

## Investment Committee Charter

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## 1. Purpose

- 1.1. This Charter sets out the roles, responsibilities, composition and operation of the Investment Committee (IC) of Togethr Trustees Pty Ltd (Trustee), as trustee of Equip Super (the Fund).

## 2. Objective

- 2.1. The objective of the IC is to assist the Trustee Board (the Board) in the effective discharge of its responsibilities in relation to the investment strategy for the Fund and other investment related matters, consistent with the Trustee's obligation to act in the best financial interests of the Fund's beneficiaries.

## 3. Authority

- 3.1. The IC is established by and delegated functions by the Board. The IC's functions and powers are as set out in this Charter or otherwise delegated to it by the Board, in accordance with the Trustee's Constitution and Instrument of Delegation.
- 3.2. This Charter may only be amended with the approval of the Board.
- 3.3. The IC can further delegate its powers, or the implementation of its powers and decisions, to the Chief Investment Officer. Delegations are documented in the Schedule to this Charter.
- 3.4. When exercising any delegated authority, the IC must act in accordance with each of the following as applicable:
  - (a) any investment strategy, objectives, guidelines and restrictions in relation to the relevant portfolio;
  - (b) any asset allocation ranges; and
  - (c) any directives, limitations or requirements set out in the Fund's investment governance framework documentation

which it or the Board may determine from time to time.

## 4. Role and Responsibilities

- 4.1. The overall role of the IC is to provide support and make recommendations to the Board related to the matters set out below, and to exercise any delegated authority from the Board in relation to these matters:

### 4.2. *Investment Governance Framework*

The IC is responsible for the oversight of the Investment Governance Framework (IGF), including:

- (a) Review and recommend the IGF to the Board for approval at least annually, ensuring that it is focused on managing relevant risks and returns and is appropriate to the size, business mix and complexity of the Trustee's business operations;
- (b) Oversight of the triennial comprehensive independent review of the IGF;
- (c) Review and approval of the Trustee's investment related policies, including the responsible investment policies, the Climate Change Plan and Statement and any other investment related policies introduced in the future, with the exception of policies required to be approved by the Board under relevant law;<sup>1</sup>
- (d) Oversight of the implementation, appropriateness, adequacy and effectiveness of the IGF and investment related policies;
- (e) Oversight of the allocation of Fund resources to investment; and

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<sup>1</sup> For the avoidance of doubt, the IC does not have authority to approve policies required to be approved by the Board under relevant law. For example, the IGF which includes the Liquidity Management Plan, Asset Allocation Policy and Investment Strategy Review Policy (as required by SPS 530).

- (f) Undertake any other investment functions requested by the Board or which the IC reasonably considers is appropriate for it to undertake.

#### 4.3. *Investment Strategy*

The IC is responsible for the oversight of the investment objectives and strategy, including:

- (a) Review and recommend the Fund's investment beliefs to the Board for approval;
- (b) Review and recommend the Fund's investment strategies to the Board for approval, including for each investment option offered or to be offered in the Fund, in accordance with section 52(6) of the Superannuation Industry (Supervision) Act 1993 and SPS 530 Investment Governance;
- (c) Review and recommend the risk and return objectives and Strategic Asset Allocation and ranges for each investment option within the Fund, or other product offered by the Fund, to the Board for approval;
- (d) Review and approval of the target asset allocation, including currency hedging, being the Medium Term Asset Allocation, for each investment option within the Fund, or other product offered by the Fund;
- (e) Review and approval of the investment strategies for each asset class, including the structure, allocation, and managers within each asset class;
- (f) Review and approval of the investment parameters for the Fund's directly held investments;
- (g) Review of investment options within the Fund, or other products offered by the Fund, including their creation and closure; and
- (h) Consideration of all matters relevant to investment strategy and objectives to assist the Trustee to fulfil its statutory duties relating to the management and investment of the assets of the Fund.

#### 4.4. *Implementation and Monitoring*

The IC is responsible for the oversight of the implementation of the investment objectives and strategies, including:

- (a) Approval of the appointment and termination of investment managers for the Fund (including Togethr Asset Management Pty Ltd and any transition managers), after consideration of any recommendations made by the Chief Investment Officer in relation to such appointment or termination;
- (b) Approval of any other decisions relevant to the investment managers engaged by the Fund, including portfolio allocations and mandates in accordance with the Trustee's Manager Selection Policy;
- (c) Approval of the acquisition or disposal of any interests in real property or in any directly held Fund investments;
- (d) Regular oversight and assessment of whether the Fund's investment objectives are being met, including monitoring the performance of all investment options, investment managers, and assets of the Fund;
- (e) Taking appropriate and timely action regarding information contained in reports on investment matters; and
- (f) Review and oversight of the investment related decision making delegated to Management, including approval of proposed changes to those delegations, or endorsement to the Board for approval, as appropriate.

#### 4.5. **Investment Stress Testing**

The IC is responsible for the oversight of the Trustee's comprehensive investment stress-testing program, including:

- (a) Review and recommend the stress and scenario testing programs for the investment strategy of each investment option within the Fund, or other product offered by the Fund, to the Board for approval;
- (b) Oversight of the comprehensive investment stress testing program, including periodic review of the program results; and
- (c) Ensure that the methodology for stress scenario selection, and how the results of the comprehensive stress testing program have been used in decision-making, is documented.

#### 4.6. **Liquidity Management**

The IC is responsible for the oversight of the liquidity management process, including:

- (a) Review and approval of the Trustee's Liquidity Management Plan;
- (b) Ensuring that liquidity stress testing is implemented as part of the Trustee's comprehensive investment stress-testing program; and
- (c) Receive reporting, including key metrics, to ensure adequate oversight of liquidity risk.

#### 4.7. **Valuations**

The IC is responsible for the oversight of the Trustee's overall valuation process, including:

- (a) Review and approval of the Valuation Policy;
- (b) Review and approval of valuations of directly held Fund investments, on recommendation from the Chief Investment Officer; and
- (c) Receive reporting, including key metrics, to ensure adequate oversight of valuations.

#### 4.8. **Consultants**

The IC is responsible for the oversight of the performance and services provided by the Asset Consultant, and any other external consultant engaged to perform investment related activities, including:

- (a) Review and assessment of the performance of the Asset Consultant at least annually;
- (b) Review the appointment of the Asset Consultant at least one year prior to the expiry of the management agreement, and make recommendations about the renewal of the Asset Consultant or tender strategy as appropriate to the Board for approval; and
- (c) Oversight of Management's conduct of any tender process for asset consulting services and recommend its preferred tenderer to the Board for approval.

#### 4.9. **Risk Oversight**

The IC is responsible for:

- (a) Oversight of investment related risks to ensure that exposure to these risks is managed in accordance with the Trustee's Risk Appetite Statement;
- (b) Regular review of risk reports from Management; and
- (c) Consideration of internal or external risk factors that may impact on the responsibilities captured within the IC's charter, with feedback to be provided to the Board's Risk and Compliance Committee, and the Board, as appropriate.

## **5. Chair**

- 5.1. The IC Chair will be appointed by the Board.
- 5.2. The IC Chair will be responsible for:
  - (a) Efficient conduct of the IC's function;
  - (b) Ensuring the IC's responsibilities are properly discharged;
  - (c) Facilitating the effective contribution of all IC members; and
  - (d) Reporting to the Board and, where appropriate, making recommendations to the Board.
- 5.3. The IC Chair must be a Director and cannot be the Chair of the Board.

## **6. Meetings**

- 6.1. The IC will generally meet at least five times per year and more frequently if required. All IC members are expected to attend each meeting, unless they are genuinely unable to do so.
- 6.2. An IC member may requisition an IC meeting at any time. IC members may participate in meetings by attending in person, or by means of telephone or video conference or electronic means as deemed appropriate.
- 6.3. With consent of the IC Chair, the IC may meet without the presence of Management at any time either prior to, or during, any meeting.
- 6.4. All Directors have a standing invitation to attend all IC meetings.
- 6.5. The Chief Investment Officer and Executive Officer Governance & Risk / Company Secretary will generally be expected to attend all meetings of the IC (unless requested by the Chair to be absent).
- 6.6. Other members of Management and service providers attend as required.
- 6.7. Representatives from the Asset Consultant and representatives from investment managers may be invited to attend IC meetings as considered appropriate.
- 6.8. If the IC Chair is unable to attend a meeting, or is unwilling to act, the remaining Directors will select a Chair for that meeting.

## **7. Composition**

- 7.1. The composition of the IC is determined by the Board. The IC is currently comprised of four Directors.
- 7.2. The Board may appoint additional members to the IC from time to time, who may be Directors or independent external parties with specialist expertise in investment matters. The independent experts will not be voting members of the IC.
- 7.3. The Board may also appoint specialist consultants to assist the IC in carrying out its role and responsibilities, including in relation to specific matters or on a general or ongoing basis.

## **8. Voting and Quorum**

- 8.1. The IC is expected to make decisions on a consensus basis. However, where a consensus cannot be reached, a vote will be undertaken.
- 8.2. A quorum of the IC is two thirds of IC members. Accordingly, a quorum of the IC will be three members.
- 8.3. Agreement by two thirds majority of IC members present and entitled to vote is required for all resolutions.
- 8.4. Independent experts appointed to the IC pursuant to Clause 7.2 are excluded from IC quorum and voting.

## **9. Written Resolutions**

- 9.1. If a two thirds majority of IC members entitled to vote assent to a document containing a resolution (Written Resolution), then the Written Resolution is to be taken as having been passed by a meeting of the IC.
- 9.2. The Written Resolution is to be taken as having been passed on the day on which it was last approved by an IC member entitled to vote.
- 9.3. An IC member entitled to vote may signify his/her assent to a Written Resolution by signing it, or by notifying the IC of his/her assent in person or by post, fax, telephone or other electronic means. IC members entitled to vote may sign the same copy or separate (identical) copies of the Written Resolution.
- 9.4. Independent experts appointed to the IC pursuant to Clause 7.2 are excluded from voting upon Written Resolutions.

## **10. Agendas and papers**

- 10.1. An agenda will be prepared by the Company Secretary or their delegate and the Chief Investment Officer, and approved by the IC Chair, prior to each meeting.
- 10.2. Agendas and papers will clearly identify whether a decision is to be made at the Committee level or the Board level.
- 10.3. The agenda and supporting papers for each meeting will be distributed to IC members and other attendees in sufficient time to enable IC members to read the material and prepare for the meeting.

## **11. Conflicts of Interest**

- 11.1. All IC members must have the ability to recognise and disclose actual, perceived and potential material conflicts and ensure they are appropriately managed or avoided to ensure that priority is given to the interests of the beneficiaries of the Fund.
- 11.2. Conflict procedures are included as a standing agenda item for every meeting. The IC Chair reminds IC members at the beginning of every meeting of their obligation to disclose any conflict or potential conflict with regard to any agenda item for consideration at that meeting.
- 11.3. Any identified conflicts are recorded, along with the action taken to avoid or manage the conflict, in accordance with the Trustee's Conflict Management Policy.
- 11.4. Where a recorded conflict could reasonably be foreseen to impact an agenda item, the IC member(s) affected shall not receive the papers for that agenda item.

## **12. Reporting**

- 12.1. A member of the Investments Team in conjunction with the Company Secretary or their delegate will be responsible for taking, writing and presenting formal and accurate minutes of all IC meetings.
- 12.2. The minutes of all IC meetings are to be distributed to the IC Chair for review, within a reasonable time.
- 12.3. The minutes will thereafter be submitted to all IC members for their review, with the final version to be approved and (unless the IC determines otherwise) signed by the IC Chair or other person chairing the meeting.
- 12.4. The IC, via its Chair, will report to the Board on a regular basis.

## **13. Review**

- 13.1. On an annual basis, the IC will review the appropriateness and/or effectiveness of its composition and performance. Subsequently, the IC Chair should provide a report on the outcomes of the review to the Board.

- 13.2. An independent review of the IC's effectiveness and performance will be conducted every three years. This review may be undertaken in conjunction with the comprehensive review of the Board conducted every three years.
- 13.3. This Charter will be reviewed at least every two years for ongoing relevance and effectiveness.

### Schedule – Sub-delegations by the Investment Committee

The IC sub-delegates to the members of Trustee staff named in the table below, the powers listed below, subject to the stated restrictions and qualifications:

Item	Power to be delegated	Sub-delegate	Restrictions and qualifications on sub-delegated power
1.	Appointment of all investment managers within the Australian Equities, Global Equities, Fixed Interest and Cash asset classes	Chief Investment Officer	
2.	Termination of investment managers for all asset classes	Chief Investment Officer	<p>Termination of investment managers resulting in redemptions at levels below current NAV are subject to the following materiality considerations and limits:</p> <ul style="list-style-type: none"> <li>• maximum 5% discount to NAV for investments above \$100m; and</li> <li>• maximum 20% discount to NAV for investments below \$100m.</li> </ul> <p>The termination of investment managers outside of the above ranges will be subject to approval from the Board Chair and IC Chair.</p>
3.	Management of capital allocations to existing investment managers in asset class configuration ranges	Chief Investment Officer	Such decisions must be in accordance with the Trustee’s Manager Selection Policy.