

## **Rules for the appointment and removal of Directors**

### **Appointment of Directors**

Directors of Towers Watson Superannuation Pty Ltd are nominated and appointed either by Willis Towers Watson or by the remaining Directors, in accordance with the Trustee's Constitution.

The Trustee has determined that the composition of the Board will be based on the following key principles:

- The Board must have an appropriate mix of skills, knowledge and experience that fits with the Board's objectives and strategic goals.
- New directors must be given sufficient time to become familiar with the funds under trusteeship. The Trustee wishes to avoid the risks of inadequate supervision of and placing too much reliance on senior management of those funds.
- There is a delicate balance between appointing individuals who will promote constructive discussion and debate and the importance of Board cohesion when making critical decisions. This balance should be sought in relation to all new Board appointments and when considering whether a director will be reappointed following completion of a term of office.
- The Trustee acknowledges the importance of ensuring it remains open to new thinking and innovative ideas. However, the Trustee does not consider that increased tenure automatically and necessarily leads to staleness of thinking.
- In general, a director should be reappointed if they remain eligible to act and their continued engagement and contribution are, in the opinion of the remaining directors, of demonstrable value to the funds under trusteeship.

The Trustee Board must consist of a minimum of four directors. In accordance with SPS 510, directors must be ordinarily resident in Australia. It is currently the Trustee's policy that the Board shall consist of not more than 12 directors.

Generally, directors will be appointed for terms of four years. To the extent possible, terms will be staggered to ensure continuity of knowledge and experience across the Board.

At least annually in conjunction with the Trustee's Board performance assessment, or as soon as practicable after the date on which any director completes a total of twelve (12) years of service as a director, if earlier, the Trustee will review the average tenure of the directors and consider the composition of the Board having regard to:

- whether the directors continue to satisfy the criteria set out in this Policy
- the directors' mix of skills, knowledge and experience at that time
- the most recent Board performance assessment and assessment of individual directors
- the results of any independent Board performance assessment undertaken during the previous year
- the Trustee's objectives as set out in its Business Plan

- whether any 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 members and
- any other matters that it considers relevant.

As a result of the consideration set out in this Policy, the Trustee may make a recommendation to Willis Towers Watson that all directors should be reappointed, or that one or more directors should be replaced.

## **Removal of Directors**

The Trustee's power to remove a director is set out in clause 8.1(c)(2) of the Constitution of Towers Watson Superannuation Pty Ltd, which allows that company to remove a director from office by resolution.

It is therefore the Trustee's policy that a director will be removed from the Board in any of the following circumstances:

- Willis Towers Watson confirms in writing (signed by two of its directors) the removal of one of its appointed directors
- they do not meet or no longer meet the fit and proper requirements in this Policy
- they become a disqualified person
- on death or, in the opinion of the Trustee, mental or physical incapacity
- they voluntarily step down as a director
- they are removed by APRA in accordance with Part 17 of the SIS Act
- in any other circumstances permitted by section 107 of the SIS Act, if the Trustee determines it to be appropriate.

The Trustee has determined that grounds for immediate and automatic disqualification and removal of a director include:

- conviction for an offence involving dishonesty
- insolvency
- the making of a civil penalty order against the person.