



Cbus Charter

Audit and Finance Committee Charter

1. Purpose of Charter

- 11 This Charter sets out the role, responsibilities, composition and operation of the Audit and Finance Committee ("**the Committee**") of United Super Pty Ltd, in its capacity as Trustee ("**Trustee**") for the Cbus Superannuation Fund ("**Fund**").

2. Authority

- 21 The Committee is appointed and authorised by each of:
 - the Fund's Articles of Association;
 - any Trustee Board Charter;
 - any separate Board delegations, resolutions and approvals granted to it from time to time.
- 22 The Committee is appointed to assist the Trustee's Board of Directors ("**the Board**") to fulfil the Board's statutory, fiduciary, governance and regulatory responsibilities.

3. Composition

- 31 The Trustee Board determines the Committee's composition which includes at least five (5) directors.
- 32 Equal employer and employee representation is a guiding principle to be applied on the Committee, in alignment with the Committee's skills matrix and requirements.
- 33 The Chair of the Committee shall not be the Chair of the Board. The Chair is appointed by the Board.

- 34 Should the Committee Chair be absent for all or part of a meeting, or is unwilling to act, the Committee members present shall elect one of their number in attendance to chair the meeting.
- 35 The Board must ensure that collectively, the Committee has the skills and experience necessary to carry out the functions of the Committee.

4. Role and Responsibilities

- 41 The overall role of the Committee is to provide assistance to the Board by providing an objective non-executive review of the effectiveness of the Trustee's:
 - financial governance and reporting responsibilities
 - corporate governance
 - audit and tax matters
 - other commercial matters
 - enterprise performance and member outcomes deliveryand that these support the achievement of the Trustee's strategic objectives, consistent with its risk appetite and the risk management framework.
- 42 The Committee may, within the scope of its authority:
 - a) perform activities and make recommendations to the Board consistent with this Charter;
 - b) engage independent counsel and other advisors as it considers necessary to carry out its duties; and
 - c) require the attendance of and access to Management, employees and information necessary for the performance of its functions.

Date of this Policy:
11 December 2020

Cbus' Trustee: United Super Pty Ltd ABN
46 006 261 623 AFSL 233792
Cbus ABN 75 493 363 262
MySuper authorisation 75
493 363 262 473

5. Scope of Authority

Specific Authority

The Committee has the following specific authority:

External and Internal Audit

- 51 Oversight of the external and internal audit functions including:
- The annual engagement of the external and internal auditors for the Cbus group i.e. The Trustee, the Fund and any wholly owned subsidiaries or trusts including Cbus Property group of entities;
 - Ensuring the adequacy and independence of the internal and external audit functions;
 - Reviewing and approving internal and external audit plans and fees, ensuring they cover all material risks and financial reporting requirements of the Trustee;
 - Reviewing the findings of the external and internal audits and ensuring that issues are being managed and rectified in an appropriate manner, including escalation of these findings to the Risk Committee.

Removal or change of the external or internal auditor will be reviewed by the Committee and a recommendation will be made to the Board.

Tax

- 52 Oversight of tax compliance and tax risk management of the Cbus Group including:
- Review and oversight of the Tax Risk Governance Framework
 - Monitoring the performance of the tax advisors;
 - Reviewing the annual income tax returns for Cbus and United Super Pty Ltd;
 - Monitoring any reviews by the Australian Taxation Office and State Revenue Offices; and
 - Ensuring tax developments affecting the Cbus Group are appropriately dealt with.

Removal or change of the tax advisors will be reviewed by the Committee and a recommendation will be made to the Board.

Financial Reporting Framework

- 53 Oversight of the Trustee's Financial Reporting Framework including:
- a) All APRA statutory reporting requirements;
 - b) Other financial reporting requirements;
 - c) Professional accounting requirements;
 - d) Reviewing the annual financial statements of the Fund and United Super Pty Ltd and providing a recommendation to the Board in relation to the approval of these financial statements;
 - e) Reviewing the Annual and re-forecasted Budget for the Trustee including capital/project expenditure commitments and providing a recommendation to the Board in relation to the approval of the Budget;
 - f) Ongoing review of actual expenditure against Budget;
 - g) Reviewing the annual Enterprise Performance Scorecard (EPS) and Member Outcomes Metrics for recommendation to the Board;
 - h) Ongoing monitoring and review of the EPS and KPI's of the Fund;
 - i) Ongoing monitoring and review of the Fund's delivery of member outcomes;
 - j) Monitoring of the Operational Risk Financial Reserve, General Reserve Account, Administration Reserve and Insurance Reserve, including the annual review of the adequacy of the range and level of these reserves. Provide recommendations to the Board on any changes to the General Reserve Account, Operational Risk Financial Reserve, Administration Reserve and Insurance Reserve;
 - k) Reviewing any proposed product pricing/fee changes (in conjunction

with the MESCC) and ensure there is a fair and reasonable attribution of costs across the classes of beneficial interests in the Fund. Review the Cost Allocation Policy periodically and provide recommendations to the Board on any fee/cost changes to the Cost Allocation Policy;

Governance

Oversight of the governance arrangements for the Fund including:

- a) Reviewing and recommending to the Board changes to the Articles of Association and Trust Deed
- b) Continuous improvement in the adoption of best practice governance standards, policies
- c) and procedures by the Trustee in all areas of its business;
- d) The Trustee's governance policies and implementation, including for example, the Fund Governance Policy, the Board Appointments, Performance and Renewal Policy, the Conflicts Management Policy and the Fit and Proper Policy;
- e) Regular review of the Conflicts and Gifts Registers, and the ongoing management of such conflicts as part of the Conflicts Management Policy;
- f) Oversight of the appropriateness, adequacy, and effectiveness of the Conflicts Management Framework including reviewing the outcomes of the triennial comprehensive review of the Conflicts Management Framework that is performed by operationally independent, appropriately trained and competent persons;
- g) Reviewing and approving changes to the Fund's delegations registers;
- h) Review of the framework for monitoring and improving the effective operation of the Board and Board Committees and the performance of Directors;
- i) Matters affecting Directors, including ongoing development of the Board Skills Matrix and the Committee Skills Matrix including the skills, capabilities, experience and attributes desired to deliver the Trustee's Strategic Plan;
- j) Corporate Insurance arrangements;
- k) Monitoring the requirements for minimum competency and probity standards, fit and
- l) proper assessments, training programs for, and skills assessments of, Directors; and
- m) Any other governance functions requested by the Board or which the Committee reasonably considers is appropriate for it to undertake.

Risk Management Framework

Oversight of the Risk Management Framework including:

- a) Ensuring that satisfactory internal audit procedures and external audit arrangements are implemented to ensure compliance with the risk management framework and to enable the Trustee to attest annually that the risk management and internal control systems in place are operating effectively and are adequate.
- b) Other work as directed by the Board.

6 Meetings

- 61 The Committee will meet up to six times per year. All Committee members are expected to attend each meeting.
- 62 The external auditor and internal auditor of the Fund attend all meetings. Other service providers are invited on an "as needs" basis.
- 63 The Committee will meet with the auditor/s without management on an annual basis.
- 64 The CEO, Executive Manager, Finance, Performance and Governance attends all meetings.

7 Voting/Quorum

- 71 A quorum of the Committee is two thirds of members (i.e. at least 4 members). The Chair of the Committee will ensure that quorum is met prior to commencing the meeting.
- 72 Two-thirds majority of members (at least 4 members) is required for all resolutions. Directors who are not Committee members may attend the meetings but do not have a right to vote.
- 73 Proxy votes may not be used and

therefore do not count for quorum.

9. Conflicts of Interest

- 9.1 All Directors must have the ability to recognise and disclose actual, perceived and potential material conflicts and ensure they are appropriately managed or avoided so as to ensure that priority is given to interests of the Fund's beneficiaries.
- 9.2 Where there is a conflict the Committee must give priority to the duties to and interests of the beneficiaries of the Fund over the duties to and interests of other persons and ensure that the duties to the beneficiaries are met despite the conflict and that the interests of the beneficiaries are not adversely affected by the conflict.
- 9.3 Conflict procedures are included as a standard Committee agenda item for every meeting. The Committee Chair reminds Directors at the beginning of every meeting of their obligation to disclose any conflict or potential conflict with regard to any agenda item for consideration at that meeting.
- 9.4 Any identified conflicts are recorded as well as the action taken to avoid or manage the conflict in accordance with the Trustee's Conflict Management Policy.

10. Committee Member Access

- 10.1 The members of the Committee have free and unfettered access to the CEO and Executive Management of the Fund, internal and external auditors.
- 10.2 Members of the Committee must also be available to meet with APRA on request.

11. Auditor Access

- 11.1 The external and internal auditor/s has unfettered access to the Committee, or its Chair at any time.
- 11.2 The Committee must ensure the

external and internal auditor has access to all data, information, reports and staff in respect of the Trustee's business operations that the auditor reasonably believes necessary to fulfil his or her role and responsibilities under the relevant requirements.

12. Committee Administration

- 12.1 The Company Secretary and Governance Team services this Committee, and are responsible for:
 - the preparation of Committee minutes
 - the collation and distribution of Committee Reports to members
- 12.2 Papers are distributed to all Directors and the auditor/s one (1) week prior to the meeting date.
- 12.3 The Committee Chair will approve each meeting's agenda, with the auditor/s retaining the ability to add items to the agenda as they see fit.

13. Reporting

- 13.1 The minutes of all Committee meetings are to be distributed at the next meeting of the Board. The Chair of the Committee will provide a report to the Board on matters discussed at the Committee.
- 13.2 Implementation of committee decisions:
- 13.3 The Executive Manager, Finance, Performance and Governance monitors the implementation of all Audit & Finance Management Committee recommendations. Implementation or progress thereof is reported to the CEO and to the Committee.
- 13.4 The Committee will refer any matter impacting the Risk Management Framework to the Risk Committee for consideration

14. Review

- 14.1 The performance of the Committee is reviewed internally on an annual basis.
- 14.2 An independent review of the Committee is performed every three (3) years.
- 14.3 This Charter will be reviewed annually for ongoing relevance and effectiveness. The membership of the Committee is reviewed annually by the Board.