

Rules for nomination, appointment and removal of Trustee directors

The following rules are outlined in the Challenger Retirement and Investment Services Limited (**Trustee**) Constitution, Trustee Board charter and Challenger Limited (**Challenger**) group policies.

As at 1 July 2014, the Trustee Board is comprised of three independent directors (including the Chairperson) and two executive directors.

Rule	Summary
Nomination	<p>Directors are nominated by the senior leadership team of Challenger and successful nominees are provisionally approved by the Chief Executive Officer of Challenger.</p> <p>The Trustee Board approves the nomination by appointing the relevant person as director.</p>
Appointment	<p>Subject to directors satisfying the provisions of APRA Prudential Standard SPS 520 – Fit & Proper and the provisions of the constitution, directors are appointed to the Board by resolution passed in a general meeting of the Board.</p> <p>The independent Chairperson of the Board must be appointed by the directors.</p> <p>Directors are issued with an appointment letter that sets out the details of the appointment.</p>
Board renewal	<p>Unless otherwise approved by the Board, the term of any independent director will be no longer than 10 years.</p> <p>In having regard to its composition, the Board will consider whether directors have served for a period which could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of the beneficiaries of the Challenger Retirement Fund and the Trustee company.</p> <p>Annually, after considering the results of the Board’s performance review, the Chairperson and directors will consider the Boards composition, taking into account the skills, training, expertise, regulatory environment, tenure and contribution of the directors and if thought fit, consider new appointments and or resignation of directors in accordance with the Trustee company’s constitution.</p>
Removal	<p>A director can be removed if they fail to meet the requirements under the Board Charter, or if disqualified under the <i>Superannuation Industry (Supervision) Act 1993</i>, or is prohibited from being a director.</p> <p>The Trustee company may by resolution passed in general meeting:</p> <ul style="list-style-type: none"> • remove any director before the end of the director's term of office; and • if the outgoing director is a non-executive (independent) director, elect another person to replace the director.
Vacancy	<p>A vacancy in the office of director will be filled in accordance with procedures determined by the Board, from time to time.</p>