

Cbus Charter

Board Charter



1. Purpose of Charter

- 1.1 This Charter sets out the authority, responsibilities, membership and operation of the Board of Directors ("**the Board**") of United Super Pty Ltd, in its capacity as Trustee ("**Trustee**") for the Cbus Superannuation Fund ("**Fund**").
- 1.2 The Charter is not intended to be a summary extract nor replication of the Trustee's Articles of Association ("**Articles**"), and does not extend to the governance of a Director's appointment and removal, remuneration of Directors, performance reviews of the Board, or the provisions governing the construct of Trustee shareholdings.
- 1.3 Rather, the Charter guides and informs the Board of Directors as to their responsibilities and authorities when conducting the day to day business of the Board.
- 1.4 The specific roles and responsibilities of duly appointed Board Committees are contained in each respective Committee charter, and are not repeated herein.

2. Authority

- 2.1 The Board derives its authority to act from each of the following:
 - the Fund's Trust Deed;
 - the Trustee's Articles of Association;
 - the applicable laws governing corporations and superannuation trustees in all jurisdictions in which the Company operates.

3. Composition

- 3.1 The Board is comprised of eight (8) member representatives (including the Fund Chair) and seven (7) employer representatives. There is one (1) independent Director.

- 3.2 Where the Chair is not present within ten (10) minutes after the time appointed for the holding of the meeting, or where the Chair is unwilling to act, the Directors present shall elect one of their number in attendance at the meeting to be Chair of the meeting.

4. Role and Responsibilities

- 4.1 The overall role of the Board is to ensure the sound and prudent management of the Trustee's business operations, which encompasses:
 - making reasonable and informed decisions in a timely manner in the best interests of beneficiaries and which consider the impact of its decision on beneficiaries;
 - approving and regularly reviewing the strategic and financial objectives and direction of the Fund, to maximise the retirement benefits of its members;
 - approving, reviewing and monitoring the rolling 3-year Business Plan and annual operating budget;
 - reviewing and approving the significant frameworks and policies of the Fund;
 - ensuring that appropriate systems are in place to ensure compliance with all statutory and regulatory requirements;
 - appointing and reviewing the performance of the CEO, setting an appropriate remuneration package and ensuring adequate succession planning;
 - performing such other functions as required by the relevant laws and ensuring the Trustee acts legally, responsibly and ethically on all matters.

Date of this charter:

01 July 2013

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

05/14

4.2 The Board has the following specific responsibilities:

Governance

The Board must ensure the Directors and senior management collectively have the full range of skills needed for effective and prudent operation of the Fund's business operations.

The Board is responsible for ensuring the fitness and propriety of the responsible persons of the Trustee.

Risk Management

The Board is responsible for the Risk Management Framework to appropriately manage the risks to its business operations and for maintaining adequate technical, human and financial resources to undertake its business operations.

The Board is responsible for ensuring the Fund holds, and has unfettered access to, financial resources to meet the Operational Risk Financial Reserve (ORFR) target amount.

Investment Governance

The Board is responsible for the sound and prudent management of the investments of the Fund and for ensuring there is at all times an investment management framework for the selection, management and monitoring of investments to meet the Trustee's obligations to beneficiaries.

The Board must take appropriate and timely action regarding information contained in reports to the Board on investment matters.

Outsourcing

The Board is responsible for any outsourcing of material business activities. It must ensure that the outsourcing risks and controls are taken into account as part of its overall Risk Management Framework.

Conflicts of Interest

The Board is responsible for having a conflicts management framework that is appropriate to the size, business mix and complexity of the Fund's business operations and which applies to the entirety of its business operations.

Business Continuity management

The Board is responsible for the business continuity management of the Fund's business operations. The Board must ensure that the Fund's business continuity risks and controls for its business operations are taken into account as part of its overall risk management framework.

Insurance

The Board is responsible for having an insurance management framework that reflects the risk associated with making available insured benefits that is appropriate to the size, business mix and complexity of the Fund's operations.

5. Meetings

5.1 The Board will meet at least six (6) times per year. All Directors are expected to attend each meeting.

5.2 A Director may requisition a Board meeting at any time. Directors may participate in meetings by attending in person, or by means of telephone conference, closed circuit television or any other communication method deemed appropriate.

5.3 With consent of the Chair, the Board may meet without the presence of management at any time either prior to, or during, any meeting.

5.4 The CEO and Executive Manager, Governance and Risk are generally expected to attend all meetings of the Board (unless requested by the Chair to be absent).

5.5 Other members of management and service providers attend as required.

6. Delegation to Committees

6.1 The Board may establish Committees as it considers necessary or appropriate to assist it in carrying out its responsibilities. As a minimum, the Board has established and maintains the following Committees:

- Audit and Risk Management Committee
- Member Services and Marketing Committee
- Investment Committee
- Remuneration Committee

6.2 Only Directors may be voting members of Committees. Non-Directors may be invited to attend from time to time, including on a regular basis, though they do not have decision making responsibilities.

6.3 Each Committee has a Charter setting out its role and objectives, responsibilities, authorities and membership. All Committees report regularly to the Board.

6.4 The Board or its Committees may further delegate specific functions or authorities to other groups or sub-committees. Wherever specific responsibilities are delegated the Board must ensure adequate formal communication of this authority and oversight of its execution.

7. Relationship with Management

7.1 Whilst ultimate responsibility for the sound and prudent management of the Fund rests with the Board, the CEO and the Executive Team has responsibility for the day to day management of the Fund which includes the development, implementation and monitoring of frameworks, strategies, policies and procedures used in managing the Trustee's business operations.

8. Auditor Access

- 8.1 The external auditor of the Fund has full and unfettered access to the Board and each of its Directors and can raise matters directly at any time.

9. Voting and Quorum

- 9.1 A quorum of the Board will be two thirds of Directors (i.e. 11 Directors including Alternate Directors and proxies).
- 9.2 Agreement by two-thirds majority of Directors (i.e. minimum of 11 Directors – including Alternate Directors and proxies) is required for all resolutions.
- 9.3 A Director may not accept appointment as a proxy at a meeting of Directors for more than one (1) Director. Proxy notifications shall be confirmed in writing to the Chair prior to the meeting, and must specify any instructions or restrictions on any matter (if applicable).

10. Conflicts of Interest

- 10.1 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.
- 10.2 Where there is a conflict the Board 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.
- 10.3 Conflict procedures are included as a standard Board agenda item for every meeting. The Fund 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.

- 10.4 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.

11. Alternate Directors

- 11.1 Alternate Directors, may attend and vote at a meeting of the Directors, when so requested by the Director for whom they are an alternate for.

12. Secretary and Board Administration

- 12.1 The Company Secretary of the corporate Trustee will be ultimately responsible for the quality and timeliness of the governance and administration of the Board.
- 12.2 The Company Secretary of the Trustee may delegate certain administration functions and responsibilities to management. The agenda and papers for all Board meetings will be distributed to Directors and requisite parties generally no later than one (1) calendar week prior to each meeting.

13. Reporting

- 13.1 The minutes of all Board meetings are to be distributed to the Chair for review, within a reasonable time. The minutes will thereafter be submitted to Directors for their review, with the final version to be approved (and signed by the Chair) at the next meeting.
- 13.2 The Committees of the Boards report to the Board on a regular basis, as set forth in their respective Charters.

14. Review

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