

# MERCER SUPER INVESTMENT TRUST GOVERNANCE STATEMENT

## GOVERNANCE FRAMEWORK AND STRUCTURES

### INTRODUCTION

The trustee of the Mercer Super Investment Trust (“Fund”) is Mercer Superannuation (Australia) Limited (the “Company”, or “MSAL”). The Company became the trustee of the Fund effective 1 May 2017. The Company is also the trustee of the Mercer Portfolio Service Superannuation Plan and the Mercer Super Trust (each, a “Fund” and collectively “the Funds”).

The main elements of the Company’s governance frameworks are set out in this part of this Board Governance Statement.

The Company complies with the Financial Services Council Standard No 20: Superannuation Governance Policy (the FSC Standard) to the extent it applies to pooled superannuation trusts. In relation to voting policy and records, the Company complies with the requirements of FSC Standard 13 Voting Policy, Voting Record and Disclosure (FSC Standard 13). It also complies with APRA Prudential Standard SPS 510, as well as legislative requirements in that regard. The Company’s governance arrangements satisfied all of these requirements during the reporting period. More details and copies of relevant documents are available on the Fund’s website:

<https://www.mercer.com.au/about-mercer/lines-of-business/investments/mercer-super-investment-trust.html>

### ROLE OF THE BOARD

The Company has a Board of Directors who is required to ensure that each Fund is administered according to the Fund’s Trust Deed, other governing rules and superannuation legislation. The Board has adopted a charter that sets out its role and responsibilities in administering the Fund. These include:

- (a) approval of the Company Strategy and Fund Strategy;
- (b) approval of the Operational Plan, budgets and financial goals for the Company and each Fund;
- (c) monitoring the effectiveness of the Company Strategy;
- (d) monitoring the effectiveness of the Fund Strategy;
- (e) ensuring that clearly defined decision-making frameworks and delegations are in place and to implement clear reporting lines back to the Board;
- (f) ensuring that effective frameworks and systems are in place which facilitate the monitoring of the principal risks to which the Company or a Fund is exposed;
- (g) ensuring adequate controls and reporting systems are in place to facilitate adequate compliance monitoring and security and fraud prevention protocols;
- (h) reviewing and approving all material outsourcing arrangements for the operation of the Funds;
- (i) determining the investment philosophy and strategy for the investment of the assets of the Funds and monitoring investment performance;

- (j) monitoring the adequacy of resources of the Company, including the adequacy of resources of the Company’s material outsourced providers from time to time or as required pursuant to any material outsourcing agreements;
- (k) monitoring cash flow, liquidity and capital requirements of the Company and each Fund;
- (l) setting the culture and tone for compliance with the governance, risk management and compliance framework;
- (m) approval of financial statements and regulatory returns, as required;
- (n) overseeing compliance with statutory and licensing obligations imposed by the Australian Financial Services (“AFS”) Licence and the Registrable Superannuation Entity (“RSE”) Licence and manage risk having regard to those obligations;
- (o) reviewing the composition and independence requirements of the Board having regard to local regulatory and licensing requirements and making recommendations to Mercer (Australia) Pty Ltd (“MAPL”) regarding Board composition;
- (p) reviewing the performance of the Board and carrying out succession planning for the Company;
- (q) reviewing the performance of management against the objective, budgets, strategies and plans, including compliance with corporate governance, risk management, internal controls and compliance frameworks, systems, policies and processes applying to the Company;
- (r) dealing with matters in excess of any specific delegations that the Board may from time to time delegate to senior executives, management or a Committee.

The charter has been reviewed for consistency with the FSC Standard as it applies.

The make-up of the Board is also governed by the Constitution of the Company and the Board Governance Policy. Board proceedings are also governed by the Constitution.

## BOARD SIZE AND COMPOSITION

The number of Directors of the Company at the date of preparation of this Board Governance Statement is six.

The following were members of the Board as at 1 April 2020:

NAME	POSITION	DATE APPOINTED
Brian Benger	Non-Executive Director	23 March 2011
Sue O’Connor	Non-Executive Director	14 September 2015
Jan Swinhoe	Non-Executive Director	1 July 2014
Pauline Vamos	Non-Executive Director	1 July 2017
Ben Walsh	Executive Director	22 March 2012
Darren Wickham	Non-Executive Director	1 May 2017

No officeholder(s) ceased to hold office during the 12 months prior to the issue of this statement. Mr Ben Walsh will cease to hold office effective 30 April 2020.

The Board has formed the view that the skills, experience and industry expertise of its constituent members are such that the Board is able to effectively fulfil its role and responsibilities. Board members

have extensive financial services industry and other relevant experience. A synopsis of each Director's experience is set out below.

#### JAN SWINHOE – NON-EXECUTIVE DIRECTOR AND CHAIRMAN



**Jan Swinhoe** is a Non-Executive Director and Chairman of the Company. She is also a member of the Company's Remuneration and Nominations Committee and the Company's Member Experience Committee.

Jan is an Associate of the Actuaries Institute of Australia and holds a Bachelor of Science (Majoring in Mathematics), a Diploma in Applied Psychology and is a Graduate of The Institute of Company Directors. She has held senior executive roles in the financial services industry for over 30 years, before pursuing a portfolio career. Specifically, Jan's experience spanned corporate superannuation, investments, insurance, wealth management, and both private and institutional banking among a number of leading institutions.

Since commencing her non-executive career in 2011, Jan has become a director on the Boards of Suncorp Portfolio Services Limited, Australian Philanthropic Services Limited, Athletics Australia, the IMB Bank (formerly the Illawarra Building Society) and Swiss Re Life & Health Australia.

#### BRIAN BENGER – NON-EXECUTIVE DIRECTOR



**Brian Benger** is a Non-Executive Director of MSAL and Chairman of the Company's Service Provider Committee. Brian is also a member of the Company's Audit & Risk Committee and Chairman of the Remuneration and Nominations Committee. He is also a Non-Executive Director and Chairman of Mercer Financial Advice (Australia) Pty Ltd.

Brian has over 25 years of board experience being a current director of GMHBA Services Pty Ltd, GMHBA Health Insurance, GMHBA Land Co Pty Ltd, Enginsure Pty Ltd, Health.com.au, MO Health Pty Ltd, National Vineyard Fund of Australia (No. 4) Pty Ltd, Kayinga Vineyard Limited and Quintessential Equity 042 Pty Ltd.

He is a former director of the Victoria Managed Insurance Authority, the former Managing Director of the Guild Group of Companies for 10 years, and a former director of nine major subsidiary companies of National Mutual, including National Mutual Trustees, National Mutual Financial Planning and National Mutual Superannuation, Chairman of The FABAL Group Pty Ltd for two and a half years and a member of the Future Fund Advisory Board of the Oaktree Foundation for two years.

**SUE O'CONNOR – NON-EXECUTIVE DIRECTOR**

**Sue O'Connor** is a Non-Executive Director of MSAL and Chairman of the Company's Audit & Risk Committee. She is also a member of the Company's Remuneration and Nominations Committee and the Company's Service Provider Committee. Sue has particular expertise in the fields of digital, business transformation, cyber resilience, audit and risk, and industry experience in utilities, financial services, technology and telecommunications.

Sue has been a Chairman/Non-Executive Director for over ten years. She is currently Chairman of Yarra Valley Water and a Director of Kordia Group Limited, ClimateWorks Australia, Treasury Corporation Victoria and Bush Heritage Australia and an Advisory Board Member of the Monash Sustainable Development Institute.

Previously, Sue has served as a Chairman, Director and senior business leader with ASXTop10 and global unlisted companies and high provide statutory authorities. Her executive career included 13 years as a senior executive at Telstra Corporation in a range of P&L and transformation roles.

Sue has completed a Bachelor of Applied Science and a Graduate Diploma of Business Management. She is a Fellow of the Australian Institute of Company Directors.

**PAULINE VAMOS – NON-EXECUTIVE DIRECTOR**

**Pauline Vamos** is a Non-Executive Director of MSAL and a member of the Company's Member Experience Committee, Audit & Risk Committee and Service Provider Committee. From 1 June 2020, Pauline will assume the role of Chairman of the Member Experience Committee. She is also a Director of the Banking and Finance Oath (BFO), as well as the Chairman of Interaction Disability Services.

She has over 30 years' experience in the financial services industry.

During 2017 to 2020, Pauline was Chairman of the Freedom Insurance Group, Chairman of CIMA Society of Australia (formerly IMCA Australia) and the CEO of Regnan, a leading research and engagement provider focused on long term ESG risks of the ASX 200 for institutional investors. Prior to Regnan, Pauline was the CEO of the Association of Superannuation Funds of Australia (ASFA) for almost nine years.

In the three years prior to 2007 when she joined ASFA, Pauline consulted to the financial services industry and was on a number of boards. Pauline was also a senior executive with the Australian Securities and Investments Commission (ASIC) for seven years and in that role, managed the implementation of the Managed Investment Act and the Financial Services Reform Act.

A qualified lawyer, Pauline has also been a corporate counsel, head of compliance, and strategic risk consultant. Previously, she has been a member of the peak advisory and consultative groups on pension and superannuation reform for government in Australia and the UK. Pauline was on the Advisory Council for the Centre for International Finance and Regulation (CIFR), an academic centre of excellence for research and education in the financial sector.

Pauline was voted 'most influential in the financial services industry' by Money Management as well as 'most influential in the superannuation industry' by Super Review. In 2013, She was recognised as one of the 'Australian Financial Review and Westpac 100 Women of Influence'. Pauline was also awarded in October the Superannuation Executive of the Year in the Women In Financial Services Awards 2016. In November 2016, Pauline was elected an ASFA Life Member in recognition of long standing service to ASFA and the superannuation industry.

**BEN WALSH – EXECUTIVE DIRECTOR**

**Ben Walsh** is an Executive Director of MSAL. He is also a Director of Mercer (Australia) Pty Ltd and Mercer Financial Advice (Australia) Pty Ltd and a Director and Chairman of Mercer Outsourcing (Australia) Pty Ltd, Mercer Consulting (Australia) Pty Ltd, Mercer Administration Services (Australia) Pty Ltd and Evolve Intelligence Pty Ltd.

Ben is the Managing Director & Chief Executive Officer for Mercer in Australia and heads the business across Australia and New Zealand. With a passion for culture, meaning and purpose, Ben has responsibility for delivering the firm's business segments of Health, Wealth and Career to clients. He is also Chairman of Marsh & McLennan Companies (MMC) incorporating Marsh, Guy Carpenter, Mercer, Oliver Wyman and NERA in Australia. With 25 years' service, Ben has worked for the Group in a variety of local and regional roles, and has worked internationally in the UK, USA and India. Ben was appointed to the Faculty of Business & Economics Advisory Board with The University of Melbourne in 2015 and joined the Board of the Financial Services Council of Australia (FSC) in 2018.

Ben holds a Bachelor of Commerce with Honours (University of Melbourne) and a Master of Business Administration (Melbourne Business School). He is a fellow of the Australian and New Zealand Institute of Insurance and Finance.

Ben will cease to hold office effective 30 April 2020.

**DARREN WICKHAM – NON-EXECUTIVE DIRECTOR**

**Darren Wickham** is a Non-Executive Director of MSAL. He is also the Chairman of the Company's Member Experience Committee and a member of the Company's Audit & Risk Committee.

Darren is a Fellow of the Institute of Actuaries of Australia and has particular expertise in the insurance and superannuation industry. He has had a variety of consulting, insurance and superannuation roles, including his current role of General Manager - Group Life Product and Pricing, Investments at TAL.

Through involvement with the Institute of Actuaries of Australia and other industry bodies (including ASFA), he has written a number of papers and presented on superannuation, life insurance and employee benefits. In 2008 Darren was awarded Australian Actuary of the Year.

**THE CHAIR**

The Company's Chair is an independent, Non-Executive Director, in accordance with the FSC Standard. The current Chair is Jan Swinhoe. The role of the Chair is to facilitate effective discussion and decision-making at the Board level and to ensure that the Committees under the control of the Board are fulfilling their functions and that the decisions are made in the best interests of Fund members and beneficiaries.

**QUORUM**

Under the Company's Constitution, a quorum of two directors entitled to vote on the resolutions is required for each Board meeting. As required by FSC Standard 20, a quorum of Board meetings will only be made if a majority of directors present and entitled to vote are independent.

## VACANCY

In accordance with FSC Standard 20, any vacancy in the office of an independent director will be filled within 180 days.

## DIVERSITY

The Company has adopted Mercer Australia's Diversity and Inclusion Policy, which is a group-wide policy that has been approved by all of Mercer Australia's Boards. Central to this policy is the belief that diversity in all its forms is critical for an energised, capable and effective Board, which focuses on new and independent thinking.

Mercer Australia is committed to achieving greater gender diversity for its Boards, with a target to achieve equal gender representation. While Mercer Australia has this target, all appointments are merit-based, seek to complement the skills, experience and attributes of current Board members and ensure alignment with the values and strategic focus of Mercer Australia.

The Company will report against this target in accordance with the FSC Standard. At the date of preparation of this statement, three of the Company's Non-Executive Directors are women.

## INDEPENDENCE

### INDEPENDENCE OF CHAIR AND MAJORITY OF DIRECTORS

In accordance with the FSC Standard, the Board consists of a majority of independent, Non-Executive Directors and the Chair of the Board is an independent, Non-Executive Director.

All directors, with the exception of Mr Bengner, Mr Walsh and Mr Wickham, have been determined to be independent in accordance with the definition contained in the FSC Standard. The Board is of the view that none of the directorships held by any of the Directors creates a real (or sensible possibility) of a material conflict that cannot be managed.

### DEALINGS WITH RELATED PARTY SERVICE PROVIDERS

All contractual agreements are provided on an arm's length basis. From time to time and upon renewal of an agreement, the Company seeks a review of the Company / Mercer agreements by an external independent party to check that the terms and conditions, including the services and standards specified, remain appropriate. Performance standards are regularly reviewed in relation to the terms stated in the respective contracts.

At Board and Committee meetings, service provider representatives are required to attend to answer questions and receive feedback from the Company regarding their performance. Actions arising from these discussions are monitored by the relevant Committee until the Board is satisfied they have been appropriately addressed. In this respect, Mercer is treated as any other service provider.

Further, the Company's Conflicts Management Framework requires that any potential conflicts between the Company and Mercer are managed in a way that ensures that the quality of services provided to the Company's funds is not compromised by such potential conflicts and that the Company meets its fiduciary obligation to its members.



## TRUSTEE/BOARD POLICIES

### BOARD RENEWAL

The Company is committed to good governance, and places emphasis on the process of Board renewal with the aim of maintaining an energised, capable and effective Board which is focused on new and independent thinking and always able to act in the best interests of Fund beneficiaries in achieving the Company's objectives.

The Company's policy with regard to the Board's composition and the appointment and tenure of its directors is, to the extent applicable, to comply with:

- (a) APRA governance requirements;
- (b) the requirements of its AFS Licence;
- (c) the FSC Governance Standard ; and
- (d) any applicable Mercer or Marsh & McLennan Companies policy, whilst balancing the desire to inject fresh and independent thinking against the risk of loss of corporate knowledge and relevant expertise

The Company has adopted a Board Governance Policy which sets out its minimum standards relating to:

1. The appointment and tenure of directors, including;
  - (i) selection, appointment and renewal criteria and process;
  - (ii) independence assessment;
  - (iii) performance objectives and assessment; and
2. Board governance generally, including:
  - (i) Board composition;
  - (ii) Board objectives and assessment;
  - (iii) meeting preparation and participation; and
  - (iv) roles of and operation of committees.

The standard term of appointment for directors of the Company is three years, after which the director is eligible for re-appointment. Re-appointment as a Company Director is conditional on satisfactory performance via an annual appraisal process (and where applicable, meeting the FSC independence criteria). The Board has determined the maximum period of tenure for an individual director will be nine years. However, in exceptional circumstances including to ensure an orderly transition of directors, the Remuneration and Nominations Committee may recommend an extension to this period for an additional period(s) of no longer than three years, in total.

Under the Company's Constitution, the power to appoint a Director is vested in the Company's shareholders. The Company's sole shareholder is MAPL, which is part of Marsh & McLennan Companies. The process for appointment of Directors is contained in the Board Governance Policy, which requires the input of the Company's Remuneration and Nominations Committee in the selection process.

Potential new candidates for Board membership are assessed having regard to the required director competencies contained in the Board Governance Policy.

## BOARD ASSESSMENT PROCESS

The Remuneration and Nominations Committee oversees an annual evaluation of the Board's performance and effectiveness, including the performance of the standing committees and individual directors. The purpose of the evaluation is to:

- (a) identify any issues for improvement;
- (b) clarify individual and group roles;
- (c) help identify any skills gaps;
- (d) assist team cohesion among Board members;
- (e) help improve relationships between the Board and management;
- (f) improve the effectiveness of the Board to achieve objectives; and
- (g) improve corporate and Fund performance.

This evaluation is expected to be undertaken on a self-assessment basis facilitated by the Board Chair, with the support of the Company Secretariat. At least once every two years, the evaluation will be carried out by an external party. The evaluation will focus on (as a minimum):

- (i) performance against the agreed role of the Board;
- (ii) the extent to which the Board has met its objectives over the preceding year;
- (iii) the Board's contribution to the Company and the Funds over the preceding year generally, including areas in which the Board or management believes the Board's future contribution or efficiency could be enhanced; and
- (iv) adequacy of administrative arrangements available to assist the Board.

A similar evaluation will be carried out in respect of each committee. In the case of directors, the assessment also considers whether they have met their Role Objectives over the preceding year.

## REMUNERATION

### BOARD REMUNERATION POLICY

The Company has adopted a Remuneration Policy which is overseen by the Remuneration and Nominations Committee.

The Remuneration Policy references the reward guiding principles established by the Marsh and McLennan Companies Group Compensation Committee and Mercer's global rewards philosophy. The policy takes account of APRA's Prudential Practice Guide 511 – Remuneration, as well as the Financial Stability Board's *Principles for Sound Compensation Practices* as referred to in the Prudential Standard.

The Remuneration and Nominations Committee, with advice from Mercer's Chief Risk and Compliance Officer and the HR Leader, will regularly review the appropriateness of Mercer's reward structures, particularly of variable remuneration, to ensure that they promote sound and effective risk management and do not reward failure, and they do not encourage risk-taking that exceeds the level of tolerated risk for the Company. Variable pay plans will be assessed against APRA's Prudential Standard and the Committee will determine if those plans are appropriately balanced from a risk perspective in terms of both the ratio between fixed and variable compensation and the structure and period of deferrals (both cash and stock), and make recommendations to the Company Board where the Committee deems this appropriate.

The Remuneration and Nominations Committee has the authority to adjust performance-based components of remuneration downwards, to zero if appropriate, in relation to persons or classes of relevant persons, if such adjustments are necessary.



## REMUNERATION OF DIRECTORS AND EXECUTIVE OFFICERS

Non-Executive Directors receive remuneration for their work, which is paid by the Company's immediate parent MAPL. Executive Directors do not receive any remuneration in relation to their directorship. The Company's Executive Directors are employed by MAPL and are made available to the Company under a group resource-sharing arrangement. MAPL's business is broader than the management of the Fund and many executive officers' responsibilities extend beyond the management of the Fund and the Company. To the extent that is the case, the remuneration disclosed for these Executive Officers is apportioned.

Remuneration paid in relation to Directors and relevant executive officers for the financial years ended 31 December 2018 and 31 December 2019 is shown in the tables below.

Directors	Sign on fees for FY19 \$	Cash Salary, fees and short term compensated absences		Short term cash profit sharing and other bonuses		Other short term benefits		Post-employment benefits Superannuation contributions (including SG and salary sacrifice)		Share based payments (Equity-settled share based payment transactions Shares and units)		Long term employee benefits not already otherwise disclosed		Termination payments FY 19 \$
		FY 19 \$	FY 18 \$	FY 19 \$	FY 18 \$	FY 19 \$	FY 18 \$	FY 19 \$	FY 18 \$	FY 19 \$	FY 18 \$	FY 19 \$	FY 18 \$	
B Bengert <sup>1</sup>	N/A	6,748	8,169	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	N/A
S O'Connor <sup>2</sup>	N/A	6,456	6,615	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	N/A
J Swinhoe <sup>3</sup>	N/A	8,129	8,083	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	N/A
P Vamos <sup>4</sup>	N/A	4,820	4,348	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	N/A
B Walsh	N/A	4,975	4,750	3,032	3,063	112	74	210	203	2,871	2,174	625	546	N/A
D Wickham <sup>5</sup>	N/A	5,531	5,515	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	N/A

<sup>1</sup> The total remuneration was paid to Shandora One Pty Ltd ABN 67 123 582 123, and is exclusive of GST.

<sup>2</sup> The total remuneration was paid to Liquidbreath Pty Limited ABN 26 608 049 958, and is exclusive of GST.

<sup>3</sup> The total remuneration was paid to Republic Corporate Services Pty Limited ABN 66 162 960 349, and is exclusive of GST.

<sup>4</sup> The total remuneration was paid to Pauline Vamos ABN 386 974 31170, and is exclusive of GST.

<sup>5</sup> The total remuneration was paid to Darren Wickham, and is exclusive of GST.

**Details of bonus payments**

Name	Terms and conditions of cash bonus, performance-related bonus or share-based payment compensation benefit made during the most recently completed financial year									
	(a) the grant date	(b) the nature of the compensation granted	Details of grant and vesting	(c) the service and performance criteria used to determine the amount of compensation	(d) any alteration of terms or conditions	(e) the percentage of the bonus or grant or vested	(f) the percentage of the bonus or grant for the financial year forfeited	(g) the financial years, after the most recently completed financial year, for which the bonus or grant will be payable if the person meets the service and performance criteria for the bonus or grant;	(h) estimates of the maximum and minimum possible total value of the bonus or grant (other than option grants) for financial years after the most recently completed financial year	
									<i>Minimum</i>	<i>Maximum</i>
B Walsh	19/02/2019	Performance Restricted Stock Units*	Granted: 7 Vested: 0	Discretionary award determined by Leadership considering executive performance criteria reviewing financial results of market, business and individual.	N/A	0%	0%	2020 2021 2022	0	625
	19/02/2019	Stock Options	Granted: 35 Vested: 0			0%	0%			
	19/02/2019	Restricted Stock Units*	Granted: 14 Vested: 17			0%	0%			

\*\* where the fair value per option at grant date was 90.785 USD, with a 33 year expiry date of the grant; options vest over a three year vesting period for RSU and three years before vesting for PSU.

## BOARD COMMITTEES

There are four committees relevant to the Company. A summary of the functions of each committee, including its membership, is provided below. The committees assist the Board in managing the day-to-day operations of the Fund.

COMMITTEE MEMBERS	COMMITTEE FUNCTIONS
<p><b>Service Provider Committee</b></p> <p><b>Brian Bengier, Chairman</b> Sue O'Connor Pauline Vamos</p> <p>Other Committee members: Two senior staff within Mercer who have extensive superannuation, experience. The Chair and one other member are Non-Executive Directors of the Company.</p>	<p>The objective of this Committee is to carry out the Company's service provider monitoring role with respect to non-investment related material outsourced providers in respect of each of the Funds in accordance with the Company's Outsourcing Policy, and in particular:</p> <ul style="list-style-type: none"> <li>▪ overseeing the selection process of Service Providers and making recommendations to the Board with respect to the appointment of Service Providers;</li> <li>▪ reviewing and monitoring the Service Providers generally, including but not limited to, compliance with service levels and obligations, quality and accuracy of service, timeliness and continuity of service, value for money;</li> <li>▪ making recommendations to the Board with respect to the termination of Service Providers; and</li> <li>▪ overseeing any transition of services to a new Service Provider.</li> </ul> <p>The Committee will escalate matters to the Board, as appropriate.</p>
<p><b>Member Experience Committee*</b></p> <p><b>Darren Wickham, Chairman</b> Jan Swinhoe Pauline Vamos</p> <p>Other Committee members: Two staff within Mercer who have experience relevant to the Committee's responsibilities. The Chair and two other members are Non-Executive Directors of the Company.</p> <p>Also in attendance are the Chief Customer Officer, Trustee Office Leader, Head of Product, Pricing &amp; Proposition and the Company's Legal Counsel.</p> <p>* From 1 June 2020, Pauline Vamos will assume the role of Chairman</p>	<p>The primary objectives of the Committee are to:</p> <ul style="list-style-type: none"> <li>▪ oversee the quality of the Company's products and services to members of its Funds to ensure they are and remain of a high standard;</li> <li>▪ oversee the adequacy of frameworks used by management for effective decision making in relation to, and monitoring of the financial position of employer-sponsored plans in the Mercer Super Trust; and</li> <li>▪ make decisions in relation to significant transactions relating to the plans within the Mercer Super Trust.</li> </ul> <p>The Committee will escalate matters to the Board, as appropriate.</p>
<p><b>Audit &amp; Risk Committee</b></p> <p><b>Sue O'Connor, Chairman</b> Brian Bengier Pauline Vamos Darren Wickham</p> <p>all of whom are Non-Executive Directors of the Company.</p> <p>Also in attendance are the Finance Director, Pacific; Chief Risk &amp; Compliance Officer, Pacific; Finance Operations Leader; Internal Audit Representatives; Chief Legal Counsel and the Company Secretary. External Auditors may also attend meetings of the Committee.</p>	<p>The Committee is responsible for the following in relation to the Company and the Funds:</p> <ul style="list-style-type: none"> <li>▪ review and monitor the effectiveness of management systems and internal controls relating to accounting processes;</li> <li>▪ overseeing the appointment of internal and external audit engagements and monitoring the scope, adequacy and independence of these arrangements;</li> <li>▪ overseeing the preparation of financial statements, internal and external audit arrangements and the response to and resolution of internal and external audit findings;</li> <li>▪ overseeing all financial, statutory and professional accounting reporting requirements;</li> <li>▪ provide assurance to the Board in relation to risk exposure, emerging risks, compliance with relevant obligations and overarching governance matters across the Mercer companies;</li> <li>▪ review and monitor the effectiveness and implementation of the Risk &amp; Compliance Culture, Frameworks, management systems and control environments;</li> <li>▪ monitor compliance with all regulatory obligations; and</li> <li>▪ monitor the adequacy and implementation of MSAL's Business Continuity arrangements.</li> </ul> <p>The Committee will escalate matters to the Board, as appropriate.</p>

COMMITTEE MEMBERS	COMMITTEE FUNCTIONS
<p><b>Remuneration and Nominations Committee</b></p> <p><b>Brian Bengier, Chairman</b> Sue O'Connor Jan Swinhoe</p> <p>all of whom are Non-Executive Directors of the Company.</p> <p>Also in attendance are the Managing Director, HR Leader, Chief Risk and Compliance Officer, Chief Legal Counsel and the Company Secretary.</p>	<p>The objective of the Remuneration and Nominations Committee is to act as a delegate of the Board with respect to remuneration, board assessment and board renewal as follows:</p> <ul style="list-style-type: none"> <li>▪ overseeing the selection process of potential new directors;</li> <li>▪ making recommendations to Mercer (Australia) Pty Ltd with respect to the appointment of and renewal of directors;</li> <li>▪ ensuring that the Remuneration Policy and its application is in accordance with APRA requirements; and</li> <li>▪ overseeing the annual Board assessment process.</li> </ul> <p>The Committee will escalate matters to the Board, as appropriate.</p>

## INTERNAL AUDIT

The Company's Internal Audit Function is provided by Marsh & McLennan Companies, Inc (MAPL's parent company). Internal Audit has a team of dedicated staff based in Australia, supplemented by specialist resources, as required.

An Internal Audit Framework (Australia) has been adopted by the Company, which sets out an overview of the MMC internal audit function, an overview of the Mercer Australia and subsidiaries assurance framework including the three lines of defence, interaction between business and assurance functions, boards and committees and the internal audit planning, execution and reporting process.

Internal Audit has direct access to the Board and the Audit & Risk Committee.

## MEETING ATTENDANCE

The following table details the directors' attendances at Board meetings for the last seven financial years ending on 31 December:

ATTENDANCE	FY19	FY18	FY17	FY16	FY15	FY14	FY13
<b>Total Meetings held</b>	<b>11#</b>	<b>19</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>6</b>
Brian Bengier	6	18	8	7	8	8	6
Sue O'Connor	9	19	7	8	3 out of 3	N/A	N/A
Jan Swinhoe	11	19	8	7	6	3 out of 4	N/A
Pauline Vamos	11	18	4 out of 4	N/A	N/A	N/A	N/A
Ben Walsh	4	19	8	8	8	7	6
Darren Wickham	10	18	6 out of 6	N/A	N/A	N/A	N/A

# During the year, five special-purpose meetings were held dealing with a matter from which Messrs Bengier and Walsh were required to be excluded.