

Purpose

The functions, key policies and processes for the governance of AIST by its board are outlined in this charter.

The board's charter details its corporate governance policies and practices. It is structured to include key corporate governance policies and processes with respect to the principal areas of Board responsibility, including its internal functioning and its role in relation to key aspects of AIST's operations including:

Board Operations;

- Strategic Planning;
- Corporate Culture;
- Monitoring and Evaluating Management; and
- Stewardship.

Table of Contents

Purpose	1
1. Board Operations	3
1.1 Board Compositions and Appointments	3
1.2. Roles and responsibilities	3
1.3 Board Meetings.....	6
1.4 Review of Board Operations	6
1.5. Committees.....	6
2. Strategic Planning	9
2.1 Safeguarding the mission and values	9
2.2 The Budget	9
2.3 Finances and Fundraising	9
3. Corporate Culture	10
3.1 Values.....	10
3.2 Code of Conduct.....	10
3.3 Board Accountability.....	10
4. Monitoring and Evaluating Management	11
4.1 Reporting to the Board.....	11
4.2 Auditing.....	11
4.3 Managing Risk.....	11
5. Stewardship	13
5.1 Annual Report	13
5.2 Conflicts of Interest.....	13
5.3 Advocacy.....	13
6. Review of the charter	14

1. Board Operations

This section addresses the board's internal functioning

1.1 Board Compositions and Appointments

1.1.1 Composition

AIST is governed by a representative board elected by the Membership. The composition of the board is determined by the AIST constitution, which has provision for 10 elected directors representing the three categories of AIST membership as follows:

- Six superannuation trustee Director Representatives nominated as AIST members by their fund
- Three superannuation trustee Staff Representatives nominated as AIST members by their fund
- One Individual Member Representative *

1.1.2 Directors' tenure

AIST directors are elected for two-year terms #.

Director's terms are staggered, with half the directors retiring each year to provide a reasonable level of continuity from one year to the next.

A half board election is held each year.

1.2. Roles and responsibilities

1.2.1 The board

The AIST board appoints its Chair and is collectively responsible for:

- Setting the strategic direction;
- Ensuring that the CEO has the resources to implement the strategic plan;
- Setting long-term goals;
- Determining yearly objectives;
- Ensuring the mission of the organisation is adhered to;
- Finalising budgets and allocating funds;
- Approving any activities that fall outside the budget;
- Taking responsibility for the company's financial records;
- Evaluating programs, services and products;
- Evaluating Board members and their performance;
- Employing the organisation's CEO, setting their remuneration package and evaluating their performance;

* If a nomination is not received for an Individual Member representative on the board, the constitution requires the election of four Staff Representative directors.

AIST'S new constitution came into effect in FY 2007/08 and provides for an exception for that year whereby half the board is elected for one year only.

Board Charter

- Overseeing the financial and legal obligations of AIST;
- Taking ultimate responsibility for all legal matters, including compliance with regulatory requirements (e.g. annual general meeting, annual returns, audit);
- Appointing auditors and approving the audit of financial records;
- Managing the board committees;
- Maintaining and building the organisation's public profile;
- Overseeing the activities of AIST;
- Representing the AIST membership and various stakeholders;
- Identifying and setting AIST's direction, goals and strategies;
- Working with management to achieve AIST's goals and strategies;

1.2.2 *The Chair*

The role of the chair is to provide leadership and strategic direction, as head of the board, and:

- Ensure the efficient organisation and conduct of the board's functions;
- Lead meetings and facilitate the effective contribution of all directors;
- Ensure observance of the board's procedures and standards;
- Promote constructive relations between board members and between the board and management;
- Maintain a professional working relationship with the CEO;
- In conjunction with the CEO, set agendas for each board meeting, taking into account suggestions from other board members;
- Ensure that meetings are conducted effectively and that accurate minutes are provided to board members in a timely manner;
- Communicate with members and stakeholders on significant issues, as appropriate;
- Chair the annual AGM of AIST members;
- Ensure that an annual self assessment process is conducted by the board to evaluate its performance.

1.2.3 *Individual Directors*

In discharging their duties as a director, board members are expected to comply with their legal, statutory and equitable duties. Broadly, this includes:

i) Fiduciary Duty

Directors' have a duty to act in good faith for the benefit of, or in the interests of AIST. To this end:

- Directors must not give personal interests; their own or those of others, precedence over AIST's interests; and,
- In the case of board members who are Representative Members of AIST, their fiduciary duty in their role as an AIST director overrides any individual interest of the fund they represent.

ii) The Duty to Avoid a Conflict of Interest

A conflict of interest arises when a board member's duty to act in the interests of the board of which they are a member is compromised by some other personal or professional interest.

Board Charter

iii) Duty to Act in Good Faith

This applies a fixed standard to individual board members in their role as an AIST director, regardless of their capabilities and state of mind.

iv) Duty to Act with Care and Diligence

Board members must exercise their powers and discharge their duties as an AIST director with the care and diligence of a "reasonable person" in their position.

v) General

Directors also have a duty to:

- Keep board information, discussions and decisions that are not publicly known confidential;
- Support the letter and spirit of Board decisions;
- Attend meetings regularly;
- Act as an entrepreneur – look for opportunities that can advance AIST's cause;
- Ensure that AIST undertakes good financial reporting practices;
- Ask questions and seek more information when required;
- Define appropriate board policies and supervise their implementation;
- Understand the board's core work;
- Keep abreast of governance issues.

1.2.4. The Chief Executive**i) Responsibilities**

The CEO is responsible for the day-to-day operations of AIST and, in doing so is expected to provide:

- Leadership;
- Strategic vision;
- High-level business judgement and wisdom;
- Development of AIST's human capital;
- Advocacy of AIST;
- Advocacy for AIST members.

ii) Media Spokesperson

The CEO will also ordinarily be the chief media spokesperson for AIST, however:

- In certain circumstances, the Chair may elect to speak on behalf of the organisation; and
- The committee chairs will normally act as spokesperson on issues relating to their committee's role.

All media releases are to be forwarded to Directors on the day of release.

iii) Role

The CEO's role is defined in the position description attached as Appendix X.

Board Charter

iv) Evaluation

The Chairperson and Deputy Chairperson meet with the CEO annually to review the CEO's performance and provide a recommendation to the Board on the basis of the review's outcomes.

1.3 Board Meetings

The board meets formally at least 6 times per annum, including the AGM, and will meet whenever necessary to deal with any urgent matters that might arise between scheduled meetings.

- AIST directors are expected to make a commitment to attend the majority of board meetings.
- The quorum for a board meeting is X Directors

1.3.1 Board Papers

Board Papers are sent to directors one week prior to the meeting. The papers will contain:

- All reports necessary for board members to read for effective conduct of the meeting; and
- Details about any decisions that need to be made at the meeting.

1.3.2 Board Agenda

The AIST chair and the CEO will set the agenda for each board meeting. However, directors can request the inclusion of items.

1.4 Review of Board Operations

The AIST board will conduct an annual self-assessment to evaluate itself and ensure that it:

- Remains representative, responsive and effective; and
- Is operating in accordance with the AIST constitution and charter.

The evaluation may be conducted formally or informally.

1.5. Committees

The board has the authority to establish board committees, internal committees and ad hoc committees to assist it in its work.

- The establishment of a committee in no way reduces the board's responsibility.
- The CEO will be an ex-officio member of all committees.

The board shall:

- Dissolve all ad hoc committees once they have completed their work and provided a written report to the Board, if requested.

The board may:

- Delegate any of its powers to a committee, and may appoint a person to be the chair of a committee.
- Appoint non board members to serve on a committee in order to bring additional skills, experience or networks.

Each committee:

- Is required to adopt a charter approved by the board, which sets out its composition, responsibilities and other matters relating to its effective operation;
- Will report to the board as set out in the Committee Charter;
- Will be provided with a staff member to work with its chair, as a resource to the committee.

Committees cannot:

- Exercise authority over staff; or
- Delegate tasks to staff unless the CEO or General Manager has specifically agreed to such delegations.

The board has established the following board business and board operational committees to assist it in carrying out its responsibilities:

1.5.1 Special Projects Committee (board operational committee)

Responsible, together with the board, for overseeing AIST's involvement in projects that the institute coordinates in conjunction with other organisations including:

- The Super Cadets Program;
- Women in Super;
- The Mother's Day Classic; and
- International co-operation, including the AIST study tour programs and the Global Dialogue.

1.5.2 Policy Committee (board business committee)

Responsible, together with the board, for:

- Developing AIST policy on superannuation and related matters;
- The development of all AIST submissions;
- Compliance issues in relation to superannuation and superannuation funds; and
- Discussions with government, opposition, regulators and other stakeholders.

1.5.3 Financial Compliance Committee (board business committee)

Responsible, together with the board, for:

- Overseeing AIST's accounting, auditing and legal responsibilities in line with financial accounting standards;
- Ensuring that AIST is tracking against budget and the preparation of quarterly accounting updates for the board;
- Recommending the appointment of the auditor and liaison with the auditor during preparation of the annual accounts, which are provided to members.

1.5.4 Finance committee sub-committee

A sub-committee of the Finance Committee, which will include the Chair of the Finance Committee, the AIST Chair and Deputy Chair, will be responsible for staff remuneration matters.

1.5.5 Events/Conference Committee (board operational committee)

Responsible for the development of the annual CMSF conference, including:

- The conference program, topics and speakers;
- Assisting to secure sponsorship for the event; and
- The event's promotion to the industry.

Additional Sub-Committees are established on an 'as needs' basis for other conferences.

1.5.6 Remuneration Committee (board business committee)

Responsible, together with the board, for:

- Reviewing the CEO's performance and salary package;
- Approving annual bonuses and salary increases for AIST staff, in consultation with the CEO.
- Assisting the CEO, when requested, with senior staff recruitment and staffing issues.

1.5.7 Committee chairs

Where required the chair of a committee will:

- Provide a report to each board meeting;
- Attend board meetings
- Act as a spokesperson on issues relating to the committee's role.

1.5.8 Committee Charters

Charters for each committee are attached as Appendices X to Y.

1.5.9 Committee Review Process

All committees shall review their terms of reference annually and report to the board. Their review will include consideration of:

- Membership their committee; and
- The results of the committee's work.

2. Strategic Planning

2.1 Safeguarding the mission and values

The AIST Board is the guardian of AIST's mission and vision. In this context, its role is to safeguard the institute's mission and vision. The board's prime role, in this regard, is to keep the vision alive by taking a leading role in planning for the future of AIST:

What AIST plans to achieve,
Where AIST wants to be, now and in the future; and,
How it plans to get there.

To this end the board conducts an annual review of AIST's strategic vision and objectives.

2.2 The Budget

The budget translates AIST's individual program goals and strategies into a financial plan for the next 12 months. The board is responsible for:

- Finalising and approving the annual budget; and
- Signing-off on any items of expenditure that are in excess of \$25,000.00 of the approved budget.

2.3 Finances and Fundraising

The board has an important role in ensuring that there are adequate resources for the organisation to achieve its program objectives.

Depending on the skills and resources of individual board members and the number of staff and volunteers serving the organisation, the board's role could include:

- Assisting the CEO to identify potential grants or sponsors;
- Providing input into or developing membership and sponsorship plans;
- Chairing or being a member of a committee;
- Personally approaching key sponsorship targets;
- Helping to thank sponsors and other supporters where appropriate;
- Laying the groundwork with heads of government, philanthropic foundations and corporations for further support from these sectors.

3. Corporate Culture

3.1 Values

AIST expects all board members, committee members and staff; both permanent and casual, to follow the values it has adopted, which are set out below:

- Trustworthiness (honesty, integrity, promise-keeping and loyalty);
- Respect (autonomy, privacy, dignity, courtesy, tolerance and acceptance);
- Responsibility (accountability and the pursuit of excellence);
- Caring (compassion, consideration and kindness);
- Justice and fairness (impartiality, consistency, equity, equality and due process).

3.2 Code of Conduct

To realise its values, AIST must adhere to a code of conduct.

Broadly, the conduct expected of AIST staff and directors require a commitment to the following areas:

- Ongoing evaluation of the needs of AIST Members and stakeholders and the institute's effectiveness and adherence to its mission;
- Inclusiveness and diversity in relation to the hiring and promotion of staff, board recruitment (within the constitutional rules) and serving AIST stakeholders;
- Maintaining privacy for the board, staff, members, clients, students and other stakeholders;
- Disclosure of conflict of interest;
- Reporting illegal or questionable activity;
- Maintaining confidentiality;
- Meeting obligations to staff as expressed through:
 - A commitment to equal opportunity and diversity;
 - Fair treatment;
 - An understanding of work-family balance;
 - Fair recompense;
 - Training and support.

A code of conduct statement is attached as Appendix X.

3.3 Board Accountability

A board accountability statement is attached as Appendix X, to ensure that all board members are aware of their role and responsibilities.

4. Monitoring and Evaluating Management

4.1 Reporting to the Board

The CEO is responsible for all reporting to the board. Reports will be regular and cyclical.

Items for regular reporting to the board include:

- Progress against strategic and operational plans
- Budget and actual monthly expenditure
- Departmental Reports
- Reports from Committees
- Annual Financial Statements *
- Audit Reports

4.2 Auditing

The AIST annual audit is conducted in January. The accounts are circulated to members after the board has signed off on them.

The Finance Committee makes recommendations to the board regarding the appointment and, where necessary, removal of the auditor.

The board receives a statement from the Finance Committee in relation to its review of the auditor's procedures for independence.

The auditor is appointed each year at the AGM.

4.3 Managing Risk

The board has a responsibility to critically assess all AIST activities to ensure that risks are minimised and appropriate insurance policies are in place. For AIST there are standard risks and unique risks.

4.3.1 Standard risks

i) Occupational health and safety

- Physical surroundings (e.g. dangerous machinery, kitchen, blind corners, electrical equipment, car parks, asbestos, training room, slippery floors etc)
- Work practices (e.g. overwork, sexual harassment, termination procedures, night work, equal opportunity, etc.)

* AIST's reporting year is 1 January to 31 December. Its AGM is held at the CMSF conference. The AIST annual accounts are distributed to all members prior to the AGM. Members may ask questions of the accounts at the AGM.

ii) Financial and administrative

- Financial controls (e.g. cheque handling, expenditure authorisation, financial reporting, insurance, petty cash box, bank accounts)
- Investment (eg. Surplus funds invested)
- Record maintenance (e.g. computer backup, file integrity, privacy protection, , member database, accounts database minutes of meetings)
- Maintaining AIST's legal status (as a company limited by guarantee, AIST is governed by Corporations Law and must comply with its requirements).

4.3.2 Unique risks

i) Professional liability

AIST has professional indemnity insurance and director and officer's insurance to protect AIST staff and board members.

ii) General liability

AIST has general insurance for staff, such as workers compensation, and general insurance for office and equipment.

iii) Public Liability

AIST has public liability insurance to protect the organisation from risks when it organises events in external venues.

5. Stewardship

5.1 Annual Report

AIST has a legal obligation to report to its members on an annual basis.

The annual report is sent to members four weeks, prior to the AGM, it includes:

- A full copy of AIST's audited annual accounts; and,
- A report from the Chair and the CEO, which provides members with an overview of the year's activities.

5.2 Conflicts of Interest

A conflict of interest arises when a director's duty to act in the interests of the AIST board is compromised by their duties, obligations or some other interest elsewhere; whether personal or professional.

5.2.1 *The Duty to Avoid a Conflict of Interest*

Board members have an overriding duty to act in the interests of the organisation they are overseeing.

5.2.2 *Handling conflicts of interest*

If a director encounters a possible conflict of interest, they are obligated to immediately notify the Board, providing information about the other interest and how it may conflict with their Board role. They should:

- Ask not to be provided with any board or internal papers that discuss the matter;
- Avoid any informal discussions that might influence fellow board members on the matter;
- Declare their interest and leave the room immediately the matter is raised formally during a meeting; they should not wait to be asked. They should ask to be called back when the item has been dealt with and ensure that the minute-taker notes why and when they left, and when they rejoined the meeting.
- Seek legal advice if in doubt about how to handle a real or potential conflict of interest. If a board member feels it is impossible to resolve the conflict, they should consider resigning from the AIST board.

5.3 Advocacy

AIST engages in advocacy of the organisation itself, and on behalf of its members.

The AIST board is a link between the organisation and the broader superannuation community. The board assists the CEO to represent the interests of the organisation to that community, and board members should feed the diversity of stakeholder views back to AIST.

Board members must be familiar enough with the organisation's programming to clearly articulate AIST's role and functions. They need to be able to develop communication strategies that constantly build awareness of AIST and its activities, and reach new and broader audiences. This could include:

5.3.1 Superannuation industry relations

Board members may be involved in speaking at industry, and other conferences and seminars, or hosting lunches and events to introduce potential sponsors to AIST and its mission.

5.3.2 Media relations

At times, board members may be required to act as spokesperson for AIST in the print or electronic media.

They may also be required to compose letters to the editor, or press articles, which support or oppose government initiatives or other current events that impact on the organisation or its constituency.

5.3.3 Government relations

Board members may be required to assist the CEO to lobby politicians and brief government officials about the key issues facing AIST and its members. They may also be required to attend meetings with regulators, or appear before any superannuation inquiries to which AIST has made submissions.

In addition, individual board members can provide a voice for important segments of the AIST's constituency.

6. Review of the charter

The board will review its charter periodically, as and when required, but at least once every two years.