

Cbus Charter

Remuneration Committee Charter



1. Purpose of Charter

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

2. Authority

- 2.1 The Committee is appointed and authorised by each of:
- the Fund's Trust Deed;
 - the Fund's Articles of Association;
 - any Trustee Board Charter;
 - any separate Board delegations, resolutions and approvals granted to it from time to time.
- 2.2 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

- 3.1 The Trustee Board determines the Committee's composition which is comprised of four (4) directors and the Chair of the Board.
- 3.2 The Chair of the Committee shall not be the Chair of the Board. The Chair is appointed by the Board.
- 3.3 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.
- 3.4 Alternate Directors are permitted to be members of the Committee, and may only exercise a vote on this basis.

- 3.5 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

- 4.1 The overall role of the Remuneration Committee is to assist the Board in the oversight and implementation of the Fund's remuneration framework and practices which apply to all persons covered by the Trustee's Remuneration Policy.

The Committee is also responsible for ensuring that the Fund's remuneration strategies align to support the achievement of strategic objectives of the Fund, consistent with its Risk Appetite and the Risk Management framework, whilst also supporting the aspirational Cbus culture.

Further accountability is held in the review and endorsement of the CEO's annual KPIs, remuneration and performance, prior to the Board's consideration of same.

- 4.2 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:

28 April 2015

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

04/15

Scope of its authority**4.3 Remuneration Policy**

- Make recommendations to the Board on amendments to the Trustee's Remuneration Policy, remuneration frameworks or remuneration practices;
- Conduct an annual review of the Remuneration Policy for effectiveness and compliance with the requirements of APRA Prudential Standard SPS 510 – Governance;
- Review and make annual recommendations to the Board on the remuneration of all Specified Persons covered by the Remuneration Policy;
- Review and make annual recommendation to the Board on the methodology utilised to make these recommendations;
- Receive and review annually an STI remuneration implementation report from Cbus Property;
- Review and recommend to the Board, Director remuneration for external Cbus appointments (where payment is not made by the appointment Board);
- Approve the parameters for authorising claims for expenses from Directors;
- Consider any other matters that may be relevant to Directors' and Officers' remuneration.

People and Culture

- Receive a report of the significant or material People and Culture-related strategies of the Fund;
- Receive an Annual Report on the average training and professional development hours completed by Directors, CEO and Executives and staff within United Super Pty Ltd (noting that the Office of the CEO retains detailed statistics on each Director and Executive)

4.4 CEO Performance

- The Committee will annually review and endorse the following items to the Board for approval:
 - CEO Key Performance Indicators
 - CEO Performance review
 - CEO Remuneration
- Other work as directed by the Board.

5. Meetings

- 5.1 The Committee will meet as and when required in order to support the remuneration and people policies and practices of the Trustee but will meet at least 3 times per year. All Committee members are expected to attend each meeting.
- 5.2 The Chief Executive Officer and the Executive Manager, People and Culture will normally attend all meetings except where their own remuneration is to be discussed.

6. Committee Member Access

- 6.1 The members of the Committee have free and unfettered access to the CEO and Executive Management of the Fund, risk and financial control personnel and other parties (internal and external) in carrying out its duties.
- 6.2 Members of the Committee must also be available to meet with APRA on request.

7. Auditor Access

- 7.1 The Auditor/s shall have right of access to the Committee, or its Chair at any time.

8. Voting/Quorum

- 8.1 A quorum of the Committee is two thirds of members (i.e. at least three (3) members). The Chair of the Committee will ensure that quorum is met prior to commencing the meeting.
- 8.2 Two-thirds majority of members (at least 3) is required for all resolutions. Trustee Directors who are not Committee members may attend the meeting, but do not have a right to vote.
- 8.3 Alternate Directors attending a meeting, for/on behalf of another permanent Committee member, are not entitled to vote.
- 8.4 Proxy votes may not be used and therefore do not count towards 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 Administration

- 10.1 The Executive Manager, People and Culture is responsible for:
- the preparation of Committee minutes;
 - the collation and distribution of Committee Reports to members;
- 10.2 Papers are distributed to all Directors one (1) week prior to the meeting date;
- 10.3 The Committee Chair will approve each meeting's agenda.

11. Reporting to the Board

- 11.1 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.

Implementation of Committee decisions:

- 11.2 The Chief Executive Officer is responsible for the implementation of all Remuneration Committee recommendations, unless the decision involves him/her, in which instance the responsibility lies with the Committee Chair.

12. Review

- 12.1 The performance of the Committee is reviewed internally on an annual basis.
- 12.2 An independent review of the Committee is performed every three (3) years (in line with that applied to the Board and all Committees).
- 12.3 This Charter will be reviewed annually for ongoing relevance and effectiveness. The membership of the Committee is reviewed annually by the Board.