

BOARD RENEWAL POLICY

Policy Accessibility	This policy is for viewing by the Leadership Team and the directors of the Guild Group, its subsidiaries and controlled entities
Policy Scope & Summary	The objective of this policy is to describe how each Board (as defined in clause 2.2 of this policy) intends to renew itself in order to ensure that it remains open to new ideas and independent thinking, whilst retaining adequate expertise
Policy Owner	Company Secretary
Policy Creation and Date	August 2017
Internal Approval Authority	Chief Executive Officer
Policy Approved by	To be approved by the Boards of Guild Group Holdings Limited, each subsidiary and controlled entities. This policy has been recommended by the Guild Group Remuneration & Nominations Committees,
Approval Date	September 2020
Next Policy Review Date	December 2021
Related Policies	<ul style="list-style-type: none"> • Guild Group Fit and Proper Policy • Guild Group Conflicts of Interest Policy • Guild Group Board and Director Charter • Guild Group Recruitment Policy

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1. INTRODUCTION AND POLICY STATEMENT

1.1 Introduction

- i. The Guild Group has established a three-tiered Board Structure;
- ii. Tier 1 are the Boards of Guild APRA regulated subsidiaries
 - a. Guild Group Holdings Limited (“**GGHL**”) as an authorised Non-Operating Holding Company for the purposes APRA Prudential Standards CPS 510 (Governance);
 - b. Guild Insurance Limited (“**GIL**”) as an Insurer for the purposes APRA Prudential Standards CPS 510 (Governance); and
 - c. Guild Trustee Services Pty Limited (“**GTS**”) as a registrable superannuation entity licensee under the Superannuation Industry (Supervision) Act 1993 for the purposes of APRA Prudential Standard SPS 510 (Governance),
- iii. Tier 2 are the boards of Guild Non-APRA regulated subsidiaries and
- iv. Tier 3 are Boards of controlled companies to be called Controlled Boards

1.2 Policy Statement

The objective of this policy is to describe how each Board intend to renew itself in order to ensure that it remains open to new ideas and independent thinking, whilst retaining adequate expertise.

2. APPLICATION, APPROVALS & RESPONSIBILITY

2.1 Application

This policy applies to each of the Tier 1 and Tier 2 entities, and where possible and practical Tier 3.

2.2 Policy Approval

This policy, including any variations or updates, must be approved by each of the Boards).

2.3 Responsibility

- (a) The Boards have ultimate responsibility for implementing this policy and for undertaking actions and performing duties under this policy.
- (b) Primary responsibility for identifying and managing any issues or matters arising from this policy rests with the Boards supported by Guild Group Remuneration & Nominations Committee

3. BOARD CAPABILITIES

With the following processes (described in further detail in paragraphs 3 to 7) being in place:

- (a) fit and proper assessment and monitoring;

- (b) regular review of optimal composition of the board and its committees;
- (c) skills and competencies assessment and monitoring;
- (d) governance and strategic monitoring; and
- (e) Board Rotation Policy,

the Boards believe that they will continue to have an appropriate mix of talent, skills and experience to enable the Boards to critically and independently assess, monitor and supervise the management of the business(es)

4. FIT & PROPER ASSESSMENT AND MONITORING

- (a) The Boards have effected and implemented, where required a Fit & Proper Policy regarding all responsible persons including the directors of the Boards. The Fit & Proper Policy is designed to evidence and ensure that the Guild companies and their directors meet the minimum standards of fitness and propriety at the time of their appointment and on an ongoing basis. Various processes are contained within the Fit & Proper Policy including the assessment and ongoing monitoring of, directors' fitness and propriety (including the assessment of any conflicts of interest based on the GGHL Conflicts of Interest Policy) and determination of competence and values.
- (b) The implementation of the Fit & Proper Policy will enable the Boards to identify and manage issues relating to the fitness and propriety of directors. Such issues and the determination of status according to the various requirements outlined in the Fit & Proper Policy and mentioned in clause 30(e), will assist the Boards in identifying and managing any skill, competency or knowledge gaps and will thereby be used to identify board renewal issues or matters regarding access to new ideas and independent thinking which require attention.

5. REVIEW OF OPTIMAL COMPOSITION

- (a) The Boards have effected and implemented process to review its optimal composition set out in the Board and Director Charter Schedule 11. Under this process, the Boards will review its composition with a view to arriving at current and future optimal board compositions that will be used to inform the board renewal process.
- (b) Optimal board compositions will identify a collective skillset that each committee and board should have. In determining optimal board composition, the Board will consider, the performance of individual directors and the Boards are identified and assessed on an ongoing basis and formally every two years. In addition to the ongoing process, Directors may at any time discuss with the Chair of the Board any issue concerning board performance.

6. PERFORMANCE ASSESSMENT AND MONITORING

The Boards have effected and implemented a director performance assessment and monitoring process, set out in the Board and Director Charter. Schedule 12

7. GOVERNANCE & STRATEGIC MONITORING

- (a) The Boards have access to external advice to assist the Chairs and the Boards in monitoring, advising on and attending to governance, regulatory and board strategic developments, issues, trends and needs pertinent to GGHL, its subsidiaries and controlled entities.

- (b) This external advice will help the Boards to identify options, opportunities and factors to be considered with regard to board structure and committee composition and Board and committee processes and procedures.

8. BOARD ROTATION POLICY

In consideration of a Board Rotation Policy (referred below), the Guild companies and its Boards must:

- (a) be mindful of the need to maintain skills, competencies and knowledge, particularly those that are necessary in order to meet current and ongoing fitness and propriety requirements, on the part of individual Directors and the Boards; and
- (b) give consideration to whether Directors have served on a Board for a period that could reasonably be perceived to materially interfere with their ability:
 - (i) to act in the best interest of GGHL, its subsidiaries and controlled entities; and
 - (ii) to act in the best interest of beneficiaries of the Fund - in the case of GTS.

Rotation Policy, (guidance for all boards)	Initial Term	Maximum Tenure
Independent Directors <i>means a non-executive director who is not a member of management and who is free from any business or other relationship that could materially interfere (or could reasonably be perceived to materially interfere) with the independent exercise of that director's judgement.</i>	5 years	10 years*
Affiliated Director <i>means any Director that is affiliated with the Pharmacy Guild of Australia as determined by the Directors, at the time of the meeting of Directors</i>	5 years or as determined by the PGA	10 years*

* All Boards maintain the discretion, with the approval of Ultimate Shareholder to extend the maximum tenure for a further twelve months, in circumstances where the skills the Director concerned brings to the Board cannot reasonably be replaced at that time.

9. APPOINTMENT AND REMOVAL OF DIRECTORS

- (a) A Director may be appointed or removed from office in accordance with its Constitution and the Corporations Act 2001 (Cth).
- (b) The composition of each Board is set out in the Board and Director Charter.
- (c) In considering the appointment of a new Director to the Board, the following criteria will be taken into account:
 - (i) The Ultimate Shareholder is responsible for the selection and appointment of new directors on the Board's recommendation, as defined in the Board Charter Table 1
 - (ii) Potential candidates as Independent Directors will be sourced using Guild Group's contacts and market intelligence, as well as through the services of specialist external advisors.
 - (iii) The following criteria will be considered during the selection process:
 - a. the current and future requirements of the Board in the context of the business operations and strategic plans of each entity within the Guild Group;
 - b. the skills, experience and background of the potential candidate;
 - c. the size and composition of a Board, including its gender and cultural diversity;
 - d. the mix of competencies, qualities and skills held by existing directors, so that with the inclusion of the potential new candidates there will be a wide range of skills which can be utilised for the effective and prudent management of Guild Group;

- e. how the candidate's attributes will balance and complement those qualities and expertise needed on a Board in future;
 - f. the culture fit with existing Board members and understanding the Guild Group culture; and
 - g. an understanding of the businesses of the Guild Group and the environments in which it operates.
- (d) Probity checks will be undertaken as outlined in the Recruitment Policy and the selected Director is required to meet the requirements of the Fit & Proper Policy.
- (e) An induction process is undertaken for all non-executive Directors.
- (f) Pursuant to the Constitution, and considering the GGHL Conflicts of Interest Policy a member of board can be empowered to fill any casual vacancy on a Board.
- (g) Directors may resign or be removed from the Board as follows:
- (i) a Director may resign from the Board in accordance with its Constitution;
 - (ii) where a Director reaches the end of the maximum tenure and no further extension is granted; or
 - (iii) a Director may be removed if required to do so under its Constitution, the Fit & Proper Policy or other legal requirements.
- (h) The Company Secretary is responsible for managing the exit process on the resignation or removal of a Director.
- (i) The Company Secretary will also inform the Head of Risk, Audit & Compliance and the appropriate Group Compliance Manager of the resignation or removal and make the necessary arrangements to notify the appropriate authorities.

10. RESOLUTION OF DISPUTES

If for any reason a dispute arises concerning the nomination, appointment, re- appointment or removal of a director, the matter will be referred to the Guild Group Remuneration and Nominations Committee who will recommend to the relevant Board, an appropriate response or course of action.

11. POLICY REVIEW

Whilst this is a policy of the Boards and can only be changed, varied or altered by resolution of each of the Boards the Boards nonetheless expressly delegate to the Guild Group Remuneration & Nominations Committee. the primary responsibility for monitoring and assessing the adequacy of this policy, and to advise the Boards of any changes that are required or should be effected. This task shall be completed annually in accordance with the Committee's schedule of meetings and activities. The Boards can authorise the Committee to delegate any functions and tasks that are required for the ongoing monitoring and assessment of this Policy to appropriate qualified persons on the basis that the Boards retains the primary responsibility.