

Effective Date: 21/07/2022

Revision Date: 21/07/2024

---

## **Purpose**

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

The Charter 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:

- Board Operations
- Strategic Planning
- Corporate Culture
- Monitoring and Evaluating Management
- Stewardship; and
- Review of the Charter

## Contents

<b>1. Board Operations</b> .....	<b>3</b>
Committees.....	9
Committee Review Process.....	11
<b>2. Strategic Planning</b> .....	<b>13</b>
The Budget .....	13
<b>3. Corporate Culture</b> .....	<b>14</b>
<b>4. Stewardship</b> .....	<b>15</b>
<b>5. The role of the CEO</b> .....	<b>16</b>
<b>6. Review of the Charter</b> .....	<b>16</b>

## 1. Board Operations

This section addresses the Board's internal functioning.

### Board Composition and Appointments

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 12 directors representing the three categories of AIST membership as follows:

- 6 superannuation Trustee Directors elected by AIST trustee members
- 3 superannuation Staff Directors elected by AIST fund staff members and
- No more than 3 people to hold office as Board appointed Directors, which persons need not but may be a Trustee Representative or Staff Representative

### Directors' Tenure

- AIST directors are elected for a 4-year term
- Directors' terms are staggered, with half the elected directors retiring every 2 years to provide a reasonable level of continuity from one year to the next
- A half Board election is held every 2 years
- AIST directors may serve for multiple terms

### 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
- AIST directors are expected to attend meetings in person
- The Board Meetings are held in Melbourne and are for a minimum of 4 hours

### Quorum

As per Clause 5.5 of the AIST Constitution (which refers to Replaceable Rule 18, section 248F of the Corporations Act regarding a Quorum of Directors' meetings details) unless the Directors determine otherwise, the quorum for a Directors' meeting is 5 Directors, including at least 2 Trustee Elected Directors and at least 1 Staff Elected Director and the quorum must be always present during the meeting.

**Board Papers****Reporting to the Board**

The CEO is responsible for all reporting to the Board. Reports will be regular as well as 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 and
- Audit reports

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

- All reports necessary for directors to read for effective conduct of the meeting and
- Details about any decisions that need to be made at the meeting, including sufficient supporting material to assist directors in making decisions

**Board Agenda**

The AIST CEO, in consultation with the President or Deputy President, and Company Secretary will set the agenda for each Board meeting. However, directors can request the inclusion of items. Directors should contact the Chair, the CEO or Company Secretary to discuss agenda inclusions.

**Review of Board Operations**

The AIST Board will conduct an annual assessment to evaluate its performance 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.

## Roles and Responsibilities

### The Board

The AIST Board appoints its President, Deputy President and is collectively responsible for:

- Identifying and setting AIST's strategic direction and long-term goals
- Ensuring that the Chief Executive Officer (CEO) has the resources to implement the strategic plan
- Ensuring the mission of AIST is adhered to
- Overseeing the financial and legal obligations of AIST including finalising budgets, allocating funds and approving any activities that fall outside the budget, as per AIST's Finance Policy
- Taking responsibility for AIST's financial records
- 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 AIST's public profile
- Overseeing the activities of AIST
- Representing the AIST membership to various stakeholders
- Working with management to achieve AIST's goals and strategic objectives
- Evaluating Board members and their performance
- Appointing the organisation's CEO, setting their remuneration package and evaluating their performance

To succeed in its role, the Board needs to operate effectively:

- By meeting on a regular basis and working together constructively
- By having the right formal structures and delegations to support agile and considered decision making
- By having the required mix of skills and experience at Board, Company Secretary and Committee level
- By regularly reviewing Board, Company Secretary and Committee performance
- By committing to ongoing Board development
- By considered succession planning at Board, Company Secretary and Committee level
- By meeting the challenges of the AIST's Strategic Plan

### 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 Board 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. There is further information regarding Conflicts of Interest contained within AIST's Standards of Business Conduct Policy.

#### ***iii) Duty to Act in Good Faith***

Directors must act with honesty, fairness and in good faith when discharging their duties as an AIST director.

#### ***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
- Represent and participate in the various Board Committees as required and relevant to their experience and skill set
- Act as an entrepreneur – look for opportunities that can advance AIST's cause
- Ensure that AIST undertakes good financial reporting practices and that directors have the skills to read and interpret financial data
- Ask questions and seek more information when required
- Define appropriate Board policies and supervise their implementation
- Understand the Board's core work and
- Keep abreast of governance issues

Key AIST events that all directors should attend:

- CMSF (including the AGM)
- Thought Leadership lunches (if time permits, in their home state)
- One day events in home state
- Updates provided by AIST in the respective Director's state – act as a representative for AIST at these events.

### **The President**

- AIST's Board will appoint a President who will lead the deliberations of the AIST Board
- The President will be selected every second year by a full meeting of the Board based on relevant experience, skill and leadership abilities
- The President will be an elected trustee director
- The term of a President will be for a maximum of two terms, unless otherwise determined by the Board and subject to satisfactory performance
- The President is generally expected to have been a Director for a minimum of three years, have a well-developed understanding of AIST and the sector in which it operates, and have significant experience in strategy development and implementation
- The President will preferably have additional experience as a Director (or equivalent) of other organisations, ideally as an officeholder (or equivalent), and will have relevant experience in Chairing meetings
- The President must have time to commit to the role and to meet the outcomes expected of the role
- The President is expected to have the skills, qualifications and experience commensurate with the requirements for membership of the Australian Institute of Company Directors or to have completed AIST's Trustee Director Course.

The role of AIST's President is to:

- Champion and promote AIST
- Provide leadership and strategic direction as Chair of the Board
- Ensure regular Board meetings are held
- Prepare agendas for Board meetings in consultation with the Deputy President, CEO and Company Secretary and ensure that sufficient and appropriate information is available to the Board. The President will, where possible, review the agenda of each Board meeting prior to its being held, sign off minutes of Board meetings and ensure a bi-annual process of Board evaluation is conducted.
- Lead regular and extraordinary Board meetings in accordance with the rules set out in the AIST Constitution, ensuring all directors have the opportunity to participate in deliberations, and that respect and order is present during Board meetings.
- Chair the annual general meeting of members
- Suggest appropriate procedures to deal with difficulties and conflicts that may arise
- Serve on at least one Board committee
- Attend other Board committee meetings when invited, or as time permits
- Represent the organisation at AIST functions and external events as appropriate
- Be involved with greeting and engaging with members, sponsors, keynote speakers and other important figures for AIST
- Support, mentor and counsel the CEO and act as a link between AIST staff and the Board
- Be involved in the succession planning for the Board and senior executives
- The CEO is the spokesperson for AIST. The President may be required to act as spokesperson for the organisation in circumstances where the situation demands.
- Liaise with other Chairs of peak bodies in the superannuation area on strategic common issues
- Help meet the strategic direction of AIST and undertake appropriate representational activities as required to support this direction e.g. one voice in super, mergers etc.

The President will also agree to:

- Support the superannuation trustee system and the equal representation governance model
- Act impartially and fairly and solely in the best interest of the AIST
- Be accountable to the Board of AIST, exercise discretion in good faith and avoid conflicts of interest
- Be well informed about the management of AIST
- Make a commitment to keep-up-to-date with trustee and superannuation matters through ongoing education
- Comply with all legal requirements of AIST
- Respect the confidentiality of the Board

The President holds full voting entitlements at Board meetings but does not have a casting vote.



Key AIST events that the President should attend:

- CMSF (including the AGM)
- ASI
- Global Dialogue
- Chairs' Forums
- Thought Leadership lunches (if time permits, in their home state)

The role of AIST's Deputy President is to:

- Champion and promote AIST
- Assist the President with their duties and fill in for the President in their absence, including Chairing board meetings if the President is unavailable or declines to Chair a meeting.
- Assist the President in liaising with other industry associations and relevant stakeholders
- Attend meetings representing AIST at the request of the President and/or CEO
- Serve on at least one Board committee
- Attend other Board committee meetings when invited or as time permits
- Attend and represent the organisation at AIST functions and external events as appropriate.

### **Committees**

The Board has the authority to establish Board committees, operational 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 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-directors to serve on a committee 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 and
- 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 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:

### **Finance, Risk and Audit Committee (Board Business Committee)**

This committee is responsible, together with the Board, for:

- managing the financial governance framework,
- establishing financial policies,
- identifying and mitigating high and extreme organisational risks,
- recruiting the external auditor and manage audit recommendations.

The committee provides guidance and direction to ensure the financial and operational sustainability of the organisation.

### **Policy & Governance Committee**

This committee is responsible, together with the Board, for:

- Providing input into the development of AIST's Policy Platform and specific policies stemming from it
- Monitoring superannuation policy developments
- Providing input for the preparation of AIST submissions
- Proposing initiatives to the Board with respect to agreed policies
- Making recommendations to the board for research projects

**Remuneration & Nominations**

This committee is responsible, together with the Board, for:

- Recruitment of AIST's CEO
- Reviewing the CEO's performance and salary package
- Approving salary increases for AIST staff in consultation with the CEO outside the standard annual increases contained in AIST's Certified Agreement as amended from time to time
- Assisting the CEO, when requested, with senior staff recruitment and staffing issues
- Considering nominations for the president and Deputy-President roles
- Considering nominations for board appointed director roles
- Making recommendations to the Board

**Committee Chairs**

Where required, the chair of a committee will:

- Ensure the Minutes of the Committee Meetings are provided to each Board meeting
- Attend Board meetings when required (if they are not existing Board Members) and
- Act as a spokesperson on issues relating to the committee's role (where required).

**Committee Review Process**

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

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

### **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, Risk and Audit Committee makes recommendations to the Board regarding the appointment and, where necessary, removal of the auditor.

The Board receives a statement from the Finance, Risk and Audit Committee in relation to its review of the auditor's procedures for independence.

### **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. AIST also has a Business Continuity Plan and Disaster Recovery Plan which are reviewed by AIST management and the Finance, Risk and Audit Committee and the Board at relevant intervals.

For AIST, there are standard risks and unique risks, including:

#### **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.)

##### **ii) Financial and administrative**

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

**Unique risks****i) Professional liability**

AIST has professional indemnity insurance and director and officers' insurance to protect AIST staff and directors.

**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.

**2. Strategic Planning****Mission and Values**

The AIST Board is the guardian of AIST's mission and vision. The Board's primary 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 ongoing review of progress of goals within the three-year Strategic Plan and is responsible for the development of each of the three-year Strategic Plans.

AIST advocates for financial wellbeing in retirement for all Australians regardless of their gender, culture, education or socio-economic background. Through leadership and excellence, AIST supports P2M funds to achieve member-first outcomes and fairness across the retirement system.

**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 following a recommendation from the Finance, Risk & Audit Committee and
- Signing-off on any items of expenditure that are in excess of the approved budget, in accordance with AIST's Finance Policy.

### Finances

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 directors and the number of staff and volunteers serving the organisation, the Board's role includes:

- Assisting the CEO to identify potential new members or sponsors
- Chairing or being a member of a committee
- Personally approaching key sponsorship or new member targets
- Helping to thank sponsors and other supporters where appropriate

### 3. Corporate Culture

<p><b>1. We show initiative</b></p> <ul style="list-style-type: none"> <li>• We embrace change</li> <li>• We are agile</li> <li>• We improve processes</li> <li>• We think outside the box &amp; are solutions focused</li> <li>• We are empowered</li> <li>• We reimagine products and services</li> </ul>	<p><b>2. We act with integrity</b></p> <ul style="list-style-type: none"> <li>• We listen to others</li> <li>• We treat everyone equally</li> <li>• We try to understand others' perspectives</li> <li>• We are kind</li> <li>• We are empathetic</li> </ul>
<p><b>3. We show respect to everyone</b></p> <ul style="list-style-type: none"> <li>• We put ourselves in the members' shoes</li> <li>• We have high service standards</li> <li>• We problem solve</li> <li>• We make the experience seamless</li> <li>• We understand the members' business</li> <li>• We create value</li> </ul>	<p><b>4. We are member-focused</b></p> <ul style="list-style-type: none"> <li>• We work together to achieve a common goal</li> <li>• We respect others</li> <li>• We respect others' time</li> <li>• We share information</li> <li>• We are responsive to requests</li> <li>• We are sensitive to others' perspectives</li> </ul>
<p><b>5. We collaborate with others</b></p> <ul style="list-style-type: none"> <li>• We are honest and transparent</li> <li>• We are fair</li> <li>• We give credit where credit is due</li> <li>• We are open in my communications</li> <li>• We do the right thing</li> <li>• We are accountable</li> <li>• We are trustworthy</li> </ul>	

## **Code of Conduct**

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

The Code of Conduct and Ethics is available at: [AIST - AIST Code of Conduct and Ethics](#)

## **4. Stewardship**

### **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 and it includes:

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

AIST reports to both the Australian Securities and Investments Commission as well as the Australian Charities and Not-for-profits Commission.

### **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 directors 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.

### **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.

### **Government Relations**

Directors may be requested to assist the CEO in AIST advocacy to politicians and brief government officials about the key issues facing AIST and its members. They may also be encouraged to attend meetings with regulators.

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

**5. The role of the CEO*****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 and
- Advocacy for AIST members.

***ii)* Role**

The CEO's role is defined in a position description.

***iii)* Evaluation**

The President and Deputy President 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.

**6. Review of the Charter**

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