

**PROCEDURAL RULES FOR THE APPOINTMENT AND REMOVAL
OF MEMBER DIRECTORS AND FOR FILLING CASUAL VACANCIES
(Constitution clause 3.9; Rules of Uniting Church in Australia Beneficiary
Fund, clauses 45(f) and 45(h))**

1. The Trustee Constitution at clause 3.9 prescribes that the Company must ensure that rules are established setting out the procedure for the nomination, appointment and removal of the Member Directors as member representatives within the meaning of the *Superannuation Industry (Supervision) Act 1993* ("SIS Act"). This is effected through clauses 45(f)(iii) and 45(h) of the Rules of Uniting Church in Australia Beneficiary Fund.

These procedures will be managed by the Chief Executive Officer (or a delegate) on behalf of the Trustee, in conjunction with the Assembly General Secretary (or a delegate).

Terms defined in the Rules of Uniting Church in Australia Beneficiary Fund, including terms defined for the purpose of its clause 45, have the same meaning when used below except if otherwise stated.

For the purposes of these procedural Rules, the term "position" refers to the position of Member Director being available on *either* the expiry of a term of office *or* through there being one or more casual vacancy.

These procedural Rules are to be read in conjunction with the rotation model for Member Directors and Assembly Directors adopted by the Trustee, the program for rotation being documented separately to these Rules.

2. A person is eligible to be appointed and remain as a Director only if that person is eligible under the Trustee Constitution and the Relevant Law. This includes being assessed by the Trustee as being fit and proper in accordance with its *Fit and Proper Policy*, and being subject to its *Board Renewal Policy and Board Assessment Policy*.
3. There will be four Member Directors, *chosen by* the Assembly from nominations in accordance with these Rules by the Synods of Queensland, New South Wales and ACT, South Australia and Western Australia ("Synods"), such that one each of the Member Directors is nominated by each of the Synods.
4. A Member Director will be appointed for a period specified in clause 45(f)(iv) of the Trust Deed/Rules, subject to within the appointment period continuing to be eligible by paragraph 2. Other than for a casual vacancy, the period for which the person is appointed commences on 1 January of the next year.
5. If a casual vacancy arises because a person ceases to be a Member Director before the end of the period for which the person was appointed ("the original appointment expiry date"), the person appointed to fill the casual vacancy is appointed for a term that ends on the original appointment expiry date.
6. A casual vacancy in the position of Member Director occurs if:
 - (a) the number of Member Directors falls below half the number of Directors of the Trustee, aside from any Independent Director; and
 - (b) the vacancy arises for reasons other than the expiry of a period for which the Member Director was appointed.
7. At or before a Member Director's original appointment expiry date, a Member Director may be re-nominated by their previous nominating Synod for appointment provided:
 - (a) the person remains eligible in accordance with paragraph 2; and
 - (b) no Director serves for more than three consecutive terms of office (which includes any partial term, if initially appointed to fill a casual vacancy under paragraph 5).
8. The Trustee Board must ensure that in satisfaction of Section 89(3) of the SIS Act, within 90 days of the position of Member Director being available, a person(s) eligible under paragraph

2 is appointed to fill the position(s) in accordance with the procedure set out in paragraphs 9, 10 and 0.

9. The procedure for nomination for the position of Member Director is as follows:
- (a) the Trustee will notify the relevant Synod(s) [which had previously nominated the Member Director(s) for the position(s)] of:
 - (i) the existence of the position as the Synod's Member Director, and the name of the ceasing incumbent;
 - (ii) whether the position exists through a vacancy or at the original appointment expiry date (and stating that date);
 - (iii) the date by which the position must be filled;
 - (iv) the opportunity for the Synod to submit up to 2 nominees to the Assembly;
 - (v) other than for a vacancy, if the Board considers that an incumbent continues to be eligible for re-nomination under all aspects of paragraph 2;
 - (vi) the date by which nominations are required to be submitted;
 - (b) the Trustee will provide a copy of these Rules to the relevant Synod(s); and
 - (c) the Trustee will provide to the relevant Synod(s) information relating to its fitness and propriety standards and any other standards that applies to the Trustee under the SIS Act and the *Corporations Act 2001* that may be helpful to the Synod(s) in choosing their nominees.
10. The procedure for the acceptance by the Assembly of nominations from the relevant Synod(s) for the position of Member Director is as follows:
- (a) the Assembly will, pending completion of a fit and proper assessment, accept as nominees for the position those nominated under paragraph (iv) by the relevant Synod(s) on or before the date which is 8 weeks (or by such earlier or later date as is determined by the Trustee to be appropriate in the circumstances) before the date:
 - (i) being the original appointment expiry date of the Member Director; or
 - (ii) by which a vacancy must be filled;
 - (b) if by the date referred to in the paragraph (vi) in respect of a relevant Synod's position there is only one nominee or more than one nominee to fill a position for the relevant Synod:
 - (i) the Assembly must notify the Trustee of the nominees for the position(s) and the name the relevant Synod making the nomination(s);
 - (ii) the Trustee must initiate a fit and proper assessment for the nominees, and when finalised advise the outcome to the Assembly;
 - (iii) the Assembly, in respect of each available Synod position:
 - (A) if there is only one nomination from the relevant Synod, must choose that one nominee proposed to be appointed as the Member Director for the relevant Synod, subject to the finalisation of the fit and proper assessment; or
 - (B) if there is more than one nomination from the relevant Synod, must choose, in a manner decided by the Assembly, which nominee is to be proposed to be appointed as the Member Director for the relevant Synod, subject to the finalisation of the fit and proper assessment; or
 - (C) if the Assembly rejects a nomination and declines to make an appointment;
 - (D) must notify the Trustee of its choice or that it declines to make a choice, at least 4 weeks before the position must be filled or such later date as is determined by the Trustee, being at least one week after the Assembly is advised of the nominees; and
 - (iv) after being notified by the Assembly, the Trustee must notify the relevant Synod of the nominee proposed to be appointed as a Director, subject to the finalisation of the fit and proper assessment;
 - (c) if by the date referred to in paragraph (vi) there is no nominee received by the Assembly from a relevant Synod or if the Assembly declines to make a choice from nominations it receives:
 - (i) for a vacancy, the Assembly:
 - (A) may treat as the relevant Synod's current nomination the nomination received most recently but prior to the position arising, to the extent that the nominee is not already a Director of the Trustee, remains eligible by paragraphs 2 and 0 and is available to be appointed as a Member Director, and
 - (B) if the preceding sub-paragraph A applies, will apply paragraph 100's actions, or

- (ii) for a vacancy unable to be filled under paragraph 1000, or where the position exists at the original appointment expiry date, the Assembly is to immediately advise the Trustee. Then:
 - (A) the Trustee will extend the date until which nominations from the relevant Synod will be accepted by the Assembly, being a period determined by the Trustee, having regard to the deadlines described in paragraphs (iii) and 100;
 - (B) the Trustee will advise the Synod that it is required to nominate at least one nominee by the extended date;
 - (C) the Trustee will notify the Assembly that the Trustee has given the Synod a notice of the kind referred to in the preceding sub-paragraph (B) and the date until which nominations will be accepted;
 - (D) on receipt of a nomination(s), paragraph 100 applies; and
 - (E) if no nomination is forthcoming by the date of paragraph 100(ii)0, the Trustee will seek legal or other advice and will advise APRA of the situation.
- 11. The Trustee shall:
 - (a) take all such steps as are necessary to appoint as Member Directors the nominee(s) chosen by the Assembly, provided the person(s) continue to be eligible by paragraph 2;
 - (b) advise APRA and ASIC of the appointment(s);
 - (c) advise the Fund's members of the appointment(s) in the manner prescribed by Regulations and as otherwise determined by the Trustee; and
 - (d) advise all Synods of the appointment(s).
- 12. Member Directors appointed under these Rules can only be removed:
 - (a) Upon the occurrence of an event described in, or described in regulations made under Section 107(2)(a)(ii) of the SIS Act, which includes failing to meet the fit and proper conditions for initial and continuing appointment; or
 - (b) Otherwise, by the same procedure as that by which they were appointed: this therefore requires involvement of the relevant nominating Synod, with Assembly approval of the removal of the Member Director; with
 - (c) Any such removal of a Member Director being classified as a vacancy; and
 - (d) Any person removed in this manner is not eligible to be considered for paragraph 0 for the current or a future vacancy unless the reason for removal has been rectified and the person is eligible under paragraph 2.
- 13. The Trustee must ensure these procedural Rules are published in the manner prescribed by Regulations, the Trustee's Constitution and the Fund's Rules so that members of the Fund become aware of the procedure for the appointment and removal of a Member Director.
- 14. The Trustee may at any time, with the approval of the Assembly, amend these procedural Rules.