complete a questionnaire which evaluates the performance of the Individual Director from a personal perspective as well as from a Board as a whole perspective.

All one on one discussions are confidential, unless otherwise agreed by the Director concerned.

In addition to the annual review, Directors may at any time discuss with the Chair of the Board, any issue concerning Board Performance.

The internal Board, Board Committee and Individual Director assessments will be completed by the Chair of the Board.

Following each review, the outcomes of the assessments will be discussed by the Chair with the Board and if necessary with Individual Directors. It is the Chair's responsibility to ensure that appropriate actions are implemented to address any issues that arise or are identified.

5.3. Assessment of the Board

The Board of Directors will assess its performance as a whole against a pre-determined performance criteria that includes consideration of the effectiveness of the Board in meeting the set objectives and other agreed performance standards. The objectives and performance standards may include:

- Establishment of the overall strategy for Tasplan and ensuring reporting against the strategy;
- Assessment of the operating and financial conditions against forecasts;
- Assessment of senior management performance against agreed criteria;
- Assessment of the effectiveness of the risk controls;
- Making key decisions in a timely manner;
- Ownership and understanding of Tasplan's vision, values, mission and strategic objectives and how this understanding is reflected on key issues throughout the year;
- Assessment of the extent to which the Board of Directors has followed the procedures for effective meetings and holds meetings that are conducted in a manner that ensures open communication, meaningful participation and timely resolution of issues; and
- Assessment whether material decisions have been made on a fully informed basis, and after adequate discussion.

Unless the Board determines otherwise the assessment of performance of the Board will be conducted internally every year and conducted by an external party every three years.

5.4. Assessment of Board Meetings

The meetings of the Board of Directors are one of the decision making forums for Tasplan and how meetings are conducted are to be assessed as part of the performance of the Board of Directors, taking into account such factors as:

- whether both the frequency and duration of meetings of the Board of Directors is sufficient to satisfactorily deal with all responsibilities of the Board of Directors;
- whether the Chair (in consultation with CEO) prepares an agenda covering all items requiring board consideration;
- whether meetings are conducted in such a way that all Directors are able to fully participate; and
- whether minutes are accurate and complete.

A Director is appointed as reviewer for each meeting of the Board of Directors to review and provide feedback on the content and process for that meeting.

5.5. Assessment of Board Committees

An assessment process will be conducted at least annually in relation to the performance of each standing committee of the Board, having regard to the purpose of the Committee as set out in its Charter or otherwise determined by the Board.

Unless the Board determines otherwise, the assessment of each Committee will be undertaken internally.

5.6. Assessment of Individual Directors

An assessment of the performance of individual Directors will be undertaken annually. The Chair will conduct the individual assessments for each Director.

The assessment process will include a private discussion by the person conducting the assessment with each Director individually, to discuss the Directors performance and any issues the Director wishes to raise regarding their own, the Boards or another Directors performance.

The assessment will include an assessment of the individual Director against set criteria which may include:

- Demonstration of the required expertise for their role;
- Demonstration of sufficient understanding of the business and its issues;
- Meeting the requirements of the Tasplan Fit and Proper Policy;
- Attendance and participation at Board meetings and Committee meetings;
- Contribution to the Board deliberations and the overall direction of Tasplan;
- Compliance with Tasplan's Code of Conduct and other relevant legislative requirements; and
- Contribution to maintaining an effective relationship between the Board and Management.

The Chair will again meet with each Director one on one for a discussion on Board performance and Individual Performance to allow each Director to raise any issues considered to be relevant to the review and evaluation.

5.7. Assessment of the Chair of the Board

The assessment of the performance of the Chair of the Board is undertaken at a minimum annually. The assessment is completed by the Chair of the ARC Committee and includes feedback received from each Director.

5.8. Managing Board and Director Performance

A Director and the Board must meet the requirements of Tasplan's Fit and Proper Policy on an ongoing basis. The ongoing monitoring and details of what happens when these requirements are not met are detailed in the Fit and Proper Policy.

Where an assessment of the Board collectively, any Committee or Individual Director identifies serious concerns in relation to a Director (Relevant Director) then:

- The Chair of the Board will discuss the concerns with the Relevant Director (or, if the Relevant Director is the Chair of the Board, the Chair of the ARC Committee).
- The Chair of the Board (or Chair of the ARC Committee) will make recommendations to the Board regarding any actions to be taken in relation to the issues identified.
- The Board will consider the recommendations made and determine the appropriate action to be taken which will include timeframes for any actions to be addressed along with any requirements for reassessment.

The Relevant Director will have the right to be heard at the Board meeting, either in person or through an advocate, however will not participate in the Board's deliberations or decisions on appropriate action to be taken.

Where an assessment of the Board collectively, any Committee or Individual Director identifies serious concerns with the Board as a whole or with any group or groups of Directors then:

- The Chair of the Board will seek appropriate advice and may discuss the issue with the Chair of the ARC Committee to determine a course or action in relation to the issues identified.
- The Chair of the Board will make recommendations to the Board regarding any actions to be taken in relation to the issues identified.
- If the concern is with the Chair of the Board then the issue should be addressed by the Chair of the ARC Committee.

6. BOARD RENEWAL

The Board of Directors will ensure that it remains open to new ideas and independent thinking whilst retaining adequate expertise through a regular process of renewal.

The general principles for renewal will be achieved through the following:

1. Adopting a maximum tenure period.
2. Staggering of Directors Terms of Office.
3. On an exception basis only, exercise discretion to extend the maximum tenure period where it is considered that such an extension would benefit the company.

6.1. Maximum Tenure Period

The maximum Board tenure is twelve (12) years as each Director appointed or elected may hold office for four (4) terms of up to three (3) years, (subject to Article 15.4 of the Constitution, whereby the Trustee may impose rules, policies or procedures in relation to the eligibility for the appointment of a person and the eligibility of a person to continue). Where office has been held for a period of twelve (12) years or more the Director will not be eligible for reappointment unless there has been a period of at least three (3) years since they last held office as Director in which case the twelve (12) year period recommences. The Directors are subject to retirement by rotation in accordance with Article 21 of the Tasplan Constitution.

Apart from considering Board principles for the appointment of Directors, the Board shall also consider when nominating or appointing Directors that the terms of tenure are staggered to support continuity and the appropriate transfer of knowledge and skills to new Directors. The Board will ensure, to the extent possible, that Directors terms are staggered so that the terms of not more than half of the Board members expire simultaneously.

6.2. Chair tenure

The term of the Chairperson will be four years from the commencement of a new term unless otherwise determined by the Members in accordance with the Constitution.

A Director who has held the position of Chairperson may renominate for the position of Chairperson for a subsequent term of office. The Board will appoint a Committee to conduct the process for the selection of the Chairperson. The Committee may only act on behalf of the Board when and where the Board has formally delegated authority to the Committee so to act. Membership of the Committee will be determined by the Board.

6.3. Appointment and Removal of Directors

The appointment and removal of Directors is in accordance with the Constitution.

7. REVIEW

This policy is to be reviewed by the Board at a minimum every 2 years.

The Board may also review the Policy upon the occurrence of any one of the following trigger events:

- A significant change to the nature and/or complexity of Tasplan's operations.
- APRA amends its guidelines or Standards
- Tasplan begins conducting additional business activities of a type not currently undertaken.