



rt Board Charter

April 2020

rt Board Charter

Contents

1. Purpose.....	3
2. Related Policies	3
3. The Board	3
3.1. Composition of the Board.....	3
3.2. Roles, objectives and responsibilities of the Board.....	4
3.3. Powers reserved for the Board	4
3.4. Role and delegations of authority to the Group CEO.....	4
3.5. Role of the Chair of the Board.....	5
3.6. Role of Deputy Chair	6
3.7. Role of the Company Secretary	6
3.8. Committees of the Board	6
3.9. Access to information and independent advice	6
3.10. Confidentiality.....	6
4. Board meetings	6
4.1. Quorum	7
4.2. Voting	7
4.3. Minutes	7
5. Directors induction and training	7
5.1. Appointment and Induction	7
5.2. Training	7
6. Board evaluation	8
6.1. Board evaluation	8
6.2. Board renewal	8
7. Remuneration	8
8. Deed of insurance indemnity and deed of access.....	8
9. Ethical standards and values.....	9
10. Review of the Charter	9
11. Document approval.....	9
Document control	10
Appendix A – Director independence	11

1. Purpose

The purpose of the Board Charter (**Charter**) is to outline the role and responsibilities of the Board of Directors of Railway & Transport Health Fund Ltd (**the Board**).

2. Related Policies

The following Policies and Governance documents should be read in conjunction with the Charter:

- Constitution
- Committee Charters
- rt Group Board Code of Conduct
- rt Group Conflict of Interest Policy
- rt Group Fraud and Corruption Policy
- rt Group Inclusion and Diversity Policy

3. The Board

3.1. Composition of the Board

Subject to the Corporations Act 2001 (Cth), the composition of the Board shall be in accordance with Article 11 of the Constitution of the Company (**Constitution**).

In accordance with Article 11.2 of the Constitution the Board must have at least six and a maximum of nine Directors at any one time of which there must be at least three Elected Directors and there may be up to six Appointed Directors, and a majority of whom:

- must be non-executive Directors, and
- must reside in Australia.

If the Board consists of less than seven Directors, it must at all times have at least three independent Directors. If the Board consists of more than seven Directors, it must at all times have at least four independent Directors (Refer to Appendix A – Independent Director).

The Chair of the Board (**Chair**) must be one of these independent Directors. The Chair cannot have been the CEO of the Group at any time during the previous three years. If the position of the CEO is unexpectedly vacated, the Chair may serve as an interim CEO. After 90 days, approval must be sought from APRA to allow this arrangement to continue.

The positions of Chair and Deputy Chair must be reconfirmed annually following the AGM.

A majority of Directors present and eligible to vote at all Board meetings must be non-executive Directors.

The Directors must collectively have a full range of skills, knowledge and experience:

- a. to understand the risks to the Group;
- b. to understand the Group's legal and prudential obligations;
- c. to oversee effectively the management of the Group; and
- d. to contribute effectively to the Board's deliberations and processes.

All Directors must be "fit and proper" under all policies, laws and regulatory requirements applicable to Directors of the Group.

The Board, led by the Chair, and with the assistance of the Remuneration and Nomination Committee (RNC), will review the skills represented by the Directors on the Board from time to time to ensure that the mix of skills remains appropriate to achieve Group objectives and collectively covers the full range of skills needed for the effective oversight and prudent management, respectively, of the Group. It is intended that the Board will be made up of Directors with a broad range of skills, expertise and experience and from a diverse range of backgrounds, including gender.

3.2. Roles, objectives and responsibilities of the Board

The role and objectives of the Board is as follows:

- a. set the strategic vision, mission and values for the Group in collaboration with the Group Chief Executive Officer (Group CEO), and approve the strategic plan to achieve that vision;
- b. appoint, mentor, support and if necessary, remove the Group CEO;
- c. monitor the performance of the Group, including assessing operating and financial conditions against forecasts, assessing executive management performance against agreed criteria and monitoring progress against the strategic plan;
- d. approve the risk management strategy, appetite and tolerances for the Group and oversee systems of risk identification, management, internal control and regulatory compliance; and
- e. set the governance framework, including the culture and the ethics for the Group.

The Board will, in carrying out its function and exercising its powers, at all times fulfil its overriding responsibility to act honestly, conscientiously and fairly, in accordance with the law, prudential standards and in the best interests of its members.

Each Director must be available to meet with APRA on request.

3.3. Powers reserved for the Board

In addition to matters expressly required by the Constitution, law and prudential requirements to be approved by the Board, the Board has determined it wishes to retain decision-making of certain specific authorities. Such authorities are evidenced as key corporate governance documents, including the Corporate Governance Policy and Framework.

3.4. Role and delegations of authority to the Group CEO

The Group CEO is responsible for managing day-to-day operations of the Group and executing the strategies adopted by the Board. This includes:

- leadership of the Group and its executive management team;
- development of the strategic plan in conjunction with the Board;
- management of the Group's performance;
- financial planning and management; and
- business growth and development

All matters not specifically reserved for the Board or other entities (by this Charter, the Constitution, approved policies, authority limits or decisions) and which are necessary for the day-to-day management of the Group are delegated to the Group CEO.

The Group CEO is:

- accountable to the Board for the performance of the organisation and the exercise of this delegated authority;
- responsible for full implementation of directions and resolutions of the Board;

- responsible for reporting to the Board on the progress of projects, resolutions and directions as directed by the Board, the financial viability of the Group, and any other matters that the Board should be aware of in relation to the operation or effects on the Group;
- responsible for provision of timely and accurate information to the Board and all its Committees;
- responsible for ensuring the Group complies with obligations in relation all relevant regulatory bodies, such as APRA, ASIC, PHIO and others; and
- carrying out the duties and responsibilities of the position of the Group CEO as per the position description determined by the Board.

3.5. Role of the Chair of the Board

The Chair has been described as “first among equals” and is appointed to the role of Chair by fellow Board members. The Chair is responsible for leadership of the Board including:

Inside the Boardroom

- Leading, guiding and motivating Board members ensuring a high level of morale and commitment.
- Acting as an important link between the Board and executive and senior management via the Group CEO, without inhibiting direct access to fellow Directors.
- Establishing and maintaining an effective working relationship with the Group CEO.
- Providing mentoring for the Group CEO.
- Setting the tone for the Board, including the establishment of a common purpose.
- Chairing Board meetings efficiently and shaping the agenda in relation to goals, strategy, budget and executive performance.
- Obtaining appropriate information to present to the Board.
- Ensuring contributions by all Board members and reaching consensus when making decisions.
- Providing feedback to Directors on their performance and particularly new Directors to assist with areas of focus for their personal development plan
- Instituting the process of appraising the performance of Board members individually and the Board as a whole.
- Overseeing the negotiations for the Group CEO’s employment and evaluation of the Group CEO’s performance.
- Ensure planning for the succession of executive managers, including the Group CEO is undertaken.
- Assisting with the selection of Board Committee members.

Outside the Boardroom

- Chairing the Annual General Meeting (AGM).
- When required, speaking on behalf of the Board.
- Enhancing relations with members, staff and stakeholders generally.
- Being available to meet with APRA on request.
- Being available to meet with third parties as requested by the Group CEO from time to time to assist with managing or expanding business relationships of the Group.

3.6. Role of Deputy Chair

The Deputy Chair is appointed to the role of Deputy Chair by fellow Directors and should be an independent Director. In the absence of the Chair, the Deputy Chair should assume the role that otherwise would be performed by the Chair if the Chair was not absent.

3.7. Role of the Company Secretary

The Company Secretary supports the effectiveness of the Board by:

- developing and recommending Board policies;
- monitoring that Board policy and procedures are followed; and
- coordinating the completion and dispatch of Board agendas and briefing papers.

The Company Secretary is responsible to the Board, through the Chair, on all governance matters and for the efficient administration of the Company, particularly with regard to ensuring compliance with statutory and regulatory requirements.

3.8. Committees of the Board

The Board has established Committees to assist it in carrying out its role. Each Committee shall operate in accordance with its charter approved by the Board, which sets out its composition, objectives, roles, responsibilities and other relevant matters relating to effective operation.

The Board has established the following standing Committees:

- Finance and Audit Committee
- Remuneration and Nominations Committee
- Risk, Compliance and Governance Committee

3.9. Access to information and independent advice

The Board and Committees must be provided with the information they need to efficiently discharge their responsibilities. Management must supply the Board and Committees with information in a form, time frame and quality that enables them to effectively discharge their duties. All Directors are entitled to receive copies of Committee papers.

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making.

Directors are entitled to seek independent professional advice on any matter connected with the discharge of their responsibilities. Advice obtained will be at the Company's expense with reasonable notice given to the Chair.

A copy of the advice received by the Director will be made available to all members of the Board at the same time as it is received by the Director who requested the advice.

3.10. Confidentiality

All information acquired by Directors during their appointment is confidential to the Group and is not to be released at any time, either during the term of the Director's appointment or following their termination, without prior clearance from the Board.

4. Board meetings

In accordance with Article 16.1(a) of the Constitution, the Board must meet as and when necessary to carry out the efficient operation of the Group, providing that the Board meets at least four times every calendar year.

The agenda and supporting papers for each meeting should generally be distributed to Directors at least seven days before the meeting.

Board processes shall be managed in accordance with the Corporate Governance Policy and Framework of the Group.

4.1. Quorum

In accordance with Article 16.3 of the Constitution, a quorum for a meeting of the Board of Directors is a majority of the total number of Directors. A quorum for a meeting of the Directors must be present at all times during the meeting.

If, at any time, the number of Directors is less than the quorum the Board may meet only for the purpose of filling any casual vacancies or for calling a General Meeting of Members.

4.2. Voting

Any matters requiring a decision, will generally be decided by consensus, or if consensus is not achievable, then by a majority of votes of Directors present and entitled to vote on the resolution. Any Director may request a vote on a resolution that has been properly laid before the relevant Board meeting.

In accordance with Article 16.2 of the Constitution, resolutions of the Board will be by a simple majority vote cast by the Directors present and entitled to vote on the resolution, with the Chair, should he or she so desire, possessing a second or casting vote in event the vote is tied.

Any Director dissenting on a decision has the right to have their vote recorded against their name in the minutes of the meeting.

In accordance with Article 16.6 of the Constitution, where there is urgent business requiring a decision and it is not practicable to convene a meeting, resolutions may be circulated electronically for approval and require the signed approval of all Directors. The resolution is passed when the last Director signs and the resolution is returned to and received by the Company Secretary.

4.3. Minutes

Minutes will be kept of all meetings. Draft minutes will be circulated as soon as practicable after the relevant meeting and no later than the *Corporations Act 2001* requirements, and must be ratified and signed by the Chair at the next meeting of the Board.

5. Directors induction and training

5.1. Appointment and Induction

All new Directors shall receive an Offer of Appointment and will have an induction program.

5.2. Training

Directors will be provided with access to continuing education in relation to the Company and/ or the Group. Education extends to the Group's business, the industry in which it operates, and generally information required by the Director to discharge the responsibilities of their office.

Directors are to actively pursue opportunities for self-development, so that they can add value to the Group's operations through diligent contribution to Board deliberations.

6. Board evaluation

6.1. Board evaluation

The Board led by the Chair and with the assistance of the RNC, will annually conduct a performance assessment of the Board as a whole, its Committees, the Chair, individual Directors and its governance process.

The assessments may use a combination of external facilitator(s), assessment questionnaires, confidential (non-attribution) interviews and a workshop to discuss findings, or other such means as the Board may from time to time determine

The Board evaluation shall have regard to all the matters set out in this Charter and include the following:

- the Board's objectives, role and responsibilities;
- comparison of the Board's practices with its Charter and governance policies;
- identification of any desirable enhancements to the Board's charter;
- review and implementation of governance practices designed to enhance the Board's effectiveness; and
- review of the performance of individual Directors, their capabilities, skills, knowledge, experience, personal qualities and performance, having regard to the collective nature of Board work.

6.2. Board renewal

The Board, led by the Chair and with the assistance of the RNC, will review on an annual basis the skills represented by the Directors on the Board from time to time to ensure that:

- a. the mix of skills remains appropriate to achieve the Group's objectives;
- b. it remains open to new ideas and independent thinking;
- c. it complies with the requirements of this Charter and applicable law and APRA standards; and
- d. due consideration is given to the length of time a Director has served on the Board, and whether this could affect his or her ability to properly carry out his or her duties.

In conducting the review the Board will, taking a multi-year view, consider Board renewal, undertake succession planning and where appropriate identify suitable candidates for Board appointment as successors to current Directors.

The selection of Directors is a decision for the Board acting on the recommendation of the RNC, having regard to the Board's skills matrix.

7. Remuneration

In accordance with Article 12.8 of the Constitution, the Board will determine the remuneration of Directors within any maximum aggregate approved by the AGM.

The Board shall determine how remuneration is to be apportioned amongst Directors.

8. Deed of insurance indemnity and deed of access

To the extent allowed by law, the Company shall provide a Deed of Insurance, Indemnity and Access to insure and indemnify Directors in carrying out their responsibilities and also to provide Directors with access to Board papers and relevant documents whilst they are a Director and for a period of

seven years after their term as a Director ceases, or any action in which the Director is involved ceases, whichever is the latter. The terms and conditions of the deed will be approved by the Board and then provided to each Director for their acceptance and signature.

9. Ethical standards and values

All Directors must act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group and, where possible, to act in accordance with the relevant interests of members, staff, clients and all other stakeholders in the Group.

Directors have an obligation to be diligent and independent in judgement and actions, and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.

Directors must avoid material conflict of interest with respect to their fiduciary and other responsibility as a Director and must comply with this Charter, the Board Code of Conduct and the rt Group Conflict of Interest Policy in the exercise of their duties.

10. Review of the Charter

The Board will review and assess the adequacy of this Charter biennially or as required.

11. Document approval

This Charter was approved by the Board at its meeting held 22 April 2020.



Karen Birner
Company Secretary

Document control

Effective date	22 April 2020		
Version	4.0		
Document type	Board Charter		
Responsible Officer	Chief Governance and Risk Officer		
Governing Authority	Risk, Compliance and Governance Committee		
Approving Authority	Board of Directors		
Review frequency	Biennially		
Date of next review	April 2022		
Revision history	1.0	Apr 2008	First edition of Charter in effect
	2.0	Feb 2010	Annual review
	2.1	Aug 2010	Insertion clause 3.7 – structure of decisions
	2.2	Mar 2011	Annual review
	2.3	Mar 2012	Annual review
	2.4	May 2013	Annual review
	2.5	Mar 2014	Annual review
	3.0	Aug 2017	Annual review
	4.0	Apr 2020	Review – transfer to new template; update to include APRA CPS 510 requirements, and AICD and CGPR recommendations.

Appendix A – Director independence ¹

A director is **not** independent if the director:

1. is a substantial shareholder of the APRA-regulated institution or an officer of, or otherwise associated directly with, a substantial shareholder of the institution;
2. is employed, or has previously been employed in an executive capacity by the APRA-regulated institution or another member of the group, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
3. has within the last three years been a principal of a material professional adviser or a material consultant to the APRA-regulated institution or another member of the group, or an employee materially associated with the service provided;
4. is a material supplier or customer of the APRA-regulated institution or another member of the group, or an officer or otherwise associated directly or indirectly with a material supplier or customer; or
5. has a material contractual relationship with the APRA-regulated institution or another member of the group other than as a director.

In accordance with the Prudential Standard CPS510, any director who is deemed an independent director of Railway & Transport Health Fund Ltd is deemed to be an independent director of its wholly owned subsidiary Transport Health Pty Ltd.

¹ CPS 510 (Governance), Appendix A – Director independence.