

UQef

BOARD CHARTER

Approved by the Board

BOARD CHARTER

A. INTRODUCTION

UQ Endowment Fund Pty Ltd's (**UQef** or **Company**) Board is responsible for the overall corporate governance of The University of Queensland Endowment Fund (**UQef Fund** or **Trust**). The Board recognises the need for the highest standards of behaviour of the Company.

B. ROLE AND POWERS

The Board of UQef is responsible for:

- overseeing the Trust including:
 - defining the objectives and goals of the Fund; and
 - establishing the guiding principles and philosophy of the Fund;
- monitoring the Trust's financial performance, including adopting annual budgets and approving the Trust's financial statements;
- providing input into and approving the UQef goals and strategic direction;
- reviewing and ratifying the UQef risk management system, internal compliance and control systems, codes of conduct and legal compliance;
- selecting and (where appropriate) removing the Chief Executive Officer and reviewing the performance of senior management; and
- ratifying the appointment and (where appropriate) removal of the Chief Financial Officer and the Company Secretary.

In performing these responsibilities, the Board should at all times:

- act in a manner designed to create and continue to build value for stakeholders, including donors, The University, Alumni and Friends of the University;
- act in accordance with the law.

The Board's powers include the ability to:

- initiate and adopt corporate plans, commitments and actions;
- initiate and adopt changes in accounting principles and practices;
- provide advice and counsel to the Chief Executive Officer;
- instruct and review the actions of any Board committee and of the Chief Executive Officer;

- make recommendations to stakeholders;
- meet from time to time in the absence of management;
- require the attendance of the Company's External Auditor either with or without management being present; and
- act as to all other corporate matters.

The Board may delegate to its Committees, a Director or another person, authority to perform any of its functions or exercise any of its powers subject to the Board's ultimate responsibility for overseeing.

C. BOARD MEMBERSHIP

The Chairman of the Board is at all times to be an Independent Director (see Section D below).

The Board (and each individual Director) is entitled to seek independent professional advice at the Trust's expense (subject to the reasonableness of the costs and Board consent) in the conduct of its duties for the Company.

It is considered that the composition of the UQef Board is such that it clearly separates the Board from the executive management of the Company and enshrines Board independence. The structure of the Board also provides the Trust with the benefit of a diverse range of experience, qualifications and professional skills.

The composition of the Board is reviewed annually by the Nomination Committee to ensure that it has available an appropriate mix of skills and experience to ensure the interests of stakeholders are served.

D. INDEPENDENCE

The Board considers all Directors to be "Independent Directors" because they are all non-executive directors who are free of any business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgments.

The basis of selection of the Board has been to have a Board of five members – to date four have been elected because of their strong desire to support philanthropy for the University of Queensland.

The Chairman, Graeme Wood, agreed to consent to act because of his strong desire to repay the benefits from being a student at the University.

Darryl McDonough consented to act as the "Responsible Person", a statutory position as defined by legislation creating "Prescribed Private Funds" under Australian Taxation Laws.

Tim Crommelin was recommended by the University Senate, and there currently is one vacancy to be filled by recommendation from the Vice-Chancellor's office.

E. MEETINGS

The procedure for convening meetings of the Board and for the conduct of meetings is as specified in the Company's Constitution.

F. BOARD COMMITTEES

The Board may from time to time establish committees to assist it in carrying out its responsibilities. These committees shall perform the activities specified in written Charters adopted by the Board for the particular committee and such other matters as the Board may consider appropriate.

The Board has established the following committees:

- Audit and Risk Committee;
- Nomination Committee;
- Investment Committee; and
- Substance Abuse Fund Committee.

G. ASSESSMENT

The Board shall, in such manner as it deems fit, undertake an annual performance evaluation of itself that:

- compares its performance with the requirements of this Charter; and
- sets its goals and objectives for the upcoming year.

In conducting this review the Board shall also consider the annual assessment of the effectiveness of the Board as conducted by the Nomination Committee.

H. CHARTER REVIEW

This Charter will be reviewed and, if necessary, updated annually by the Board.

UQef

AUDIT COMMITTEE CHARTER

AUDIT COMMITTEE CHARTER

A. PURPOSE OF THE COMMITTEE

The Board of UQ Endowment Fund Pty Ltd (**UQef** or **Company**) has established the Audit Committee to provide ongoing assurance in the areas of:

- financial administration and reporting;
- audit control and independence; and
- risk overseeing and management, and internal controls.

This Committee and the functions it performs do not diminish the ultimate responsibility of the Board.

B. ROLE AND OBJECTIVE

The Committee acts in a review and advisory capacity and supports the full Board. It is considered to be a more efficient forum than the full Board for reviewing and overseeing:

- the integrity of the Company's financial reporting;
- the Company's risk management and internal controls; and
- the Company's system of compliance with laws and regulations, internal compliance guidelines, policies, procedures and control systems, and prescribed internal standards of behaviour.

In addition, the Committee is available to perform such reviews and inspections as the Board may from time to time direct.

C. COMPOSITION

UQef Board has resolved that:

- the Committee must have at least two members;
- at least one member of the Committee must have financial expertise (i.e. is a qualified accountant or other financial professional with expertise of financial and accounting matters).

Appointment and Term

The members of the Committee and its Chairman will be determined by the Board. There is no prescribed term for membership of the Committee. Members may be appointed or removed by a resolution of the Board. Membership of the Committee ceases when a member ceases to be a Director.

D. MEETINGS

The Committee will meet as frequently as considered necessary by the Committee Chairman for it to discharge its role effectively, but must meet at least once per financial year. The Committee Chairman must convene a meeting if requested to do so by any Committee member or the Board. The Committee Chairman will decide on the timing of the meetings of the Committee.

The Accountant must attend all meetings of the Committee and will act as the Committee Secretary (with responsibility for maintaining minutes). Minutes of all meetings, when signed by the Committee Chairman, constitute a record of the business of the Committee. These signed minutes are circulated to the full Board at the following Board meeting.

The Committee Secretary shall be responsible, in conjunction with the Chairman, for drawing up and circulating agendas, and providing any explanatory documentation prior to each meeting.

The External Auditor and members of UQef management will be invited to attend Committee meetings at the discretion of the Committee.

A quorum consists of two members of the Committee.

E. AUTHORITY AND ACCESS

In carrying out its responsibilities, the Committee will have direct and unfettered access to:

- the External Auditor (with or without management present); and
- management of UQef.

The Committee shall also have the authority:

- to conduct or direct any investigation required to fulfill its responsibilities;
- to obtain independent opinions and engage independent experts at the Company's cost where it considers it necessary to carry out its duties; and
- to obtain explanations and additional information from any Company personnel as it requires from time to time.

F. REPORTING

At the earliest possible Board meeting following a Committee meeting the Committee Chairman is to report:

- any matters that in the Committee's opinion should be brought to the attention of the Board;
- any recommendation of the Committee which requires Board approval; and
- any matter requiring Board action.

As stated above, signed minutes from Committee meetings are circulated to the full Board at the following Board meeting.

The Committee should recommend to the Board acceptance of the annual financial statements after providing the Board with:

- an assessment of the management processes and controls which support external reporting;
- an assessment of the performance and independence of the External Auditor and whether the Committee is satisfied that independence of this function has been maintained having regard to the provision of non-audit services;
- the results of its review of the risk management, internal compliance and control systems;
- an assessment of whether external reporting is consistent with Committee members' information and knowledge and is adequate for stakeholder needs;
- procedures for the selection, appointment and removal of the External Auditor and the rotation of the External Auditor's engagement partner; and
- the results of the annual review of this Charter.

The Committee Chairman is to submit an annual report to the Board at the Board meeting at which the year-end financial statements are approved, summarizing the Committee's activities during the year.

G. DUTIES AND RESPONSIBILITIES

The Committee is responsible for:

Financial Reporting

- reviewing the audited annual financial statements and any accompanying reports with management and the External Auditor in order to recommend their approval to the Board;
- reviewing the integrity and effectiveness of the UQef Group's financial reporting systems and controls;
- reviewing with management any significant accounting and financial reporting issues raised by the External Auditor;
- determining the adequacy of the UQef Group's administrative, operating and accounting controls, and promoting understanding and maintaining such controls with the UQef Group;
- reviewing the management letter issued by the External Auditor; and
- reviewing the regulatory certifications of the accountant and Chief Executive Officer and the controls and processes used to reach the opinions in such certifications.

Control and Independence

- recommending to the Board the appointment of the External Auditor;

- reviewing the scope of the External Audit Plan, the performance of the External Auditor and overseeing and appraising the quality of audits conducted by the External Auditor;
- being guided by the following principles in recommending the appointment of the External Auditor and in reviewing their effectiveness:
 - the External Auditor must be a registered company auditor and be a member of an accredited professional body;
 - the audit partner and any audit team member must not be Director or officer charged with the governance of UQef, or have a business relationship with the Company or any officer of the Company;
 - the audit team shall not include a person who has been a former officer of the Company during that year;
 - the External Auditor must have actual and perceived independence from UQef and shall confirm their independence to the Board;
 - the work is to be undertaken by people with an appropriate level of seniority, skill and knowledge; and
 - the External Auditor is not to provide non-audit services under which they assume the role of management, become an advocate for the Company or audit their own work;
- establishing processes to ensure the independence and competence of UQef's External Auditor. This will include:
 - a requirement that the audit partner and the independent review partner rotate at least every five years with a minimum three year period before being reappointed to the UQef audit team;
 - obtaining at least annually from the External Auditor a formal written statement detailing all relationships between the External Auditor and the Group to assess the External Auditor's independence; and
 - pre-approving all audit and non-audit services to be performed for the UQef Group;
- reinforcing management's commitment to the implementation of approved recommendations;
- maintaining, by regular meetings, open lines of communication among the Board and the External Auditor to enable an exchange of views and information, as well as to confirm their respective authority and responsibilities;
- resolving outstanding items arising from any audit as necessary;
- ensuring issues raised by the external audit are resolved in a timely and positive manner;
- ensuring that no management restrictions are placed on access to relevant information or personnel by the External Auditor; and
- meeting privately with the External Auditor at least annually.

Risk Management

- the establishment of policies on risk overseeing and management, which:
 - set out the roles and respective accountabilities of the Board, the Committee and management;
 - provide for overseeing the establishment and implementation of the Company's risk management system;
 - provide for a review (at least annually) of the effectiveness of the Company's implementation of its risk management system;
 - establish (and regularly review and update) a risk profile for the Company describing material risks (both financial and non-financial) facing the Company; and
 - oversee the Company's internal compliance and control systems established by management, including reviewing the effectiveness of these systems in identifying, assessing, monitoring and managing material business risks throughout the UQef Group.

Compliance

- assessing the internal processes in place for ensuring legal compliance, in particular those responsibilities imposed under Corporations Law, the applicable licensing legislation and other relevant legislation.

General

- referring to the Board matters of significant concern arising from the Committee's mandate.

H. CHARTER REVIEW

This Charter will be reviewed and, if necessary, updated annually and any changes required should be recommended to the Board for approval. The Committee will annually review its own performance.

UQef

NOMINATION COMMITTEE CHARTER

NOMINATION COMMITTEE CHARTER

A. PURPOSE OF THE COMMITTEE

The Board of UQ Endowment Fund Pty Ltd (**UQef** or **Company**) has established the Nomination Committee (**Committee**) to:

- establish procedures for the selection and recommendation of candidates suitable for appointment to the Board;
- to annually appraise the performance of the Board and staff.

This Committee and the functions it performs do not diminish the ultimate responsibility of the Board.

B. COMPOSITION

Membership

UQef Board has resolved that:

- the Committee must have at least three members;
- the Director holding the position of “Responsible Person” must be a member of the Committee.

Appointment and Term

The members of the Committee will be determined by the Board. UQef Chairman will appoint the Committee’s Chairman (which may involve self-appointment). There is no prescribed term for membership of the Committee. Members may be appointed or removed by resolution of the Board. Membership ceases when a Committee member ceases to be a Director of the Company.

C. MEETINGS

The Committee will meet as frequently as considered necessary by the Committee Chairman for it to discharge its role effectively, and must meet at least once per financial year. The Committee Chairman must convene a meeting if requested to do so by any Committee member, or the Board. The Committee Chairman will decide on the timing of meetings of the Committee.

The Committee Chairman is responsible for:

- Creating and circulating the agenda for meetings, and
- Keeping the minutes of meetings and circulating them to Committee and other Board members.

A quorum for a meeting consists of two members of the Committee. A motion will be passed by a simple majority of votes cast in favour by members present and eligible to vote. In the event of an equal number of votes being cast for and against a motion, the motion will be referred to the Board for resolution (i.e. the Chairman of the Committee does not have a casting vote).

Meetings may be held in person, or by telephone, video or internet conferencing.

The Chief Executive Officer will usually be invited to attend meetings of the Committee, but has no voting rights. Other Board members may attend any Committee meeting.

D. ACCESS

The Committee is entitled to unlimited access to internal and external resources and has the ability to consult independent experts where it considers it appropriate, at the Company's cost.

E. DUTIES AND RESPONSIBILITIES

The Committee's role is twofold, namely:

Board Nomination Role – This involves assisting the Board to ensure the succession of:

- **Director Competencies** – including:
 - periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, to best manage the Trust's responsibility; and
 - reviewing induction procedures for newly appointed Directors.
- **Evaluation of Board Performance** – undertaking (and reporting back to the Board) an annual assessment of the effectiveness of the Board and staff.
- **Recommendations for Appointment and Removal of Directors** – including selecting and recommending candidates for the Board when circumstances warrant the appointment of a new Director.
- **Board Succession Planning** – including establishing and reviewing Board succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board.

Remuneration Role – This involves assisting the Board in ensuring that the Company has in place appropriate remuneration policies designed to meet the needs of the Company and to enhance corporate and individual performance.

F. CHARTER REVIEW

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UQef

INVESTMENT COMMITTEE CHARTER

INVESTMENT COMMITTEE CHARTER

A. PURPOSE OF THE COMMITTEE

The Board of UQ Endowment Fund Pty Ltd (**UQef** or **Company**) has established the Investment Committee to provide advice and guidance to the Board for the management of the investment of the University of Queensland Endowment Fund by:

1. Establishing an Asset Allocation Policy for the investment of the trust's assets.
2. Assist with and make recommendations to invest the trust's funds in accordance with the Asset Allocation Policy.
3. If the Board considers that external assistance is required in the investment process, to establish policy and procedures for the selection process and make recommendations.

B. COMPOSITION

Membership

UQef Board has resolved that:

- the committee must have at least three members;
- one member must be the "responsible person".

Appointment and Term

The members of the Committee and its Chairman will be determined by the Board. There is no prescribed term for membership of the Committee. Members may be appointed or removed by a resolution of the Board. Membership of the Committee ceases when a member ceases to be a Director.

C. MEETINGS

The Committee will meet as frequently as considered necessary by the Committee Chairman for it to discharge its role effectively but must meet at least four times per financial year. The Committee Chairman must convene a meeting if requested to do so by any Committee member, or the Board. The Committee Chairman will decide on the timing of the meetings of the Committee.

The Chief Executive Officer must attend all meetings of the Committee and will act as the Committee Secretary (with responsibility for maintaining minutes). Minutes of all meetings, when signed by the Committee Chairman, constitute a record of the

business of the Committee. These signed minutes are circulated to the full Board at the following Board meeting.

The Committee Secretary shall be responsible, in conjunction with the Chairman, for drawing up and circulating agendas, and providing any explanatory documentation prior to each meeting.

A quorum consists of two members of the Committee.

D. AUTHORITY AND ACCESS

The Committee shall have the authority to:

- conduct or direct any investigation required to fulfill its responsibilities;
- obtain independent opinions and engage independent experts at the Company's cost where it considers it necessary to carry out its duties; and
- obtain explanations and additional information from any Company personnel as it requires from time to time.

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F. DUTIES AND RESPONSIBILITIES

The Committee is responsible for:

Investment Objectives

The investment objective is to obtain the maximum possible return on available capital consistent with the preservation of the real value of that capital over the longer term. The objective is managed within the restraint that the portfolio contains sufficient liquid assets that are not subject to undue capital fluctuations so that annual distributions to support the trust's objectives can be met. There are no specific restrictions placed on asset classes or specific assets and securities. However, the investment objective recognises that the investment policies must reflect an ethical position consistent with the high expectations of society at the time. The investment

criteria must reflect the need for diversification across and within asset classes and the principle that a disciplined, consistent management philosophy be implemented. The underlying principle of a positive relation between risk and expected return guides investment decision making applies.

General

The Committee will refer to the Board matters of significant concern arising from the Committee's mandate.

G. CHARTER REVIEW

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UQef

CODE OF CONDUCT

UQef – Code of Conduct

A. CORE VALUES

The UQef is committed to the following core values:

- act in accordance with the law; and
- use the UQef group resources and property appropriately.

B. BEST EXPERIENCE FOR OUR STAKEHOLDERS

- We strive to provide a prompt, courteous and efficient service to our stakeholders, and to respond to their needs.

C. ACT WITH HONESTY, INTEGRITY AND FAIRNESS

- In all our dealings, we follow an approach that is honest, fair and maintains our integrity.
- We do not act in a manner likely to bring discredit on the UQef group, or the University of Queensland.

D. ACT IN ACCORDANCE WITH THE LAW

- We abide by all the laws that apply to our business.
- We will immediately report any actual or potential breach of the law or this Code so that appropriate action can be taken.

E. USE PROPERTY AND RESOURCES APPROPRIATELY

- We use the UQef group's property and resources only for purposes directly relating to the educational pursuits of the University of Queensland.
- We avoid situations where our private interests or associations could conflict, or could appear to conflict, with our Trust responsibilities.
- We will immediately and fully disclose any personal matters that may lead to actual or perceived conflicts of interests.
- We keep proprietary information obtained in the course of our duties confidential.
- We will immediately report any actual or potential breach of this Code so that appropriate action can be taken.