

# GROUP BOARD RENEWAL POLICY

EQT Holdings Limited (ACN 004 031 298)

20 February 2018



In performing its role, the Board of EQTHL Holdings Limited (“EQTHL” or “the Company”) seeks to provide clarity in how its directors and the directors of its subsidiaries are nominated, appointed and removed. This policy addresses these areas and also outlines the tenure policy for directors of the EQTHL Board and its subsidiary boards<sup>1</sup>, to whom this policy applies.

## NOMINATION

1. The determination on whether a vacancy exists for a director on the EQTHL Board or its subsidiary boards is based on an assessment undertaken by the respective boards with consideration to the entity’s strategic objectives, its constitutional and legal obligations, the expertise of directors collectively on that board, and EQTHL’s diversity objectives.
2. The search process for a non-executive director is determined by the EQTHL Board on a case-by-case basis. The Remuneration, Human Resources and Nominations Committee (“the Committee”) may assist with the process, using external consultants and recruitment agents where necessary.
3. Recommendations to the EQTHL Board from the Committee on the election or re-election of a director is based upon an assessment of the director’s performance (for re-elections), independence<sup>2</sup>, any conflicts of interest, availability to perform their duties, fitness and propriety, and the skills, experience and expertise needed for the proper functioning of the respective board.
4. The EQTHL Board recommends the election and re-election of non-executive directors to its shareholders.

## APPOINTMENT & INDUCTION

5. Subject to the entity’s constitution, a director of the EQTHL Board and its subsidiaries, may be appointed at any time by its board or at a general meeting of its shareholder(s).
6. The appointment and re-election of a director (and any alternate) to an EQTHL subsidiary board is subject to the EQTHL Board’s endorsement.
7. A written agreement is entered into with non-executive directors upon appointment.
8. Directors participate in a tailored induction program and are subject to the EQTHL Group’s fit and proper policy requirements.

## TENURE POLICY

9. The non-executive director tenure policy for the EQTHL Board and its subsidiaries is three terms of three years from the date of first election by the shareholder(s).
10. The EQTHL Board, on its initiative and on an exceptional basis, may exercise discretion to extend the term where it considers that such an extension would benefit the Company. This discretion will be exercised on, at least, an annual basis.

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<sup>1</sup> Including Equity Trustees Superannuation Limited (“ETSL”) (ACN 055 641 757)

<sup>2</sup> In accordance with the Group’s *Policy on Assessing the Independence of Directors*

## REMOVAL

11. The office of a director may become vacant:
  - a. in circumstances as stipulated in law and/or as outlined in the entity's constitution, including where the director is disqualified from managing a corporation, becomes of unsound mind, resigns by notice in writing to the entity, is absent without consent from board meetings for a lengthy period of time, becomes bankrupt, dies, or is not re-elected by its shareholder(s); or
  - b. where the maximum tenure is reached by the director per clauses 9 and 10.

## PERFORMANCE EVALUATION

12. The performance of directors and boards is self-assessed annually. On a triennial basis, a formal review by an external governance expert is conducted on the EQTHL Board and the ETSL Board.
13. In determining a recommendation for a director's re-election, its board will make an evaluation based on the requirements of this policy and the director's performance during their tenure. A director's performance may be based on feedback such as from other directors on the board, and the outcome of board performance reviews.

## PARTIALLY OWNED SUBSIDIARIES

14. This policy applies to partially owned subsidiaries of the Company, unless matters addressed in contractual arrangements with the co-owners of those subsidiaries differ to this policy, in which case those arrangements prevail.

## VOTING RIGHTS

15. Board voting rights in relation to the nomination, appointment, re-election and removal of a director are detailed in the entity's constitution.

## DISPUTE RESOLUTION

16. If for any reason a dispute arises concerning the nomination, appointment, re-election or removal of a subsidiary board non-executive director, efforts to resolve the matter will be initially addressed by the respective board, or otherwise referred to the EQTHL Board for final decision as the ultimate holding company of the EQTHL Group, subject to the subsidiary's constitution.

## ROLE OF THE REMUNERATION, HUMAN RESOURCES AND NOMINATIONS COMMITTEE

17. The Committee<sup>3</sup> is tasked by the EQTHL Board to review and make recommendations to the EQTHL and ETSL boards on matters such as director succession planning; the process for recruiting a new director; the appointment and re-election of directors; the development and implementation of a process for evaluating the performance of the Company's board and subsidiary boards; and nomination related policies.

## REVIEW OF POLICY

18. This policy will be reviewed at least every three years.

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<sup>3</sup> A committee of both the EQTHL and ETSL boards.