



Asset & Liability Committee Charter

CBHS Health Fund Limited

February 2024

Version Control

| Version Number | Date Approved | Approved By | Changes |
|----------------|--|---|--|
| V1.0 | 15.12.2016 | Board | Changes included providing further details for Committee Support |
| V1.1 | 17.11.2017 22.12.2017 | ALCo Board | Changes include: <ul style="list-style-type: none"> • Consistent application of ALCo name; • to include Environmental, Social and Governance (ESG) factors in all investment considerations into the Committee's responsibilities; • To include a cover page, similar to other Committee Charters; and • To include a Charter History sections, which will detail the changes made to the charter each year. |
| V1.2 | 15.08.2018 28.06.2018 20.12.2018 | ALCo Board (in principle agreement) Board | Changes include the responsibility to support and advise the Board of CBHS Corporate on its funds under management. |
| V1.3 | 8.11.2019 12.12.2019 | ALCo Board | Annual review and reformatted to incorporate standard template for Charters. |
| V1.4 | 12.11.2020 11.12.2020 | ALCo Board | Annual review - minor changes and change the annual review process of CMP, LMP and IPS to every 2 years |
| V1.5 | 24.02.2022 | Board | Change to review every 3 years Add reference to strategic assets Typographical changes |
| V1.6 | 21.02.2024 23.02.2024 | ALCo Board | Change to incorporate Committee's role under ICAAP and updates to the Investment Policy approved by the Board in June 2023. Clarify process relating to passing of circular resolutions. |

Asset & Liability Committee Charter

The Charter of CBHS' Asset & Liability Committee (**Committee**) set out in this document was approved by the Board of Directors of CBHS Health Fund Limited (**Board**).

1. Purpose

The purpose of this Asset & Liability Committee Charter is to set out the authority delegated to the Committee by the Board and to set out the role, responsibilities, membership and operation of the Committee and the manner in which it discharges its responsibilities for CBHS and its subsidiary companies (collectively **CBHS Group**).

2. Establishment

The Asset & Liability Committee has been established by resolution of the Board.

3. Role

The role of the Committee is to assist and make recommendations to the relevant Boards of the CBHS Group on management of capital, the development of investment objectives and the implementation of appropriate strategies for the investment of assets.

4. Authority

The Committee has the authority and power to exercise the role and responsibilities set out in this Charter and under any separate resolutions approved by the Board from time to time.

5. Access to Information and Advisers

The Committee has direct and unlimited access to all resources necessary to discharge its responsibilities. This includes:

- a. requiring Executive Management¹ or others to attend meetings and to provide any information or advice that the Committee requires;
- b. accessing CBHS Group documents and records;
- c. obtaining the advice of special or independent advisers or other experts without seeking approval of the Board or management;
- d. having free and unfettered access at all times to Executive management, risk and financial control personnel and other parties (internal and external); and
- e. the authority to conduct or direct any investigation required to fulfil its responsibilities including engaging such external advisers as it deems necessary to carry out its functions.

6. Responsibilities

The Committee is responsible for:

- investment objectives, strategic benchmarks, investment structure, strategic asset allocation, investment target allocations and investment delegations for the CBHS Group's investment activities;

¹ Executive Management refers to the Group Chief Executive Officer & Executive Director and their direct executive reports.

- approving the investments under each strategic allocation category. From time to time, this may result in either a change in weighting to underlying fund managers or change in fund managers;
- where practical, embedding Environmental, Social and Governance (ESG) factors in all investment considerations;
- reviewing the CBHS' Internal Capital Adequacy Assessment Process (ICAAP) and Investment Policy at least every two years or more frequently if required and to recommend to the Board any proposed changes;
- where requested by the Board reviewing strategic investment proposals and recommend whether the proposals should be adopted;
- monitoring the performance of CBHS' investment advisors, individual fund managers and any other investment consultants, and conduct a formal review of their performance at least annually;
- approving the appointment, compensation and retention of CBHS' investment advisors;
- reviewing reports on investment performance and outlook and make appropriate recommendations to the relevant Board(s);
- considering any other matters referred to the Committee by the relevant Board(s);
- reporting to the Board(s) on its activities:
 - For CBHS, this will include tabling the minutes of the Committee meetings;
 - For CBHS Corporate, this will involve an update on capital, liquidity and investment performance (noting CBHS Corporate only invests in cash and term deposits); and
- reviewing management, monitoring and compliance with the capital levels stated in the ICAAP.

7. Membership

7.1 Composition and Size

The Committee is appointed by the Board and shall consist of at least three members:

- a. with no less than two being Non-Executive Directors of CBHS;
- b. a majority of whom are independent directors²;
- c. who should have capital and investment expertise so as to discharge the Committee's mandate effectively; and
- d. the Board will review the membership of the Committee annually.

7.2 Chair

The Chair of the Committee must be an independent director and must not be the Chair of the Board. The Chair of the Board can be a member of the Committee.

7.3 Secretary

The Company Secretary is the secretary to the Committee, however, either the Company Secretary or the Deputy Company Secretary can attend the meetings of the Committee.

² A reference to independent director is a reference to APRA's Prudential Standard CPS 510 Governance.

8. Meetings

8.1 Frequency and Scheduling

The Committee meetings will be conducted in accordance with the provisions of CBHS' Constitution and APRA's Prudential Standards. The Committee will meet a minimum of four times each year or otherwise as frequently as required to undertake its role effectively.

Meetings will be scheduled for an upcoming calendar year towards the end of each calendar year. Unscheduled meetings may be convened by the Chair where required (including using technology as permitted by the Constitution).

In cases where circumstances make it impractical to convene and hold a meeting, the Committee may pass resolutions by each member signing a circular resolution that contains a statement that they are in favour of the resolution set out in the document. Separate copies of a document may be used for signing by the Committee members if the wording of the resolution and statement is identical in each copy. The resolution is passed when the last Committee member signs. For avoidance of any doubt a circular resolution may be passed by email or by using any other electronic means and will be treated as a document in writing signed by that Committee member.

8.2 Quorum

Two committee members constitute a quorum for meetings of the Committee.

8.3 Third Party Attendances

Third parties may attend meetings by invitation.

8.4 Minutes and Reporting

The minutes of Committee meetings must be circulated at the next Board meeting immediately following the Committee meeting (unless, because of time constraints, this is not practicable, and the minutes can only be reasonably circulated at a later Board meeting).

The Committee through its Chair will:

- a. report to the Board on its activities at the next Board meeting on a regular basis and no later than the next Board meeting following a Committee meeting; and
- b. ensure that the Board is aware of material matters considered by the Committee.

9. Performance

The Committee will ensure that its performance against the Charter is formally reviewed at least annually in accordance with processes established by the Board and the Company Secretary will report the findings of that review to the Committee. The Chair of the Committee will report the findings of that review to the Chair of the Board.

10. Review

This Charter will be reviewed by the Committee every 3 years, including reviewing and evaluating the effectiveness of the Committee in meeting the individual needs and requirements of CBHS.

Material proposed changes to the Charter will be submitted to the Board for approval. The Committee may approve non-material or administrative amendments to this Charter and report these to the Board.