

2020 Corporate Governance Statement

TRUST – IT’S OUR BUSINESS

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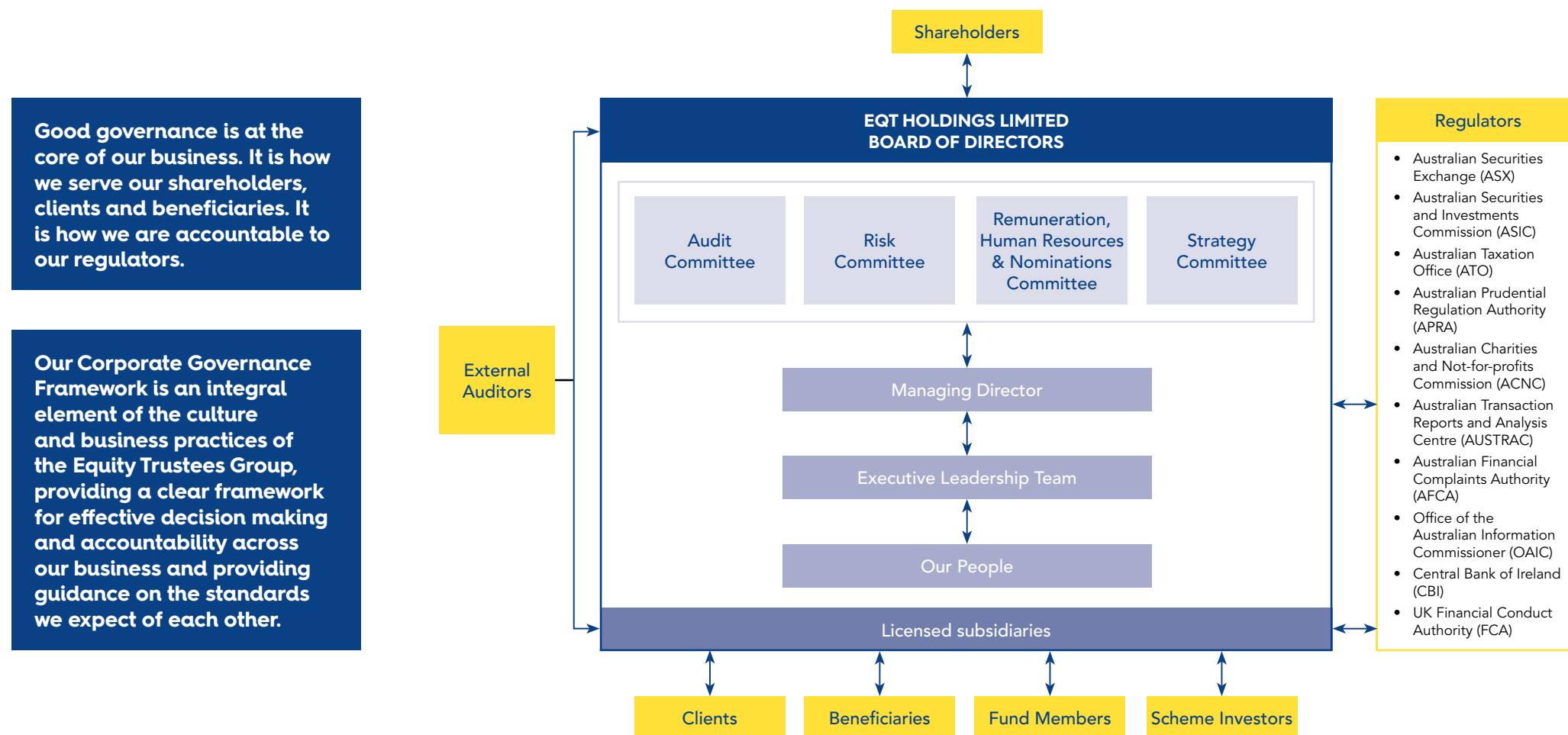
**Our thinking is long term.
Equity Trustees has a proud history
and record, and it’s our responsibility
to prepare the company for the
next 130 years.**

The Hon. Jeffrey Kennett AC, Chairman

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CORPORATE GOVERNANCE FRAMEWORK

This Statement describes our approach to governance at EQT Holdings Limited and its subsidiaries (Equity Trustees or Equity Trustees Group) as at 19 August 2020, and has been approved by the Board of Equity Trustees.



We are pleased to report that at the date of this Statement, we comply with all recommendations in the new fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Recommendations).*

*The fourth edition is not yet mandatory. We have updated our practices to comply with the various new recommendations, but these have not been in place for the whole of the prior reporting period (as required by the fourth edition in order to report against it). Therefore our ASX Appendix 4G reports against the third edition of the ASX Recommendations.

VALUES, CULTURE AND CONDUCT

WE BEHAVE TO THE HIGHEST STANDARDS

We live our values, every day



TRUSTED

This means we do what we say we will and put the best interests of our clients first.



ACCOUNTABLE

This means we own our responsibilities and speak up about ways we can do better.



EMPOWERING

This means we give ourselves, our workplace and our community the support, strength and confidence to grow.

How we do things at Equity Trustees

Code of Conduct and Ethics*

Workplace Health, Safety and Security Policy

Diversity and Inclusion Policy*

Anti-Bribery and Corruption Policy*

Outsourcing Framework

Key shareholder protections

Continuous Disclosure Policy*

Privacy Policy/Statement*

Risk And Compliance Management Framework

Conflicts Management Framework and Policy

Delegations of Authority Framework

Securities Trading Policy*

System Accountability

Complaints Handling Policy*

Whistleblower Policy*

Incidents and Breach Management Policy

Material breaches of these policies and material incidents reported under the Whistleblower Policy are reported to the Board and/or Board Committees.

Policies apply to Directors, Senior Executives and Employees. *Policies available at www.eqt.com.au.

EQUITY TRUSTEES GROUP – BOARD OF DIRECTORS



THE HON. JEFFREY KENNETT AC
Chairman, Independent Director

Director since September 2008.

Appointed Director in September 2008; Chairman in October 2017.

Mr Kennett is the former Premier of Victoria, founder of Beyond Blue and current President of the Hawthorn Football Club.

Mr Kennett was Premier of the State of Victoria from 1992 to 1999 and Leader of the Opposition 1982-1989 and 1991-1992.

He was a Member of the Victorian Parliament for 23 years and he continues to serve the community through numerous roles, including Patron of The Royal District Nursing Service and Chairman of The Torch, a program assisting Aboriginal and Torres Strait Islander men and women during incarceration and after their release.

He is currently Chairman of the Australian Volunteer Support Trust, Open Windows Software Pty Ltd, and CT Management Group Pty Ltd. He is also a Director of Amtek Corporation Pty Ltd and a member of the National Co-Design Group.

Mr Kennett was awarded the Companion of the Order of Australia in 2005.



JAMES (JIM) MINTO
GAICD, FCA

Deputy Chairman,
Independent Director

Director since March 2017.

Appointed Director in March 2017; Deputy Chair in March 2019. Chair of the Board Risk Committee and member of the Board Audit Committee and Board Strategy Committee.

Mr Minto's diverse career in financial services has included appointments as CEO and Managing Director for TAL Limited and Chairman of TAL's Australian superannuation trustee companies. He was a Director of the Trustee Corporations Association of New Zealand, including a period as Chairman.

Mr Minto holds Chair positions for Swiss Re Life & Health Australia, the Advisory Board of Swiss Reinsurance Company Limited (Australian branch) and NZ Life Insurer Partners Life Limited. He is a Director for Dai-ichi Life Asia Pacific in Singapore and the National Disability Insurance Agency.



MICHAEL (MICK) O'BRIEN

CFA, GAICD

Managing Director

Managing Director since July 2016.

Appointed Managing Director in July 2016; previously a Director, from July 2014. Member of the Board Risk Committee and Board Strategy Committee.

Admitted as a Fellow of the Institute of Actuaries of Australia in 1989, Mr O'Brien's almost 40 year career in retail and institutional markets includes CEO and Director of Invesco Australia Limited, Director of Alliance Capital Management Australia and CIO of AXA Australia and New Zealand, where he was also a Director of AXA's Responsible Entities and RSE Licensees.

He is a Director on a number of the Group's subsidiaries and was previously a Director of Templeton Global Growth Fund Limited.



ALICE WILLIAMS

BComm., FCPA, FAICD, ASFA AIF, CFA

Independent Director

Director since September 2007.

Appointed Director in September 2007; Chair of the Remuneration, Human Resources and Nominations Committee and member of Equity Trustees' Responsible Entity Compliance Committee.

Ms Williams is a Director of Cooper Energy Limited, Djerriwarrh Investments Limited, Defence Health and Tobacco Free Portfolios Limited.

She previously held senior management positions in the financial services sector, including NM Rothschild and Sons (Australia) Limited and JP Morgan Australia, and has previously held Board positions with State Trustees, Western Health, the Australian Accounting Standards Board, the Foreign Investment Review Board (FIRB) and Victorian Funds Management Corporation.



ANNE O'DONNELL

BA (Bkg&Fin), MBA, FAICD, SF Fin

Independent Director

Director since September 2010.

Appointed Director in September 2010; Member of the Board Risk Committee, the Remuneration, Human Resources and Nominations Committee and Chair of the Equity Trustees' Responsible Entity Compliance Committee.

With more than 40 years' experience in the finance sector, including as former Managing Director of Australian Ethical Investment Ltd, Ms O'Donnell also previously held Board positions including the Financial Services Council, the Australian Institute of Company Directors and Beyond Bank Ltd.

She is currently a Director of the Motor Trades Association of Australia Superannuation Fund Pty Ltd and the Winston Churchill Memorial Trust. She is a member of the National Capital Authority Audit Committee, UBS Global Asset Management (Australia) Ltd Compliance Committee, the Australian Banking Association representative on the Banking Code Compliance Committee, as well as Chair of the IP Australia Audit Committee and the Winston Churchill Memorial Trust Investment, Audit & Risk Committee.

**KEVIN ELEY**

CA, F.FIN, FAICD

Independent Director**Director since November 2011.**

Appointed Director in November 2011; Chair of the Board Audit Committee; Member of the Board Risk Committee.

Mr Eley is a Chartered Accountant with experience in management, finance and investment having worked in Australia and overseas for a major international accounting firm and in the corporate finance divisions of a local and international investment bank. He was Chief Executive Officer for 20 years of listed diversified investment company HGL Limited, where he remains as a Non-Executive Director and is currently Chairman.

Mr Eley is currently a Director of Milton Corporation Limited, HGL Limited and Pengana Capital Group Limited, and a member of The Buttery Charitable Foundation.

**D GLENN SEDGWICK**

BComm., FAICD, FCA

Independent Director**Director since August 2016.**

Appointed Director in August 2016; Chair of the Board Strategy Committee; Member of the Board Audit Committee.

Mr Sedgwick has over 30 years' commercial experience, including 20 as a Partner in Accenture. Previously Managing Director of Accenture's Asia Pacific Insurance and Wealth Management business, he has advised Australian, Asian, and European enterprises across strategy and information technology. He brings an international perspective, having lived in China and the UK.

Mr Sedgwick is a Director of the Victorian Managed Insurance Authority and the Melbourne Symphony Orchestra. He is a Director of Queens College (University of Melbourne), and Chairs the Queens College Trust Corporation.

He is a former Chairman of Australian Tourist Park Management Pty Ltd and Australian Life Insurance Group (ALI).

**TIMOTHY (TIM) HAMMON**

BComm, LL.B, AICD Member

Independent Director**Director since December 2018.**

Appointed Director in December 2018.

Mr Hammon previously held leadership roles with national law firm Mallesons Stephen Jaques (where he was a Partner), Coles Myer, and as CEO of Mutual Trust Pty Ltd, where he was responsible for guiding the business to become a leading Australian multi-family office.

Mr Hammon is a Director of Vicinity Centres, where he is also Chair of the Risk and Compliance Committee and member of the Remuneration and HR Committee and the Nominations Committee. He Chairs the Advisory Board of the Pacific Group (Alter Family) and is a member of their Finance and Risk Committee.

Mr Hammon has held Board positions with the Abbotsford Convent Foundation and St Catherine's School.

**CATHERINE ROBSON**

BA (Asian Studies), LLB (Hons), GradDip (Applied Finance), LLM (Tax), GAICD

Independent Director**Director since February 2020.**

Appointed Director in February 2020; Member of the Board Risk Committee and Remuneration, Human Resources and Nominations Committee.

Ms Robson is a highly skilled wealth strategist with over 20 years' experience, including roles at Macquarie Bank and NAB Private Wealth, before founding the successful financial services firm Affinity Private.

Ms Robson is a Director of Greater Bank Limited, Director of SCALE Investors, Chair of education technology company TalkiPlay, and a member of the Walter & Eliza Hall Institute of Medical Research Advocacy & Support Committee, Cancer Council Victoria's Investment Committee, and Korowa Anglican Girls' School Council. She was previously a Director of Equity Trustees Superannuation Limited and HTFS Nominees Pty Ltd.

**CAROL SCHWARTZ**

BA, LLB, MBA, FAICD, AO

Independent Director**Director since March 2020.**

Appointed Director in March 2020, Ms Schwartz is a Non-Executive Director of the Reserve Bank of Australia and the Trawalla Group, a member of the Advisory Board of Qualitas Property Partners, and Chairs the Women's Leadership Institute Australia and Our Community.

She is a former Chair of Industry Superannuation Property Trust, a past Director of Stockland Group Limited and experienced philanthropist.

Ms Schwartz was awarded Queen's Birthday Honours in 2019, has an Honorary Doctorate from Monash University, is an Australian Property Hall of Fame inductee, Honorary Life Member of the Property Council of Australia, was awarded the EY 2018 Champion of Entrepreneurship, Southern Region and is a Victorian Women's Honour Roll inductee.

GROUP BOARD – RESPONSIBILITIES AND PERFORMANCE

BOARD RESPONSIBILITIES

The full roles and responsibilities of the Board, including the powers expressly reserved to the Board and the responsibilities of the Board Chair, the Managing Director and the Company Secretary are set out in the Board Charter (available at www.egt.com.au).

| KEY ELEMENT | BOARD'S RESPONSIBILITIES |
|---|--|
| Culture | <ul style="list-style-type: none">Setting the ethical tone and standards and encouraging a culture of responsible decision-making.Overseeing Management's inculcation of the Group's values and culture. |
| Strategy | <ul style="list-style-type: none">With the Strategy Committee's assistance, approving the Group's strategy and monitoring its implementation.Approving major capital expenditure, major organisational structure changes and other significant business initiatives such as acquisitions and disposals.Decisions concerning dividend policy. |
| Integrity of External Reporting and Oversight | <ul style="list-style-type: none">With the Audit Committee's assistance, reviewing and approving half and full year reporting and overseeing the integrity of the Group's accounting and corporate reporting systems, including the internal and external audit and auditor appointment/removal.Overseeing the Group's reporting to shareholders and regulators, including continuous disclosure processes. |
| Risk, Governance and Compliance | <ul style="list-style-type: none">With the Risk Committee's assistance, overseeing the Group's risk management framework (for both financial and non-financial risks), and setting the risk appetite of the Group.Monitoring the effectiveness of the Group's compliance and governance practices, and internal controls, including for subsidiaries.Approving delegations of authority and powers of attorney.Appointing new Directors and appointing/endorsing Directors of subsidiaries. |
| Group Performance and Oversight | <ul style="list-style-type: none">Ensuring an appropriate Board reporting framework exists.Challenging Management and holding it to account whenever required.Oversight of social, ethical and environmental impact of Group activities and sustainability. |
| Executive Performance and Remuneration | <ul style="list-style-type: none">With the Remuneration, Human Resources and Nominations Committee's assistance, approving the Remuneration Policy (including Executive remuneration), Director remuneration, Managing Director performance review and Executive performance review oversight.Approving key Executive appointments and monitoring and reviewing Group succession planning. |

PERFORMANCE ASSESSMENT BOARD

The Board conducts annual assessments of the performance of the Board, its Committees and individual Directors.

On a triennial basis, the Board engages an external governance expert to conduct that review. The most recent external review was completed in August 2020.

In determining the Board's recommendation for a Director's re-election by Shareholders, the Board's evaluation takes into account the Director's performance during their tenure, as well as independence, any conflicts of interest, availability to perform their duties, fitness and propriety and the skills, experience and expertise needed for the proper function of the Board.

Further information can be found in the Board Renewal Policy available at www.egt.com.au.

GROUP BOARD – NON-EXECUTIVE DIRECTOR COMPOSITION

CORE BOARD COMPOSITION MATTERS

Board Renewal

- Board Renewal has been a focus for 2020.
- Our Chairman, Jeffrey Kennett and long-serving Director Alice Williams have announced their retirement from the Board at the conclusion of the upcoming AGM.
- As part of our Board succession planning processes, two new Directors were appointed to the Board:
 - Carol Schwartz AO: A Non-Executive Director of the Reserve Bank of Australia, Member of the Advisory Board of Qualitas Property Partners, former Chair of Industry Superannuation Property Trust, past director of Stockland Group Limited and highly experienced philanthropist. Ms Schwartz is the Equity Trustees' Chair-elect.
 - Catherine Robson: Combines deep expertise in wealth strategy and strong knowledge of the Equity Trustees business, via six years' experience as a Non-Executive Director of Equity Trustees Superannuation Limited, as well as a member of other Group Board Committees.

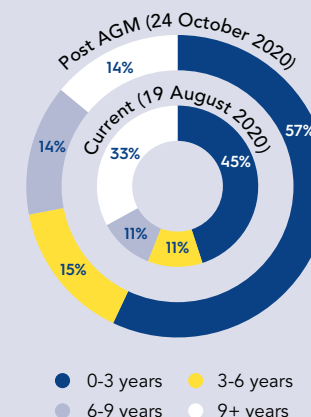
Independence

- The Managing Director is the only Executive Director.
- All Non-Executive Directors are Independent.
- Independence is assessed at least annually in accordance with the Director Independence Policy (available on www.eqt.com.au).
- The Director Independence Policy reflects the latest ASX Recommendations (4th Edition).
- The Board Chair is an Independent Director (and is not the same person as the Managing Director).
- The Non-Executive Director Tenure Policy is three terms of three years from first election by shareholders.
- Where a Non-Executive Director exceeds his/her three terms of appointment, the Board may consider annually whether to exercise its discretion to further extend the Director's appointment.
- Anne O'Donnell's tenure was extended under the Board's discretion, as her deep understanding of the Group is an important factor in the overall Board mix, particularly following the retirement of two of our longer serving Directors at the conclusion of the AGM.

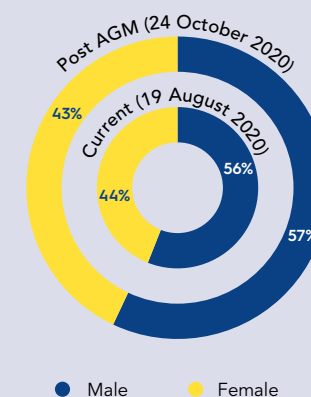
Director Integrity

- All Directors are assessed prior to appointment (including background checks).
- Directors are also assessed annually, in accordance with the Group's Fit and Proper Policy.
- The same pre-appointment and annual review processes apply to all Responsible Persons and Responsible Managers, and the Group's Key Management Personnel.

TENURE



GENDER DIVERSITY















GROUP BOARD – SKILLS MATRIX

ANNUAL REVIEW

The Board annually reviews the mix of skills and experience that it needs to address existing and emerging business and governance issues for the Equity Trustees Group.

The individual and combined capabilities of the Board are then assessed and the insights are documented in a skills matrix that is used to:

- Assist the Board in succession planning and in new Director selection; and
- Consider any professional development training required for Directors.

| SKILLS AND EXPERIENCE | EXPLANATION | COLLECTIVE EXPERIENCE |
|--|---|--|
| Strategic and Commercial Acumen | Experience in defining strategic objectives, driving growth and transformation and executing against strategy using commercial judgement. |  HIGH |
| Integrity and Values Driven Leadership | Track record of integrity and strong experience in values-driven senior leadership roles. |  HIGH |
| Industry Experience | Experience in, or in advising, the trustee, responsible entity, superannuation, financial planning, philanthropy, or asset management industries and relevant regulatory environments. |  HIGH |
| Financial Acumen | Sound understanding of financial statements, financial reporting and drivers of financial performance for a business of significant size, including ability to assess the effectiveness of financial controls, and/or experience in corporate finance, treasury and funds management. |  HIGH |
| Risk Management | Experience in anticipating, recognising and managing risks, including regulatory, financial and non-financial risks, and defining and monitoring risk management frameworks and controls, as well as managing compliance risks and regulatory relationships. |  HIGH |
| Technology | Experience in overseeing the application of technology in complex regulatory and commercial environments, including digital change, innovation and security. |  MEDIUM |
| Governance | Experience in and commitment to the highest standards of governance, as well as the establishment and oversight of governance frameworks, policies and processes. Includes experience in governing highly regulated businesses. |  HIGH |
| People, Culture and Remuneration | Experience in building strong workplace cultures, capability and succession, setting remuneration frameworks that attract and retain high calibre executives, and promotion of diversity and inclusion. |  HIGH |
| Listed Company Experience | Experience in Australian or international listed companies as a Director or Senior Executive. |  HIGH |
| International | Senior leadership experience involving cross border experience, including business, political, cultural and regulatory. |  MEDIUM |
| Beneficiary/ Customer Focus | Experience in trustee obligations and a commitment to delivering beneficiary and client-focused outcomes. |  HIGH |
| Growth | Experience in developing new businesses organically or inorganically, including mergers, partnerships and acquisitions, as well as contemporary marketing approaches. |  HIGH |

GROUP BOARD – COMMITTEES OVERVIEW

| COMMITTEE | AUDIT COMMITTEE | RISK COMMITTEE | REMUNERATION, HUMAN RESOURCES AND NOMINATIONS (RHRN) COMMITTEE | STRATEGY COMMITTEE |
|--|--|--|---|---|
| Chair | Kevin Eley | Jim Minto | Alice Williams | Glenn Sedgwick |
| Independent Chair | Yes | Yes | Yes | Yes |
| Other Members | Glenn Sedgwick Jim Minto | Kevin Eley Anne O'Donnell Catherine Robson Mick O'Brien | Tim Hammon Anne O'Donnell Catherine Robson | Tim Hammon Jim Minto Mick O'Brien Philip Gentry |
| Majority Independent | Yes, all independent Non-Executive Directors | Yes | Yes, all independent Non-Executive Directors | Yes |
| Relevant Qualifications and Experience | All Committee members are Chartered Accountants with extensive relevant industry experience. | All Committee members have extensive risk management experience in Executive, Board and/or risk Committee roles. | All Committee members have relevant Board Committee experience, as well as experience in designing remuneration frameworks to facilitate performance and Senior Executive performance assessment. | All Committee members have Executive and Non-Executive experience in strategy design and execution. |
| Key Roles/Responsibilities <ul style="list-style-type: none"> More fully described in the relevant Committee Charter, available at www.eqt.com.au). All Charters cover the responsibilities as recommended in the ASX Recommendations. | Assisting the Board with oversight of: <ul style="list-style-type: none"> Integrity of financial reporting, to ensure a true and fair view of Group performance. Financial risk management and internal controls. Internal and external audit processes, appointment and performance. | Assisting the Board with oversight of: <ul style="list-style-type: none"> Group performance against the Risk and Compliance Management Framework. Recommendations on changes or updates to that framework or risk appetite. Management's mitigation plans for material risks or compliance incidents. | Assisting the Board with oversight of: <ul style="list-style-type: none"> Group's remuneration framework. Performance and remuneration of Managing Director and Key Management Personnel. Health and Safety matters. Code of Conduct compliance. Board succession planning, Director recruitment, independence and re-election.* | Assisting the Board with oversight of: <ul style="list-style-type: none"> The Group's long-term strategy, through consideration of new business and growth opportunities. Real and emerging trends and opportunities. |

Board and Committee meeting numbers and Director attendances are set out in the 2020 Annual Report. *Not applicable to superannuation subsidiaries, which have their own Nominations Committees.

BOARD GOVERNANCE – GROUP AND SUBSIDIARIES

INDEPENDENCE, VERIFICATION, PERFORMANCE AND ADVICE

- Equity Trustees recognises the importance of the determination of a Director's independence.
- This signifies to stakeholders that a Director is free of any interest, position or relationship that might be perceived to influence their capacity to bring independent judgement to bear.
- Independence is assessed annually in accordance with the Director Independence Policy, updated to reflect the latest ASX Recommendations, and this Policy (available at www.eqt.com.au) also applies to the subsidiary Boards.
- Written agreements are in place with all Directors setting out the terms of their appointment.
- Appropriate checks are undertaken prior to Director appointment/election, including criminal record, bankruptcy, education and background, in accordance with the Group's Fit and Proper Policy.
- All relevant information is provided to shareholders prior to election or re-election of Group Directors.
- For the Group Board and superannuation subsidiaries, annual assessments are conducted of:
 - The performance of the Board, its Committees and individual Directors; and
 - The Board Skills Matrix, and whether the Board as a whole has the appropriate skills and experience.
- Directors may seek independent professional advice whenever they judge it necessary to discharge their responsibilities, with prior approval from the Chair.

CONFLICTS OF INTEREST

- The Equity Trustees Group places great importance on appropriate management of conflicts of interest.
- We recognise that the interests of our beneficiaries, clients and shareholders (Stakeholders) must be placed before any other.
- All Directors and Responsible Persons must disclose any relevant interests and duties, on appointment, via an annual attestation and on an ongoing basis in relation to any changes.
- All Board and Committee meetings have a standing agenda items for disclosure of duties and interests at the beginning of each meeting.
- Up-to-date registers of all declared interests and duties are maintained.
- In the event that a Director has a material personal interest in respect of a matter being considered by their Board, that Director is not present at Board meetings where the relevant matter is being considered, unless the remainder of the Board formally resolves otherwise.
- The Equity Trustees Group has a comprehensive Conflicts Management Framework. This includes our processes for clearly identifying, avoiding or if necessary prudently managing conflicts.
- The framework recognises that business-related conflicts can also arise where the interests of two Stakeholders diverge. The framework includes our processes for managing such conflicts, including in instances where the law requires that, where a conflict arises, priority is given to the interests of beneficiaries (for example under Sections 601FC and 601UAA of the *Corporations Act 2001* and Section 52 of the *Superannuation Industry (Supervision) Act 1993* (SIS Act)).

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We behave to the highest standards without exception. We are a Trustee and the majority of tasks we carry out are done on a fiduciary basis, which means we will always put beneficiaries ahead of our own interests.

Group Code of Conduct and Ethics

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RENEWAL, TRAINING AND INDUCTION

- The Group's Board Renewal Policy (available at www.eqt.com.au) sets out the nomination and search processes for new Directors, appointment and induction processes, tenure policy and performance evaluation process – including the triennial formal review by an external governance expert for the Group Board and superannuation subsidiary Boards.
- Under the Group's induction program, all new Directors are offered induction training, tailored to their existing skills, knowledge and experience. This includes interviews with key Senior Executives.
- Following the annual Board assessments and Skills Matrix Reviews for the Group Board and superannuation subsidiaries, there is a formal review of Director training or professional development needs.

FITNESS AND PROPRIETY

The Group's Fit and Proper Policy outlines the Group's approach to the assessment of fitness and propriety of Directors of the Group and subsidiaries, Responsible Persons, Responsible Managers and Prescribed Individuals.

- Appropriate checks are undertaken prior to Director appointment/election, including criminal record, bankruptcy, education and background, in accordance with the Group's Fit and Proper Policy.
- Fitness and propriety is reviewed annually where there is a regulatory requirement to do so. This includes an annual attestation process by each relevant individual.
- All Responsible Persons and Responsible Managers are required to undertake both induction training and annual ongoing training in accordance with the Learning and Development Policy.

RESPONSIBLE REMUNERATION

- Our remuneration strategy is designed to attract and retain high calibre executives and directors and align executives' rewards to shareholder returns.
- Non-Executive Directors are remunerated solely via fixed cash Director's fees and superannuation. They may also elect to receive up to \$5,000 of their Director's Fees in EQT shares as part of the Group's Salary Sacrifice Program.
- Details of Group Directors' Shareholdings are set out in the Annual Report.
- Details of the remuneration of the Managing Director and Key Management Personnel are set out in the Annual Report.
- Key Performance Indicators for Short Term Incentives for the Leadership Team are based upon a balanced scorecard approach across a range of measures, including in relation to client satisfaction, employee engagement, shareholder value, compliance and community impact, as applicable for the relevant role.
- The Group's Long Term Incentive Program is intended to align Executive remuneration outcomes with those of shareholders.
- Group employees and Directors are prohibited from hedging EQT shares. Short-term trading, defined as trading in and out within three months, and margin lending are also prohibited without prior clearance (see Group Securities Trading Policy).

COMPANY SECRETARY

- The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- The Company Secretary's duties include those set out in the Group Board Charter (available at www.eqt.com.au).
- Each Director communicates directly with the Company Secretary and vice versa.
- The decision to appoint or remove a Company Secretary is made or approved by the Board, as noted in the Group Board Charter.

SECURITIES TRADING POLICIES

- The Group Securities Trading Policy is available at www.eqt.com.au. In accordance with the ASX Listing Rules it includes prescribed blackout periods and procedures for all EQT Persons and their Connected Persons (as defined) to seek clearance prior to trading in EQT Holdings Limited shares.
- We also have a Listed Investment Trusts (LITs) Trading Policy for our the LITs for which we are the Responsible Entity, which complies with the relevant ASX Listing Rules. A copy is available on each of the websites for our LITs.

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In the heightened risk environment in which we operate, strong and stable governance is absolutely essential.

The Hon. Jeffrey Kennett AC, Chairman

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LEADERSHIP TEAM



MICHAEL (MICK) O'BRIEN*

CFA, GAICD

Managing Director

Managing Director since July 2016.

Appointed Managing Director in July 2016; previously a Director, from July 2014. Member of the Board Risk Committee and Board Strategy Committee.

Admitted as a Fellow of the Institute of Actuaries of Australia in 1989, Mr O'Brien's almost 40 year career in retail and institutional markets includes CEO and Director of Invesco Australia Limited, Director of Alliance Capital Management Australia and CIO of AXA Australia and New Zealand, where he was also a Director of AXA's Responsible Entities and RSE Licensees.

He is a Director on a number of the Group's subsidiaries and was previously a Director of Templeton Global Growth Fund Limited.



PHILIP GENTRY*

BSc, MBA, GAICD

Chief Financial Officer and Chief Operating Officer

Joined January 2016.

Mr Gentry has more than 25 years' experience in leadership positions within financial services, property, agribusiness, international trade, commodities and logistics.

His previous roles have included CFO at Grocon, Managing Director of Agrium Asia Pacific, CFO of AWB and several leadership positions at ANZ Bank.



SHARNI REDENBACH*

BAppSc (Psych), GradDip (AppPsych)

Executive General Manager, Human Resources

Joined August 2016.

Ms Redenbach has more than 18 years' experience as a Human Resources professional in the financial services industry.

Before joining Equity Trustees, Ms Redenbach led the HR function in Australia for Fiserv, a global FinTech company. Prior to that, she was the National HR Manager for the Link Group. Ms Redenbach has expertise in culture, employee engagement and change management.



HARVEY KALMAN*

BEC, and GradDip (Acc) (Monash), GradDip (App Fin & Inv), Advanced Management Program (Columbia)

Executive General Manager & Global Head of Funds Services, Corporate Trustee Services

Joined January 2000.

Mr Kalman has more than 30 years' experience in the financial services sector and is charged with overall global responsibility for the operational compliance of all Managed Fund Services in Australia, United Kingdom and Ireland/Europe and the Corporate Trustee services.

He previously held senior roles at ANZ, KPMG and the Australian Society of Corporate Treasurers.



IAN WESTLEY*

BAgrSc, DipFinServ

Executive General Manager, Trustee and Wealth Services

Joined May 2007.

Mr Westley has more than 25 years' business development and sales experience in Australia and the UK, across a range of different industries.

Mr Westley is responsible for managing the Trustee and Wealth Services' private clients business and has extensive experience across all areas of our Traditional Trustee business. Mr Westley is an executive director of ETWSL and chairs the Management Investment Committee as well as the committees that comprise the Trustee and Wealth Services governance structure. He holds a Bachelor of Agriculture Science degree from the University of Melbourne and a Diploma of Financial Services.

* Designated as Key Management Personnel

**MARK BLAIR***

BSc (Hons), FIA, FIAA

**Executive General Manager,
Superannuation Trustee Office****Joined January 2016.**

Mr Blair has over 30 years' experience in the financial services industry in the UK and Australia, including advisory, strategy and business development roles.

Mr Blair leads the Trustee and Wealth Services superannuation business. He holds an Honours degree in Mathematics from Nottingham University and is a Fellow of the Institute of Actuaries in Australia and the UK.

**OWEN BRAILSFORD***

BA (Hons, ACII, UK)

Chief Risk Officer**Joined February 2019.**

Mr Brailsford has more than 20 years of international experience in risk management and regulatory roles in the superannuation, pensions and insurance industries. He was previously Chief Risk Officer with responsibility for risk and compliance at Australia's largest corporate superannuation fund, TelstraSuper. His background includes roles at the Australian Prudential Regulation Authority (APRA), Prudential PLC and RSA Insurance (both UK), and a risk management advisory role at KPMG.

**JENNIFER CURRIE**

BComm/LLB (Hons), LLM (IP), GAICD, FGIA

Company Secretary**Joined April 2020.**

Ms Currie is an experienced ASX Listed Company Secretary and Fellow of the Governance Institute. Her prior roles include Chief Legal Officer and Company Secretary at Syrah Resources, Capitol Health and the Baker Heart and Diabetes Institute, and she has acted as legal counsel for Medibank and Telstra. She is also a Non-Executive Director of Ceridian Australia and Summer Infant Australia.

She also holds a Master of Laws, and Bachelor of Commerce/Law (Hons) from Monash University, and has completed postgraduate education at the Australian Institute of Company Directors and Oxford University.

LEADERSHIP TEAM RESPONSIBILITIES

Under the oversight of the CEO, the Leadership Team is responsible for:

- Implementing the Group's strategic objectives;
- Instilling, living and reinforcing the Group's Values and Code of Conduct;
- Operating within the budget and risk appetite set by the Board;
- Providing accurate, timely and clear information to the Board, enabling it to perform its responsibilities, on:
 - Financial and operational performance; and
 - Compliance with material legal and regulatory requirements.

APPOINTMENT PROCESSES

- Appointment and removal of the Leadership Team and determination of their remuneration and conditions of service (including financial incentives) is reserved to the Board, on the advice of the RHRN Committee.
- Appropriate checks are undertaken prior to appointment/election, including criminal record, bankruptcy, education and background, in accordance with the Group's Fit and Proper Policy.
- Written agreements are entered into with all employees, including Senior Executives, setting out their appointment terms.

EXECUTIVE PERFORMANCE REVIEW

- The Leadership Team's short term incentive (STI) is linked to the performance criteria set out in their respective Key Performance Indicators (KPIs)
- With the assistance of the Remuneration, Human Resources and Nominations Committee:
 - Leadership Team KPIs are reviewed and approved by the Board; and
 - Leadership Team annual performance reviews are overseen by the Board.
- The Group has a bi-annual performance review and annual KPI setting process, which applies to all employees including the Leadership Team and was undertaken during the period.

* Designated as Key Management Personnel

SHAREHOLDER ENGAGEMENT

INVESTOR RELATIONS PROGRAM

- **Results Webcasts:**
 - Our Half and Full Year results are publicly presented by our Managing Director and Chief Financial Officer via a webcast, that enables questions from shareholders and analysts.
 - Webcast details are released to the ASX in advance.
 - The presentations are recorded and made available on our website.
- **Analyst and Investor Presentations:**
 - All new and substantive presentations are released to the ASX prior to the presentation to ensure a fully informed market.
 - We conduct a detailed program with institutional investors, retail investor groups, analysts, proxy advisers and the media to allow investors to gain a greater understanding of our business.
- **Annual General Meeting:**
 - Our 2020 Annual General Meeting (AGM) will be webcast to enable full participation from shareholders.
 - AGMs include an opportunity for shareholders to ask questions. Questions may be submitted in advance and live online for those attending virtually.
 - The Equity Trustees Group external auditor attends our AGMs and is available to answer questions from shareholders relevant to the audit.
 - Our website provides access to materials from previous AGMs including transcripts, podcasts and presentations.
 - Resolutions at meetings of shareholders are decided by a poll, rather than a show of hands, to ensure full transparency.
- **Electronic Communications:**
 - Shareholders can receive registry communications electronically, including copies of our Annual Report and meeting notices.
 - Shareholders can also follow us on LinkedIn (Equity Trustees) and Twitter (@Equity_Trustees) to receive our latest news.
 - We encourage electronic communications for speed, convenience and environmental friendliness.

CONTINUOUS DISCLOSURE

- We are committed to ensuring:
 - All investors have equal and timely access to material information; and
 - That our announcements are accurate, balanced and objective.
- Our Continuous Disclosure Policy (available at www.eqt.com.au), sets out our processes for complying with our continuous disclosure obligations under ASX Listing Rule 3.1
- This sets out the roles and responsibilities of our Directors, officers and employees, and our processes to review and authorise market announcements.
- To ensure the Board has timely visibility of the nature and quality of information disclosed to the market (and its frequency), Directors receive copies of all EQT market announcements immediately after they are made.

ALSO AVAILABLE ON OUR WEBSITE

EASY ACCESS TO KEY INFORMATION

- **Key Shareholder Information:**
 - Annual Report
 - Half Year Reports
 - Links to ASX Releases
 - Notices of Meetings.
- **Corporate Governance:**
 - Corporate Governance Statement
 - Constitution
 - Group Board and Committee Charters
 - Values
 - Code of Conduct
 - Key governance policies.
- **Our Leaders:**
 - Biographical information on Group Board and Leadership Team.

We focus on two-way open communication.

Mick O'Brien, Managing Director

RISK MANAGEMENT

RISK MANAGEMENT FRAMEWORK

The Equity Trustees Group utilises a comprehensive Risk Management Framework (RMF) comprising the totality of systems, processes, structures, policies and people involved in identifying, assessing mitigating and monitoring risks. The key elements are set out below.



The Group Risk Committee reviews the RMF at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the Risk Appetite set by the Board. Accordingly, a review was undertaken during the period.

“

As trust is our business, we seek to take, manage and mitigate risk with a view to maintaining that trust at all times.

Owen Brailsford, Chief Risk Officer

”

RISK AND COMPLIANCE CULTURE

Our Risk Culture is the system of values and behaviours that supports good risk and compliance management and determines our collective ability and commitment to identify, understand, openly discuss and act on our current, emerging and future risks and obligations whilst operating consistently within our Risk Appetite.

The Group strives to foster a Risk Culture aligned to its Values:

- We make risk-informed decisions in line with our risk appetite (Trusted).
- Everyone feels safe to raise issues and incidents and ask for help if they don't know (Trusted & Empowering).
- We are accountable and identify, address and learn from breaches and incidents (Accountable).
- We are pragmatic in our approach to identifying and managing risk rather than ticking a box (Accountable).

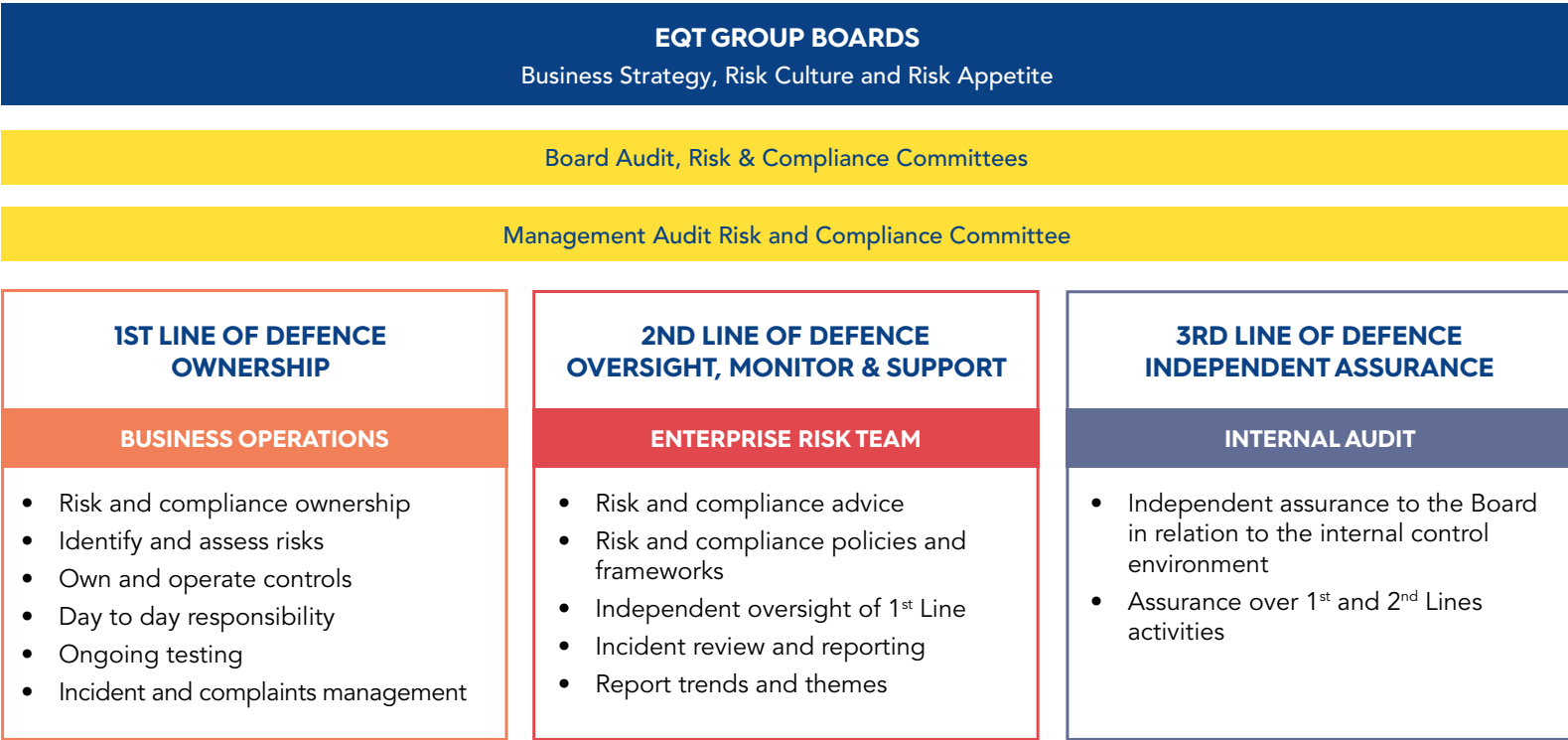
RISK CULTURE – SUPPORT AND MONITORING

- Annual Risk Culture Survey.
- Key Risk Indicator reporting to Management and Board Committees.
- Ongoing mandatory compliance training.
- Group-wide relevant policies.

THREE LINES OF DEFENCE

Equity Trustees operates a three lines of defence governance model to ensure clear accountability and responsibility for governance, risk management and compliance. The model ensures appropriate structures are in place for:

- Taking and managing risk;
- Meeting compliance obligations;
- Provision of advice;
- Challenge and oversight in the risk management process and;
- Assurance in control design and operating effectiveness.



The second and third lines have independent reporting lines through executive management and into Group Boards and sub-Committees and unfettered access to Directors to ensure appropriate checks and balances are built into our operating model.

ASSURANCE, REPORTING INTEGRITY AND CONTROL

INTERNAL AUDIT

The Equity Trustees Group maintains an Internal Audit function, which forms its “Third Line of Defence”.

Its Internal Audit services are provided by a top tier audit firm, which has a direct reporting line to the Group Board Audit Committee, as well as regular reporting to the Group Board Risk Committee and the subsidiary Audit Committees and Risk and Compliance Committees.

The annual Internal Audit program is set and approved by both the Group Board Audit and the Superannuation Board Audit Committees, with input from other Boards and Committees as required. It includes evaluation of the adequacy and effectiveness of the financial and risk management frameworks of the Group’s regulatory licences.

The agreement for Internal Audit Services meets the requirements of APRA Prudential Standard SPS 231. The Internal Auditor has unfettered access to the RSE licencees’ business units and support functions.

EXTERNAL AUDIT

In addition to the Three Lines of Defence, the Group and its subsidiaries, as well as the many funds and trusts for which a member of the Equity Trustees Group acts as Responsible Entity, Responsible Superannuation Entity Licensee, or other form of trusteeship, are subject to annual external audit, providing further rigorous review of our systems and processes relating to financial and risk management, in order that the auditors can make their required declarations to shareholders and regulators.

The Group’s External Auditors have an opportunity to meet with the Group Board and Audit Committee in the absence of management.

AUDITOR INDEPENDENCE POLICY

The Group’s Auditor Independence Policy applies to both external and internal audit functions to ensure both independence of mind and independence in appearance.

Strong controls are in place to mitigate threats to Auditor independence.

External Auditor or Audit partner rotation occurs in accordance with the requirements of the *Corporations Act 2001*.

VERIFYING CORPORATE REPORTING

Any periodic corporate reports that are not audited, such as the Directors’ Report and this Corporate Governance Statement, are subject to extensive review prior to release to market.

This includes review, fact checking and interrogation by the Group Leadership Team, as well as review by the Group Board, assisted by its relevant Committees.

Before the Group Board approves the Half and Full year financials, it receives a declaration from the Managing Director and Chief Financial Officer that, in their opinion:

- The Group financial records have been properly maintained;
- The financial statements comply with the appropriate accounting standards and give a true and fair view of the Group financial position and performance; and
- This opinion has been formed on the basis of a sound system of risk management and internal control, which is operating effectively.

“

We work closely, proactively and transparently with our regulators, because our interests are aligned in protecting beneficiaries, members and investors.

Mick O’Brien, Managing Director

”

DIVERSITY AND INCLUSION

OUR APPROACH

We are committed to a workplace where people feel included, valued and able to contribute their best. This is enshrined in our Diversity and Inclusion Policy (available at www.eqt.com.au).

We define 'diversity' broadly as human qualities that are different from our own or those of groups to which we belong.

FLEXIBILITY

Equity Trustees recognises that flexible work arrangements contribute to attracting and retaining talent, increased productivity and improved employee engagement and wellbeing.

We offer a range of flexible work arrangements including job sharing, working from home, flexible start and finish times and working additional hours to make up for time taken off, in accordance with our Workplace Flexibility Policy.

GENDER EQUALITY INDICATORS

Gender diversity results and measurable objectives set by the Board/Remuneration, Human Resources and Nominations Committee:

| LEVEL | 2019 | 2020 | 2021 TARGET | |
|--------------------------------|------|------|-------------|---|
| Board (including MD) | 20% | 40% | 40%-60% | ✓ |
| Leadership Team (MD -1)* | 33% | 33% | 40%-60% | ➔ |
| Senior Management (MD-2 or -3) | 30% | 34% | 40%-60% | ➔ |
| Whole Organisation | 54% | 55% | 40%-60% | ✓ |

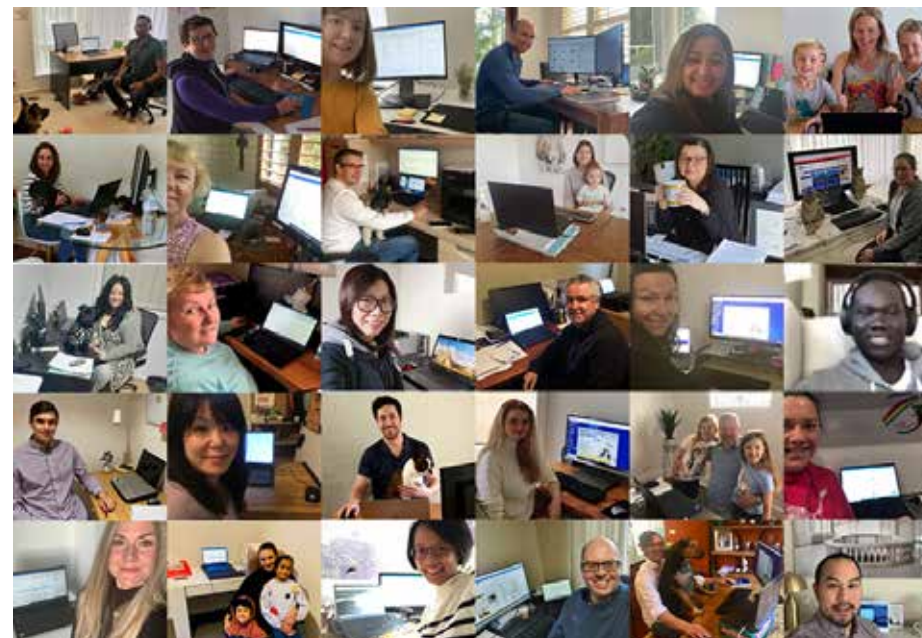
*The Leadership Team (or Senior Executives for the purposes of the ASX Recommendations), is a larger group than the Key Management Personnel and Company Secretary listed on pages 13-14 and includes all the direct reports of the Managing Director who have responsibility for managing a team.

“

Diversity and Inclusion are important characteristics at Equity Trustees.
We strive to create an inclusive culture in which difference is recognised and valued, so we can produce the best solutions to challenges and deliver sustainable value.

Mick O'Brien, Managing Director

”



SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

OUR APPROACH

Given the nature of our business, the Group does not have exposure to material environmental or social risks. However, we recognise the importance of these issues and have initiatives in place that focus on sustainability and corporate social responsibility.

EMPLOYEE INITIATIVES

- Equilibrium (Wellness Program)
 - Offers monthly workshops and wellbeing activities to employees.
- Flexible working arrangements
- Employee Assistance Program
 - Offers confidential coaching, counselling and wellbeing service at no cost to all employees and their immediate family members.
- COVID-19 Pandemic response
 - Individual welfare checks performed for all employees.
 - Group-wide resources available to facilitate adaptation and engagement in the working from home environment.
- Workplace Volunteering and Giving Program
 - Enables pre-tax salary employee donations to our selected charities. We match all employee donations (uncapped).
 - All permanent employees have access to paid volunteer leave.
- Equity Stars (Reward Program)
 - Empowers employees to recognise and reward one another.
- Employee Training and Development
 - Eligible permanent employees receive \$1,000 each year to attend capability-based courses.

COMMUNITY INITIATIVES

- 2020 Bushfires response
 - We took the initiative, together with the Business Council of Australia, to establish two perpetual charitable trusts:
 - » The Australian Volunteer Support Trust; and
 - » The Community Rebuilding Trust.
- Equity Trustees established both trusts pro bono and will administer the Australian Volunteer Support Trust pro bono in perpetuity (details available at www.eqt.com.au).
- The two trusts combined have raised over \$9m for the community to date.
 - We matched the \$2,217 employee donations made to the Australian Volunteer Support Trust during March 2020, dollar-for-dollar (uncapped).
- Reconciliation Action Plan
 - Our Reconciliation Action Plan (RAP), is endorsed by Reconciliation Australia and available at www.eqt.com.au.
- EQT Foundation*
 - Our own EQT Foundation is funded by our security holders and employees (through our Workplace Volunteering and Giving Program).
 - Over \$1m has been distributed to charitable causes to date.

ENVIRONMENTAL INITIATIVES

- Paper reduction, recycling and general waste reduction initiatives in a number of areas across the organisation.
- LED motion sensors in offices to conserve energy.

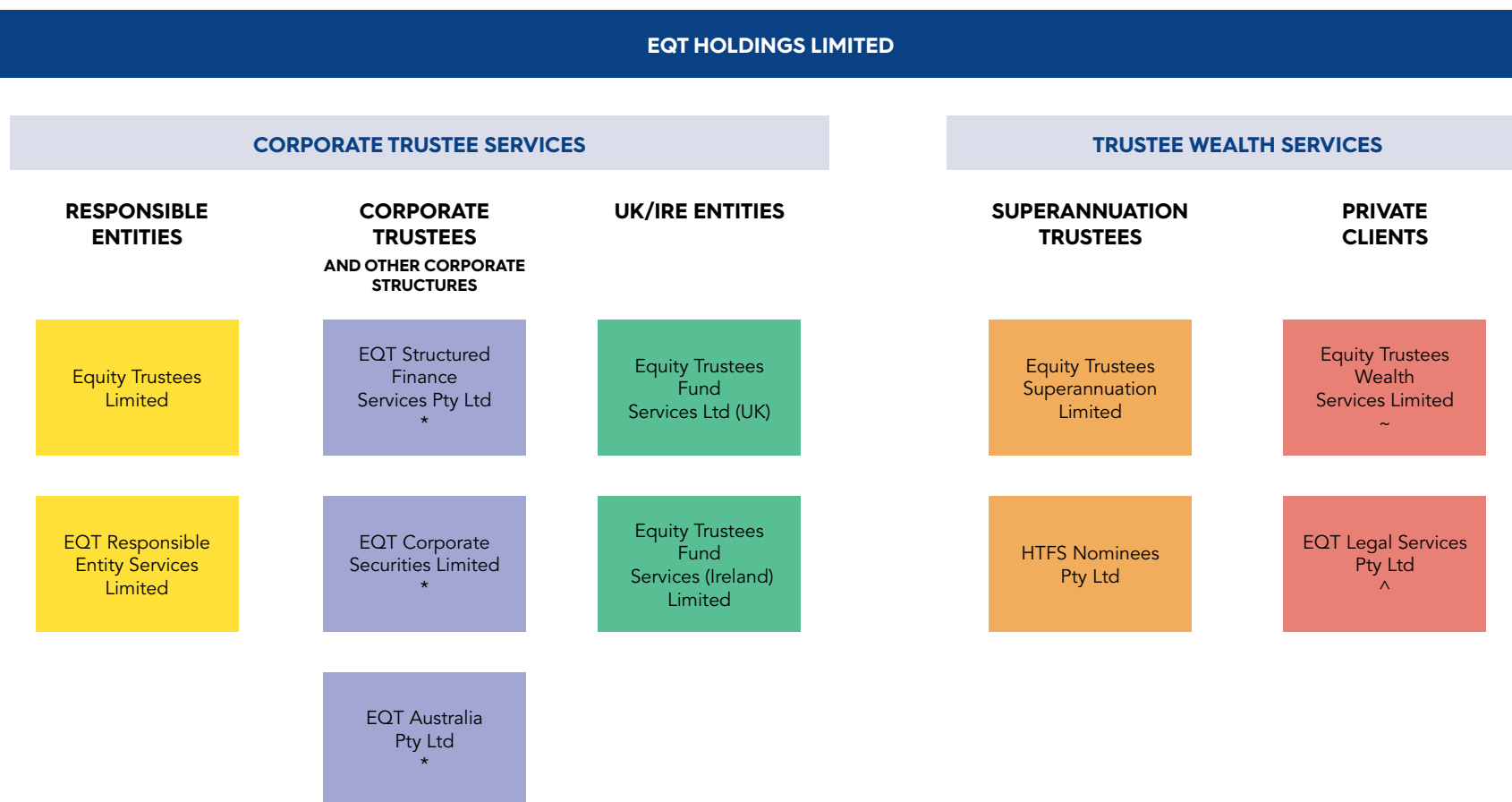
INVESTMENT APPROACH

- As trustee, our primary focus is putting our clients' best interests first.
- As trustee, where the investment philosophies of relevant funds, schemes or trusts allow, investment managers consider a wide range of short and long term factors in generating return and mitigating risk, which may include Environmental, Social and Governance (ESG) attributes of underlying investments. For example, we act as responsible entity for a number of specialised ESG funds.
- Funds managed inhouse by our Asset Management Team incorporate ESG factors as a core investment philosophy attribute. In our experience, organisations that demonstrate success in managing ESG issues have highly correlated long term investment outperformance.

*During FY21, the Equity Trustees Charitable Foundation will assume the EQT Foundation's role. There will be no impact on how donations are made or how the funds are distributed.

EQUITY TRUSTEES GROUP – LICENSED SUBSIDIARIES

DEDICATED LICENSED SUBSIDIARIES FOR EACH FORM OF TRUSTEESHIP/SERVICE



* Authorised Representative of Equity Trustees Limited ~ “Traditional” Licensed Trustee ^Registered incorporated legal practice, providing external legal services

CORPORATE TRUSTEE SERVICES

CORPORATE TRUSTEE SERVICES – AUSTRALIA

The Corporate Trustee Services business unit (CTS) currently acts as Responsible Entity to 350+ funds across all asset classes and three ASX Listed Investment Trusts. Responsible Entity services are mainly provided by **EQUITY TRUSTEES LIMITED (ETL)**, with some by **EQT RESPONSIBLE ENTITY SERVICES LIMITED (EQT RES)**.

ETL also has three additional operating subsidiaries, which are also Authorised Representatives under ETL's AFSL: **EQT STRUCTURED FINANCE SERVICES PTY LTD**, **EQT AUSTRALIA PTY LTD**, **EQT SECURITISATION SERVICES PTY LTD**.

THE EQT, EQT RES AND EQUITY TRUSTEES WEALTH SERVICES LIMITED (ETWSL) BOARDS ARE ASSISTED IN THEIR DUTIES BY THE FOLLOWING COMMITTEES:

RESPONSIBLE ENTITY COMPLIANCE COMMITTEE

The Committee's duties include:

- Monitoring the managed investment scheme's compliance plans.
- Making improvement recommendations where appropriate.
- Reporting any breaches (actual or suspect), including reporting to ASIC if the Committee is of the view that the Responsible Entity has not taken (or does not propose to take) appropriate action to deal with a reported breach.

The Committee has a majority of external independent members.

AUDIT COMMITTEE

The Committee's duties include:

- Approving, where authorised by the Boards, the financial reports of funds, trusts and charities.
- Receiving, testing and seeking confirmation that robust financial controls are in place to safeguard the integrity of said financial reports.
- Approving the appointment of fund, trust and charity external auditors, audit fees and audit scope, and ensuring compliance with the Group's Auditor Independence Policy.
- Reviewing updates to the Accounting Standards and the appropriateness of proposed changes to the companies' accounting policies.

CORPORATE TRUSTEE SERVICES – UNITED KINGDOM AND IRELAND

With global fund managers increasingly demanding efficient, professional fund governance services, Equity Trustees can deliver:

- Independent Authorised Corporate Director (ACD) services through its UK subsidiary, Equity Trustees Fund Services Ltd; and
- Management Company (ManCo) services through its Irish subsidiary, Equity Trustees Fund Services (Ireland) Limited.

This enables us to provide a comprehensive range of fund services to international and domestic investment managers, distributors and financial services professionals looking to establish and operate funds in the UK and Ireland.

INDEPENDENT OVERSIGHT – CTS/TWS PRIVATE CLIENTS



ANNE O'DONNELL

BA (Bkg&Fin), MBA, FAICD, SF Fin

Independent Chair, Responsible Entity Compliance Committee

Refer to page 5 for qualifications and experience.



ALICE WILLIAMS

BComm., FCPA, FAICD, ASFA AIF, CFA

Independent Director, Responsible Entity Compliance Committee

Refer to page 5 for qualifications and experience.



DARREN SCAMMELL

BEC, FCAANZ, AICD, ACCA, FINSIA

Independent Member, Audit Committee

Mr Scammell is a Grant Thornton audit partner and Melbourne's Head of Financial Services.

He has been an independent member of the Committee since its formation in August 2018.

Mr Scammell has over 30 years' auditor and risk experience (including 20 as a partner) with Grant Thornton and previously KPMG.

His experience lies in technical accounting, risk and compliance assessments and integrated reporting across Australia and the UK. His clients include McMillan Shakespeare, Teachers Mutual Bank, BUPA, ANZ, NAB, Deutsche Bank, Japara, and La Trobe Financial Services.



DALLAS MCGILLIVRAY

Independent Chair, Equity Trustees Fund Services Ltd

Mr McGillivray was appointed to ETFS in March 2018.

An experienced international regulatory and business manager, previously he was Global Head of Compliance and Operational Risk at a major asset management company for all business outside the Americas. Mr McGillivray has more than 30 years' international retail and institutional regulatory experience. He spent over eight years with Coopers & Lybrand (now PwC) providing audit, accounting, insolvency and regulation services in multiple countries.



VINCENT CAMERLYNK

Independent Director, Equity Trustees Fund Services Ltd

Mr Camerlynk was appointed as a Director of ETFS in September 2019.

Mr Camerlynk has 34 years' experience in the financial services industry, having worked in BNP Paribas Asset Management (BNP), Petercam, HSBC and Goldman Sachs in New York, London and Paris. At BNP he was initially responsible for global distribution and country management, became UK CEO, then APAC CEO. He is currently an Independent Non-Executive Director for numerous companies.



DEIRDRE O'REILLY

BSc, FCA, Diploma in Applied Finance Law, Certified Investment Fund Director, LCOI

Independent Chair, Equity Trustees Fund Services (Ireland) Limited

Appointed Chair of ETFSI in May 2019.

Ms O'Reilly is an Independent Non-Executive Director of several Irish asset management entities. She has over 20 years' financial services experience, including PwC, followed by various roles in the Central Bank of Ireland, where she managed key Capital Requirements Regulations and Markets in Financial Instruments Directive projects in addition to policy related roles.

TRUSTEE WEALTH SERVICES – PRIVATE CLIENTS

The Trustee and Wealth Services (TWS) business unit services date back to 1878, in the form of ANZ Trustees, which was established 10 years prior to Equity Trustees (and was acquired by us in 2014). These services are provided by **EQUITY TRUSTEES WEALTH SERVICES LIMITED (ETWSL)**.

ETWSL is also assisted in its duties by the **RESPONSIBLE ENTITY COMPLIANCE COMMITTEE** and **AUDIT COMMITTEE**, see page 22 for details.

TWS SERVICES

Our TWS services have expanded to include:

- **Wills and Estate Planning**
 - Wills
 - Estate Planning
 - Powers of Attorney
 - Superannuation Assets
 - Advanced Health Care Directives
- **Executor Services**
- **Trustee Services**
 - Trust Management services
 - Charitable Trusts
 - Personal Injury Financial services (including Compensation Trusts)
 - Special Purpose Trusts
 - Acting for individuals who lose capacity under a Power of Attorney.
- **Community Trust services**
 - Support Aboriginal and Torres Strait Islander communities to take care of Native Title claims, mining claims and manage them, building capacity within their communities.
- **Wealth Management and Investments**
 - Asset Management
 - Financial Advice
 - Portfolio Manager services
 - Tax services

- **Philanthropy**
 - Giving Consultancy services
 - Scholarships
 - Not-for-profit Investments
 - Grant Funding

TWS PARTNERS

We provide many of our TWS services in collaboration with other parties, including:

- Financial Advisors, Brokers, Private Bankers
- Co-trustees and Advisory Panels
- Legal Profession

“
**Equity Trustees was founded on trust
in 1888, acting as trustee for generations
of families and individuals. Trust remains
at the heart of everything we do.**

Mick O'Brien, Managing Director

”



In FY20 we were responsible for distributing more than 3,000 grants, totalling approximately \$80m, to the for-purpose sector, including a variety of charities focused on environmental and social causes.

Our Annual Giving Review (available at www.eqtr.com.au/givingreview) provides examples of the charitable causes funded and sets out our approach to funding for social impact.

The Equity Trustees philanthropy team has implemented numerous measures to support clients and stakeholders in the wake of COVID-19, including joining over 50 key Australian funders as a signatory to Philanthropy Australia's Public Statement, concerning how the philanthropy community is responding to COVID-19. 70 individual grants were made in FY20 – totalling \$2.75m – to support for-purpose organisations negatively impacted by COVID-19.

TRUSTEE AND WEALTH SERVICES – SUPERANNUATION

The Superannuation Trustee Office business unit (STO) has two operating entities: **EQUITY TRUSTEES SUPERANNUATION LIMITED (ETSL)** and **HTFS NOMINEES PTY LTD (HTFS)**. Each of these companies has a majority of independent directors.

BOARD DIRECTORS



TONY LALLY

AICD, FIA, FIAA

Chair, Independent Director

Mr Lally joined Equity Trustees in June 2018, bringing decades of experience in the Australian and international superannuation industries.

Mr Lally's current appointments include Self Wealth Ltd (Chair) and previously included the International Centre for Pensions Management (ICPM), Association of Superannuation Funds of Australia (ASFA), Deutsche Asset Management and Commonwealth Life Ltd.

An actuary, Mr Lally was CEO of Sunsuper until 2013 and led the company through a period of transformation, more than doubling FUM during his tenure.



SUE EVERINGHAM

BEC, LL M (Tax), CPA, GAICD

Independent Director

Ms Everingham joined Equity Trustees in February 2019.

She is currently a Consultant with law firm Norton Rose Fulbright. Previous roles include Head of the Commonwealth Bank's (CBA) Office of Trustee, Wealth Management Division and senior superannuation and investment positions in numerous leading national law firms and the ATO.

Ms Everingham is also a Non-Executive Director of Hannover Life Re of Australasia Limited and Destination Southern NSW Limited. She was previously a Non-Executive Director of the CBA Group Super Fund.



ELLIS VAREJES

BComm, LL B Dip Law, MAICD

Independent Director

Mr Varejes joined Equity Trustees in July 2014.

After a long career as lawyer specialising in corporate advisory, capital markets and financial services law, he was for over a decade the Chief Operating Officer of an ASX 200 A-REIT.

Mr Varejes' previous board roles include a NASDAQ listed corporation. Currently he is the independent chair of Pengana Investment Management Limited (ASX: PE1).



PAUL ROGAN*

AICD, ASCPA, BBus (Acc & Fin)

Independent Director

Mr Rogan joined Equity Trustees in August 2019, bringing more than 25 years' of industry and Board experience.

A senior financial services executive with a proven track record for delivering results in different regions and markets, Paul has successfully driven businesses through rapid growth phases and major change projects (honed within the environments of Lendlease/MLC and Challenger).

He possesses strong leadership skills in both profit and loss responsibility and is highly regarded for execution and turnaround capability.



GEORGE ZIELINSKI

BBus (ACC), FCPA

Independent Director

Mr Zielinski joined Equity Trustees in July 2020, having recently retired from a 23-year long executive career with Rest Super. His association with Rest dates back to 1997, when he established Super Investment Management (SIM) to act as a wholly owned arms-length investment manager of Rest.

More recently he was appointed CIO to assist the \$57bn fund through restructuring its investment governance framework. Prior roles include VFMC (Victorian Funds Management Corp) and SECV Super (now known as EquipSuper).

The Directors of these entities also include **MICK O'BRIEN** (refer to page 5 for their qualifications and experience) and **MARK BLAIR** (refer to page 14 for their qualifications and experience).

*Mr Rogan is a Director of ETSL only

BOARD COMMITTEES OVERVIEW

The ETSL and HTFS Boards are assisted in their duties by the following Committees. Separate Committees exist for each Board and the differences in membership are as noted below. The Onboarding Committee is only a Committee of ETSL as HTSF is the RSE solely for one fund.

| COMMITTEE | AUDIT COMMITTEES | RISK AND COMPLIANCE COMMITTEES | NOMINATIONS COMMITTEES | INVESTMENT COMMITTEES | ONBOARDING COMMITTEE# |
|---|---|---|--|--|---|
| Chair | Ellis Varejes~ | Sue Everingham~ | Tony Lally | Mick O'Brien (Interim) | Tony Lally |
| Independent Chair | Yes | Yes | Yes | No | Yes |
| Other Members | Sue Everingham~ Paul Rogan* George Zielinski^ | Tony Lally Ellis Varejes~ Mick O'Brien | Ellis Varejes Paul Rogan* Sue Everingham^ | George Zielinski Ellis Varejes Sue Everingham Mark Blair | Sue Everingham Paul Rogan |
| Majority Independent | Yes. Each Audit Committee is comprised solely of three Non-Executive Directors. | Yes | Yes. Each Nominations Committee is comprised solely of three Non-Executive Directors. | Yes | Yes. The OnBoarding Committee is comprised solely of three Non-Executive Directors. |
| Key Points to Note <ul style="list-style-type: none"> Each Committee's responsibilities are more fully described in the relevant Committee Charter. | The Committees' Charters sets out the Committee obligations and includes compliance with all requirements of SPS510. All Committee members are available to meet with APRA on request. | Oversight of: <ul style="list-style-type: none"> The Risk Management Framework, risk culture and compliance with relevant policies. Evaluating the effectiveness of the internal risk controls and relevant policies. The Group's Chief Risk Officer is a standing invitee. | Oversight of Director tenure, Director nominations, recruitment, suitability, and removal. Reviewing the remuneration framework for the EGM STO to ensure it is appropriate in the context of an RSE. | Oversight of: <ul style="list-style-type: none"> The investment governance framework, policies and systems; and Compliance with APRA Prudential Standard SPS 530. Decisions in connection with implementation, monitoring and review of investment strategies. | Oversight of: <ul style="list-style-type: none"> Readiness of ETSL for onboarding new clients; and Review of new on-boarding proposals and associated risks. Review of STO resourcing. |

*On relevant Committee for ETSL only. ^On relevant Committee for HTFS only. #Committee only for ETSL. ~Member of both the Audit Committees and Risk and Compliance Committees to facilitate linkage.

RSE GOVERNANCE FRAMEWORK

The Australian Prudential Regulation Authority (APRA) Prudential Standard SPS 510 (SPS 510) – Governance sets out specific governance requirements for registrable superannuation entity (RSE) licensees (RSE licensees) under the SIS Act.

RSE GOVERNANCE FRAMEWORK

This Group Corporate Governance Framework incorporates the RSE Governance Framework and includes the totality of systems, structures, policies, processes and people within the RSE licensee's business operations.

Each RSE licensee is responsible for the establishment, implementation and oversight of this Governance Framework to the extent applicable to the relevant RSE licensee.

ROLES AND RESPONSIBILITIES

The Boards of ETSL and HTFS are each an RSE licensee and are ultimately responsible for the sound and prudent management of their respective business operations.

Certain matters are delegated by the Board to management in accordance with the Group's Delegations of Authority, which are clearly set out and documented. The Board monitors compliance with the Delegations of Authority.



Our Superannuation Boards have a majority of independent Directors, providing specialist oversight and enshrining Board focus on member best interests.

Mick O'Brien, Managing Director



SUPERANNUATION BOARD COMMITTEES

The Committees of each of the Superannuation Boards are set out on page 26.

Each Committee has a formal Charter setting out its structural requirements.

BOARD PERFORMANCE AND COMPOSITION

The Chair of each RSE Board is a Director of the RSE Licensee.

The performance of each Board, its Committees and individual Directors is reviewed at least annually relative to its objectives.

The Group Board Renewal Policy sets out the requirements in respect of the appointment and removal of Directors, including terms in office and maximum tenure periods. This is to ensure that the Board remains open to new ideas and independent thinking whilst retaining adequate expertise.

The Group Board Renewal Policy also covers the nomination, appointment and removal requirements of SPS 510.

The respective ETSL or HTFS Nominations Committee is responsible for recommending to its Board the process by which a Director will be appointed, and for recommending their subsequent appointment.

SKILLS AND EXPERIENCE

The relevant qualifications and experience for each of the Directors is set out on the previous page and is also disclosed at www.egt.com.au.

Additionally, each Board annually reviews its collective skills and experience to ensure that:

- It has the full range of knowledge, skills and experience needed for the effective and prudent operation of the RSE licensee's business operations, including the understanding of its risks and legal and prudential obligations, to ensure that its operations are managed in an appropriate way taking into account these risks; and
- Each director has the skills that allow them to make an effective contribution to the Board deliberations and processes.

This does not preclude the Board from supplementing its skills and knowledge by engaging external consultants and experts.

All Directors and senior management of the each RSE licensee are ordinarily resident in Australia and are available to meet with APRA on request.

Auditors and actuaries are provided with the opportunity to raise matters directly with the Board.

GROUP POLICIES AND FUNCTIONS

Each of the ETSL and HTSF Boards approve the use of Group policies and functions to ensure that these policies and functions give appropriate regard to the RSE licensee's business operations and specific requirements.



Our independent trusteeship model is designed to avoid the conflicts of interest challenges highlighted in the Financial Services Royal Commission.

Mick O'Brien, Managing Director



CHARTER AND POLICIES

Each Board has a formal Charter setting out the roles, responsibilities and objectives of the Board.

Voting rights and procedures are set out in the constitution for ETSL and HTFS.

Fitness and propriety of Directors is governed in accordance with the Group Fit and Proper Policy as described previously.

Each RSE Licensee is governed by the Conflicts Management Framework described on page 11.

This Governance Framework, including the RSE components, are reviewed annually by each Board.

SUPERANNUATION TRUSTEE OFFICE LEADERSHIP TEAM

The qualifications and experience of the Superannuation Trustee Office Leadership Team are available at www.eqt.com.au/superannuation.

REMUNERATION POLICY

The Remuneration Policy for each RSE Licensee is approved by its Board.

It includes remuneration objectives and the structure of remuneration arrangements, including performance based remuneration components.

The Remuneration Policy covers all employees, including each Responsible Person (excluding auditors and actuaries), persons whose primary role is risk management, compliance, internal audit, financial control or actuarial control and all other persons who have a significant part of their total remuneration based on performance and whose activities may individually or collectively affect the interests of beneficiaries, the financial position of the RSE licensee or any other relevant prudential matter.

The Remuneration Policy is designed to encourage behaviour that supports:

- Protecting the interests and meeting the reasonable expectations of members;
- The long term financial soundness of the RSE licensee, any of its RSEs or connected entities; and
- The risk management framework of the RSE licensee.

Performance based components of remuneration are designed to reflect the outcomes and risks to the RSE Licensee's business operations as well as the time frames necessary for reliable measurement.

The Remuneration Policy provides for the Board to adjust performance based components of remunerations downwards, to zero if appropriate, in relation to relevant persons or classes of persons if such adjustments are necessary in accordance with SPS 510.

REMUNERATION COMMITTEE

As permitted by SPS 510, the Remuneration Committee for ETSL and HTFS is the Group's Remuneration, Human Resources and Nominations Committee.

As noted on page 10, this Committee is solely comprised of independent, Non-Executive Directors, and the Committee Chair is a different person to the Board Chair of ETSL and HTFS. The Committee has a written charter that outlines its responsibilities (available at www.eqt.com.au).

The Committee has the powers necessary to enable it to perform its function, including regular reviews and recommendations to the Boards regarding the Remuneration Policy, and recommendations regarding the remuneration of:

- Responsible Persons;
- Other persons whose activities may affect the financial soundness of an RSE Licensee's business operations; and
- Other categories of persons covered by the Remuneration Policy.

As enshrined in its Charter, the Committee has free and unfettered access to risk and financial control personnel and other parties (internal and external) in carrying out its duties. The ETSL and HTFS Board Directors all have unfettered access to the Committee. Members of the Committee are available to meet with APRA on request.

In addition, the Nominations Committees of the Superannuation Boards review the remuneration framework for the Executive General Manager – Superannuation Trustee Office to ensure it is appropriate in the context of an RSE.



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