

COLONIAL MUTUAL SUPERANNUATION PTY LTD

ACN 006 831 983

BOARD GOVERNANCE - PRINCIPLES FOR APPOINTMENT AND TERMINATION OF DIRECTORS TO THE BOARD OF THE COMPANY

1. Context

The CBA Board has responsibility for corporate governance of the Bank and its wholly owned subsidiaries.

The Director Appointment and Renewal Principles outline the principles applicable to the appointment of directors to the Company.

2. Director Appointment and Renewal

2.1 Candidate Selection

The following elements are considered when recommending the appointment of a Director to a Board:

- Relevant skills, experience and qualifications;
- Fitness and proprietary;
- No conflicts that cannot be managed;
- Appointee to be at least Executive Manager level;
- The collective skills, knowledge and experience of the Board to understand the RSE Trustee's business operation, and its legal and prudential obligations;
- Diversity including gender diversity; and
- All regulatory requirements, including independence criteria where applicable.

2.2 Executive and Non-Executive Directors

- 2.2.1 The Group Executive, Wealth Management approves the appointment of Executive or Non-executive Directors to a Board, taking into account all legal and regulatory requirements, and diversity.
- 2.2.2 If an Executive Director or Non-executive Director is transferred from the business division relevant to the RSE, it may be considered appropriate to replace him or her on the Board.
- 2.2.3 Executive Directors and Non-executive Directors remain in office until either they

resign or are removed from office in accordance with the Company's Constitution.

2.3 Independent Directors

- 2.3.1 The Group Executive, Wealth Management recommends the appointment of an Independent Director to a Board, taking into account all legal and regulatory requirements, and diversity.
- 2.3.2 Independent Director appointments are approved by the CBA Board Nominations Committee (Committee).
- 2.3.3 Independent Directors are normally expected to serve a term of six years from the date of first appointment, subject to the provisions of the Constitution of the Company and applicable regulatory requirements. That term may be extended to nine years where, at the end of the initial period, the Committee determines that, upon the recommendation of the Group Executive, Wealth Management such an extension would be a benefit to the Group and the Independent Director is agreeable.
- 2.3.4 On an exceptional basis, the Committee may annually exercise discretion to further extend the term of the Independent Director should circumstances deem it appropriate, subject to the total term of appointment not exceeding 12 years.
- 2.3.5 It is expected that Independent Directors would normally be appointed for terms of two-three years (other than for any period between years 9 to 12 of the total term, when appointment would be for terms of 12 months with each renewal being subject to support of the Group Executive Wealth Management and the approval of the Committee.
- 2.3.6 The term of an Independent Director appointed to several companies within a related group of CBA subsidiaries (related group) will be calculated from the date of first appointment to a company within the related group.