



# CBUS REMUNERATION POLICY

## POLICY ADMINISTRATION SCHEDULE

<b>Policy Owner</b>	Group Executive – People Technology & Enablement
<b>Who the Policy applies to</b>	All employees and Directors of United Super Pty Ltd (“Cbus”, “the Fund”) and Cbus Property (selective components only applying to Cbus Property)
<b>Who administers the Policy</b>	Divisional Head, People and Culture
<b>Person with Policy implementation responsibility</b>	Divisional Head, People and Culture
<b>Approval authority</b>	Board of USPL
<b>Minor changes authority*</b>	Divisional Head, People & Culture
<b>Inaugural Approval Date</b>	June 2013 Board
<b>Date and brief description of the latest Policy change</b>	22 <sup>nd</sup> August 2017 – Board Approved  18 April 2018 – Clarification re: Director sitting fee ‘per day’ and update to coversheet to reflect restructure and updated role titles.
<b>Endorsement of <u>material</u> changes required from*</b>	Group Executive People Technology & Enablement; and the Remuneration Committee
<b>Persons who must be notified of changes post approval:</b>	All employees and Directors of United Super Pty Ltd
<b>Next Review date by Policy Owner (if applicable)</b>	August 2018
<b>Is the Policy attached to a Prudential Standard?</b>	SPS 510 Governance
<b>Is the Policy part of a larger framework? Eg. Risk or other</b>	Yes, Cbus Risk Management Framework

\* The definition of minor and major changes is contained in the Cbus Policy Framework.

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## 1. PURPOSE AND OBJECTIVES OF THE POLICY

*As an industry superannuation fund, Cbus is run only to benefit members. The Fund's remuneration practices are designed to reflect our values placing our Members at the centre of all that we do. We also recognise that as we continue to transform to meet an ever increasingly competitive environment, we need to resource the Fund appropriately in order to provide quality benefits and services to our members and employers.*

Cbus is committed to providing a remuneration strategy that meets the following principles:

- Aligns remuneration arrangements with the achievement of strategic objectives consistent with its stated risk appetite and that develops and supports the desired Cbus culture;
- Ensure that remuneration will be equitable, based on merit, underpinned by a transparent and consistent methodology;
- Ensure that the Fund provides an appropriately competitive level of remuneration within the market in which the Fund operates but that gives appropriate consideration to the long term financial soundness of the Fund.
- Ensure that the Fund remains conscious of the relationships between remuneration pressures and costs to members.
- Ensure that employees understand the basis for determining their remuneration.
- Cbus remuneration strategies are directed at meeting the following objectives:
  - Facilitating the attraction and retention of key capabilities;
  - Reinforcing key behaviours that are aligned to our values;
  - Competitively positioning labour costs; and
  - Providing the flexibility necessary to access future business opportunities and respond to business threats by the attraction and retention of key talent.
- Remuneration structures at Cbus should be supported by a governance framework that avoids conflicts of interest, defines clear accountabilities and ensures that proper checks and balances are in place.
- This Policy provides a framework for the implementation, assessment and maintenance of remuneration arrangements throughout Cbus and provides for the oversight of and review by the Remuneration Committee and the Board of the remuneration arrangements at Cbus Property.

## 2. DEFINITIONS

**“APRA”** – the Australian Prudential Regulation Authority

**“Cbus Property”** – Cbus Property Pty Ltd (CPPL) is a wholly owned subsidiary of United Super Pty Ltd.

**“Connected Entity”** – is defined in section 10 of the SIS Act to be a subsidiary of the RSE licensee and any other entity prescribed in the regulations. This definition applies to Cbus Property.

**“The Fund”** – the Construction and Building Unions Superannuation fund (also known as Cbus).

**“Registrable superannuation entity (RSE)”** – means a regulated superannuation fund (as defined in s.19 of the *Superannuation Industry (Supervision) Act 1993*). United Super Pty Ltd is a registrable superannuation entity.

**“Responsible Person”** – as it applies in the APRA Governance Standard means a director, secretary, senior manager and a person who performs activities for a connected entity of the RSE where those activities could materially affect the whole, or a substantial part, of the RSE’s business operations, or its financial standing, either directly or indirectly.

**“Senior Manager”** – means a person (other than a director of the RSE) who:

- makes, or participates in making, decisions that affect the whole, or a substantial part, of the RSE’s business operations;
- has the capacity to affect significantly the RSE’s business operations or its financial standing;
- may materially affect the whole, or a substantial part, of the RSE’s business operations or its financial standing through their responsibility for:
  - enforcing policies and implementing strategies approved by the Board;
  - the development and implementation of systems used to identify, assess, manage or monitor risks in relation to the RSE’s business operations; or
  - monitoring the appropriateness, adequacy and effectiveness of risk management frameworks; or
  - is otherwise an executive officer of the RSE.

**“SIS Act and Regulations”** – the *Superannuation Industry (Supervision) Act 1993* and the *Superannuation Industry (Supervision) Regulations 1994* as amended from time to time.

**“Variable Pay Program (VPP)”** - a performance related payment that is linked to the achievement or out performance of agreed objectives. (Payment under the program is staggered and deferred over a 3 year period.

**“The Standard”** - APRA Prudential Standard SPS 510 – Governance.

**“Transitional arrangements”** – any remuneration arrangement entered into from 22 November 2012 must comply with certain requirements set out in the Standard regarding performance based components. Subject to the transitional arrangements the Standard commences on 1 July 2013.

**“Trustee”** – United Super Pty Ltd (USPL).

**“Fixed Remuneration (FR)”**

The term fixed remuneration (FR) is used within Cbus to describe an employee’s annual total remuneration package exclusive of any variable reward.

FR = base salary + employer superannuation contributions.

**“Base Salary”**

Base salary comprises taxable ‘Pay As You Go’ (PAYG) salary before any deductions (pre or post tax) are made.

Base salary includes all the benefits associated with a role (not a tool of trade car) and associated FBT, and excludes the compulsory employer superannuation contribution.

Base Salary = FR – employer superannuation contributions

**“Cash Salary” (Taxable Salary)**

Cash salary is base salary less an employee’s voluntary superannuation contributions and any other salary sacrifice deductions.

Cash salary = base salary – an employee’s voluntary superannuation contributions – other salary sacrifice deductions.

**“Net Salary” (Take-Home Pay)**

Net salary = cash salary – income tax (PAYG)

**“Variable Pay Program” (VPP)**

**The Variable Pay Program reward component is a short term incentive, which is provided in addition to Fixed Remuneration (FR) (where applicable).**

**“Total Remuneration” (TR)**

TR is the a term used to describe sum of Fixed Remuneration (FR) and target VPP (where applicable).

TR = FR + VPP

**“Superannuation Salary”**

Superannuation salary is used as the basis for calculating the employer’s superannuation contributions to superannuation funds. In most cases, superannuation salary is the same as the base salary. However, superannuation salary may be different from the base salary for employees on higher incomes due to the superannuation salary threshold.

### 3. APPLICATION

The remuneration arrangements of specific roles at both Cbus and Cbus Property are subject to the requirements of the APRA Prudential Standard on Governance – SPS 510 (The Standard). Further information about the positions of those employees that are covered by the Standard and their specific remuneration arrangements are included in Appendix 1.

In accordance with the Standard, while this Policy applies generally to all persons employed by the Fund, United Super Pty Ltd and Cbus Property Pty Ltd, the Policy has individual carve out applications to the following categories of employees and Directors at Cbus and Cbus Property:

- a) Responsible persons - for Cbus this includes the Directors, Company Secretary/ies, and Executive Managers of the Trustee, United Super Pty Ltd
- b) Persons whose primary role is risk management, compliance, internal audit, financial control or actuarial control i.e: collectively risk and financial control personnel; and
- c) All other persons for whom a significant proportion of total remuneration is based on performance and whose activities, individually or collectively, may affect the interests of beneficiaries, the financial position of the Trustee or its connected entities, or any other relevant prudential matter i.e. Cbus Property Pty Ltd.

APRA considers that the above categories of persons have the capacity to put the financial position of the Trustee’s business or its ability to meet the reasonable expectations of beneficiaries at risk.

The Policy encompasses all persons in the above categories that are employed directly by the Trustee or retained under contract, and those that are employed by, or a contractor of, a body corporate that is a connected entity or a related body corporate i.e: Cbus Property.

The Trustee notes APRA’s view that those persons whose primary role is risk and financial control require special attention because of the potential conflict between their own interests and the interests of executives and others whose financial and risk performance they are required to monitor. It is acknowledged that the remuneration of risk and financial control personnel must not compromise their independence is carrying out their functions.

The Policy also notes the requirement in the Standard to identify service contracts between the

Trustee and a body that is not a connected entity or a related body corporate if:

- the primary role of the service contract is to provide risk management, compliance, internal audit, financial control or actuarial control services to the Trustee; or
- the services provided by the body, either individually or collectively with like services provided by other bodies, may affect the interests of beneficiaries, the financial position of the Trustee, any of its connected entities and any other relevant prudential matter, under the service contract with the Trustee, a significant portion of the total payment to the body corporate is based on performance.

The types of service providers that require consideration under the above criteria include the internal auditor, the custodian and investment managers. It is the contractual terms with the service provider that are relevant in these circumstances rather than the remuneration of individuals employed or engaged by the body corporate. However, as the Trustee's risk management framework explicitly addresses the structure of payments to these service providers and oversight of the service providers has been delegated to appropriate Board Committees, the Remuneration Policy **will not** address the fees paid to these service providers.

All other Cbus staff are also covered by this Policy under Section 5 – Remuneration Structure. The Cbus remuneration Policy uses a range of components to deliver appropriate market competitive remuneration. Cbus Property Pty Ltd do pay performance related payments to staff and this is further outlined in the section 'performance based pay'.

The Trustee notes APRA's draft Prudential Practice Guide *SPG 511 – Remuneration* which states that the remuneration requirements and guidance provided by the Regulator relate to managing or limiting risk incentives associated with remuneration and are not intended to affect business decisions regarding pay levels or limit innovative methods of rewarding staff, provided that such measures do not compromise the requirements of the Standard.

#### 4. RESPONSIBILITY AND ACCOUNTABILITY

The Board acknowledges that it has ultimate responsibility for the sound and prudent management of the Trustee and the Fund, including its remuneration arrangements. The Remuneration Policy and amendments to same, must be approved by the Board.

In accordance with the Standard, on the recommendation of the Remuneration Committee or singularly, the Board can adjust performance-based components of remuneration for those categories of persons set out in section 3 (a-c) downwards to zero, if appropriate, to protect the financial position of the Trustee and the Fund or to respond to any significant unexpected or unintended consequences that were not foreseen by the Remuneration Committee.

The Board has established the Remuneration Committee to assist it in carrying out its responsibilities in relation to remuneration arrangements. The specific role and responsibilities of the Committee are contained in the Remuneration Charter. This includes the obligation to conduct regular reviews and make recommendations to the Board on the Remuneration Policy and to make annual recommendations to the Board on the remuneration of those categories of persons specified above.

The Committee can rely on advice from both internal and external parties when conducting its reviews, such as human resource management, and will ensure that there are processes in place to support the management of any conflicts of interest when advice from such parties is sought. In undertaking these responsibilities, the Committee may also engage third-party experts to provide independent advice.

The risks associated with remuneration will be managed in a manner that supports the Trustee's risk management framework.

The Remuneration Policy is available to APRA on request. A summary of the Policy is included on the Fund's website.

## 5. REMUNERATION STRUCTURE – excluding Cbus Property

For the purpose of the Standard, remuneration arrangements include measures of performance, the mix of forms of remuneration (such as fixed and variable components, and cash and equity-related benefits) and the timing of eligibility to receive payments that a person receives by virtue of the role that they undertake for the Trustee. All forms of remuneration are captured by the Standard, regardless of where, or from whom, the remuneration is sourced.

At the present time, Cbus operates a relatively simple remuneration structure and this is outlined below:

### 5.1. Fixed Remuneration

All employees at Cbus receive fixed remuneration, which includes a cash salary, superannuation and for some employees, leave loading.

The standard superannuation rate at Cbus for all employees is the SGC + 7%. Employees that are affected by the capped contributions will have excess superannuation contributions paid to them in their base salary.

Should the contribution caps change at any time (i.e: be increased or decreased), this will cease as applicable.

Fixed remuneration at Cbus is based on a number of inputs and the Fund receives remuneration data through membership of FIRG (the Financial Institutions Remuneration Group) and also through the participation in other appropriate surveys.

In determining an employee's fixed remuneration, external benchmarking is performed to ensure that remuneration is comparable and competitive within the markets in which the Fund operates. All roles are benchmarked against a peer group of other similar sized profit-for-members funds based on a combination of funds under management (FUM) and membership numbers (and in some cases, location).

Executive roles are benchmarked using this method and data is also sought against industry peer groups that seek to gather data from the large profit-for-members funds and the broader financial services sector.

Individual performance, skills, and experience are also used to determine where the employee's fixed remuneration should sit within a market range.

Once a benchmark is determined (usually around the 62<sup>nd</sup> percentile), a range is generally set 20% on either side (eg: from 80% to 120% of the position).

In some cases, individual employees will be either above or below the range set for a number of reasons including:

- The employee is still developing in that role;
- Year on year progression (of a long serving employee) may have moved fixed remuneration above the market; and
- The Fund may pay at a certain level above the range to secure particular skills or expertise.

Staff employed under the industrial agreements currently operating in the Trustee office are awarded a 'CPI-like' quantum increase each year on the 1 July, which generally maintains the value of their fixed remuneration.

Salary increases outside the annual incremental increases, are currently awarded based on two methods:

1. Annual external benchmarking across the organisation identifies that the salary of the role is out of step with the market and an increase may be determined; or
2. A staff member may make application to have their salary reviewed.

There is a focus on ensuring that the level of salary is correctly positioned when the job is designed and recruited, enabling the Fund to better keep the fixed remuneration of the role aligned with the pay position in the market through the lifetime of the role (if appropriate).

Cbus notes from time to time it will need to attract and retain capabilities that mean it will pay 'out of the market' or 'above the market' and so retains the right to take a position in the market to attract talent as required where skills and resources are scarce or in line with its strategic objectives.

## 5.2. Short and long term incentives

Cbus does not currently pay long term incentives however does pay short term incentives based on performance to a small selection of roles. Further information is provided in the 'performance based pay' section of this policy.

Equity-related components do not form any part of the Trustee's remuneration mix.

Cbus Property Pty Ltd also operates a short term incentive scheme related to performance. and further information about this scheme can be found under the 'performance based pay' section.

## 5.3. Performance Based Pay

Executives and some staff at Cbus participate in a variable pay program based on performance. These are detailed under 'Variable Pay Program' below.

Any performance based components of remuneration is designed to align with prudent risk-taking and incorporates the following hurdles:

- a) The delivery of the Cbus business objectives as set out in the Cbus Business Plan; team performance indicators; and individual performance indicators;
- b) The delivery of these objectives within the parameters of the Trustee's risk appetite.

## **CBUS SUPER**

Cbus pays a variable pay program to selected roles within the Fund. This program covers the Group Executives and selected roles within the Investment team.

The program is a deferred one with payments made progressively over a three (3) year period.

The variable pay opportunity is set as a percentage range of the total remuneration package of the employee dependent on role, and achievement of organisational, team and individual performance hurdles. The opportunity is between 0 – 30%.

Each August the CEO will make the annual recommendation on the variable pay program



payments to the Remuneration Committee. If endorsed, these payments recommendations then go to the USPL Board for approval.

Payments are made in September following Board approval.

The current Cbus program is a three year program, due for review at the end of the three year period (FY20)

## **CBUS PROPERTY**

Cbus Property Pty Ltd ("CPPL") pays a performance related incentive to staff (internally referred to as a short term incentive ("STI")). Subject to the terms and conditions of the company's Remuneration Short Term Incentive Plan, All staff that work at Cbus Property are eligible to have their performance considered for this plan.

The scheme is a deferred one with payments made progressively over a three (3) year period.

STI payments are set as a range of the base salary of an employee dependent on role and achievement of individual, team and organisational performance hurdles.

Following a review by the CPPL Remuneration Committee and CPPL Board, each August the CEO of Cbus Property makes an annual recommendation on STI payments for all Appendix 1 = CPPL specified employees to the Cbus Remuneration Committee.

The CPPL Board can approve the STI payments for non-specified CPPL employees where the STI follows the calculation methodology approved by the Fund's Board (also in August each year).

The CPPL Remuneration Committee and CPPL Board separately determine the Total Salary Package levels paid to CPPL employees (so excluding STI).

In addition to the above process, the Cbus Property CEO provides two (2) remuneration reports to the Cbus Remuneration Committee each year:

- (a) an outline of the proposed STI methodology that will cover CPPL employees for the forthcoming 12 month remuneration period, and
- (b) an outline of the implementation of the current-year's STI methodology having been implemented from the most immediate past approval of same.

## **5.4. Enterprise Bargaining framework**

Cbus has two enterprise agreements currently operating across the organisation.

Staff remuneration is comprised on base salary, superannuation of SGC +7% and for some roles, annual leave loading entitlements of up to 25% dependent on the negotiated conditions outlined in the relevant enterprise agreement that set out terms and conditions of employment with the Fund.

As a benefit, salary continuance (income protection) insurance premiums are also paid on behalf of staff on top of the total remuneration.

## **5.5. Cbus CEO Remuneration**

The CEO position is appointed by the Board of Directors and the remuneration is set and

recommended via the Remuneration Committee to the Board of Directors, based on performance outcomes of the CEO as reviewed by the Fund Chair.

The CEO position is formally benchmarked against the market (utilising an independent external provider, commissioned by the Remuneration Committee) at least every three years. However, information is provided to the Fund Chair and Remuneration Committee annually drawing on available remuneration data to benchmark this position.

The CEO's performance is reviewed by the Fund Chair each year in June/July, with any salary adjustments being recommended at the August Remuneration Committee. In approving the CEO remuneration, the Board will consider the Committee's recommendations.

In alignment with the Standard, the Remuneration Committee can recommend to the Board the adjustment of any executive performance related remuneration increases (including the CEO) downwards to zero if appropriate, should the adjustment meet the criteria of the Standard.

The CEO remuneration (along with Executive remuneration) is currently disclosed on the Cbus website at <http://www.cbussuper.com.au/about-cbus/fund-governance/remuneration>

## **5.6. Executive Remuneration**

Executive positions are not covered by an industrial arrangement (each executive signs a contract outlining terms and a set of common conditions) and all executive positions are measured on their performance against their outcomes as set by the CEO.

Executives participate in a program of setting their objectives each year and their performance is reviewed against their objectives (KPIs) in July of each year, with recommendations for their salary increases (if any) going to the Remuneration Committee in August.

The CEO recommends performance based payments based on the variable pay program. These payments (if any) are recommended to the August Remuneration Committee and then to the August Board meeting and, pending approval, are paid in the next available pay cycle.

From 1 July 2013 in alignment with the Standard, all Executive remuneration must be approved by the Board.

All recommendations for Executive remuneration increases will need to be **endorsed** by the Remuneration Committee before submission to the Board for approval.

The Remuneration Committee has free and unfettered access to "risk and financial control" personnel in the carrying out of their duties and also may engage third-party experts directly, in a manner that ensures any engagement (including the advice received) is independent.

The Executive team salaries (including the CEO) are currently disclosed on the Cbus website at <http://www.cbussuper.com.au/about-cbus/fund-governance/remuneration>

## **5.7. Directors Remuneration**

Cbus Directors, Cbus Property Directors and any Alternate Directors will receive competitively benchmarked remuneration for their work, having due regard to their specific responsibilities and the nature and objectives of the Fund.

The Cbus Remuneration Committee is responsible for reviewing and setting Directors fees for all group entities each year.

The Committee must ensure that Directors' fees are appropriate and suitably reflect current industry practice, the complexity of the Boards' work programs and responsibilities, and the Fund's performance.

The fees are also externally benchmarked against peer Funds and other similar financial institutions at least every 3 years.

For the forthcoming financial year, the Remuneration Committee makes a remuneration recommendation to the Fund's August Board meeting each year, following their meeting in June.

Cbus Directors are currently paid a base fee (which is paid regardless of attendance) and an additional attendance fee for meetings attended. The attendance fee paid at Committees will vary depending on whether a Director is a member or Chair of a Committee.

The following confirms when Directors are paid for their services to the Fund:

- a) Directors will be paid their annual attendance fee on a quarterly in arrears basis;
- b) Subject to the following conditions Directors will be paid an additional sitting fee for their attendance at all Board and Committee meetings, including special purpose Board Sub-Committees;
- c) Per the Fund Governance Policy, Directors are required to attend the entire duration of all scheduled meetings. Where it is not possible for a Director to attend an entire or the majority of a meeting, they will be paid a percentage amount based on the approximate timing of their departure. Where a part payment is to be made, the Secretariat will advise Finance of the Director's percentage attendance and the sitting fee will be adjusted accordingly.
- d) Where the Fund provides free training in-house to Directors as part of an already scheduled Board or Committee meetings, they will not be paid an additional sitting fee to attend the training (be it in person or via telephone).
- e) Where the Fund provides free training in-house outside of the Board and Committee calendar, Directors will not be paid a sitting fee to attend the training (this is on the basis that the Director must invest their own time in meeting requisite educational standards to be a Trustee director). However, travel and accommodation costs will be paid/reimbursed if the Director's attendance in person at such events is directly aligned to their position at Cbus.
- f) Where a Director attends relevant industry conferences or courses, unless the Fund pays for all costs upfront, the Director will be reimbursed for any travel to the event and for an appropriate amount of accommodation and associated expenses. The Director will not receive remuneration for their attendance at any external training event.
- g) Directors are paid to attend the annual Board Strategy Offsite – One (1) sitting fee will be paid per day for the duration of the Offsite regardless of its duration. When the Offsite is held directly after a Trustee Board meeting, Directors will be paid for the Board meeting and one (1) sitting fee for the Offsite.
- h) Board Sub-Committee Directors will be paid a sitting fee based on their preparation, contribution and attendance at any meeting held during the tenure of the subject forum.
- i) The Chairs of the Fund and the Board Committees will be paid for their preparation, contribution and attendance at any Meeting of the Chairs held throughout the year.

Cbus Property Directors are currently paid an annualised fee which is published in the Cbus

Annual Report.

The Cbus Director fees are currently disclosed on the Cbus website at [www.cbussuper.com.au/about-cbus/fund-governance/remuneration](http://www.cbussuper.com.au/about-cbus/fund-governance/remuneration)

#### **5.8. External Board or External Committee Fees**

Where a Cbus or Cbus Property Director has (or will be) appointed for an extended period to an external board, forum, committee or working party representing the Fund, then at the commencement of this appointment a determination will be made if a fee will be payable for the duration of the sitting period. Any recommendation will be made by the Remuneration Committee and submitted to the Board for approval.

This determination will take into consideration any fee arrangement proposed to be provided by other relevant parties (for example, a fund manager may provide a fee for attendance and input at an external Investment Committee) so that no double or overpayment occurs.

If (after the determination) a fee is to be paid by Cbus, then it will be paid in accordance with the current fee schedule and will be dependent on whether the sitting Director is a member or chair of the external Board, forum, committee or working party.

Should a Cbus Director be required to sit on an external board as part of an investment related or other strategy related structure, then Cbus will seek to ascertain if a fee can be reimbursed by the organisation calling for input. In the absence of any fee paid, then Cbus will pay a sitting fee to the required Director at the member rate, unless the Cbus Director is the chair of said board, forum, committee or working party and then the chair rate will be used.

Any remuneration application will be determined at the commencement of any appointment and this will be made in consultation by the Chair with the affected Director based on a recommendation of the time commitment required and endorsed to the Board by the Remuneration Committee. It is anticipated that at the commencement of the term the program of activities would be tabled for assessment.

The nominated Director will be required to notify the Fund in writing of attendance at meetings or working parties that would attract the fee and this will be reconciled with the intended scope set with the Chair at the commencement of the appointment.

Any payments will be made quarterly in arrears in line with current payment practices. Remuneration will be disclosed as part of total remuneration paid in line with current practices.

#### **5.9. Set Director Fees**

The Chair of the Board (at both Cbus and Cbus Property) and the Independent Director at Cbus are all paid a set annual fee.

#### **5.10. Reimbursement of Expenses**

The Remuneration Committee will approve the parameters for the reimbursement of Cbus Directors for expenses relating to the performance of their duties. Cbus Property will review and apply their own internal policies in this regard.

### **6. REVIEW**

The Remuneration Policy will be subject to regular review to ensure that it remains appropriate for the Fund and an assessment will be made of the Policy's effectiveness and compliance with the requirements of the Standard on an annual basis.

The Policy may be varied from time to time in accordance with various legislative requirements or to reflect internal changes. Recommendations for any changes will be made to the Board concerning any material changes to the Policy. A full review of the Policy will be undertaken at least every three years.

## **7. EXCEPTIONS PROCESS**

Should any team or personnel be unable to fully comply with the requirements of the Policy they must be immediately referred to the Executive Manager, People and Culture and any significant departure from the Policy will be reported through to the Remuneration Committee.

## **8. RELATED POLICIES OR MATERIALS**

- *Prudential Practice Guide SPG 511 - Remuneration*
- *Prudential Standard SPS 220 Risk Management*
- *Prudential Standard SPS 521 – Conflicts of Interest*
- *Principles for Sound Compensation Practices – Implementation Standards issued by the Financial Stability Board (FSB)*

## APPENDIX 1: Cbus Remuneration Approval Framework

Regulated Entity	Specified Individuals  (Cbus Board approves individual remuneration for all persons listed in the two (2) rows below)	Specified Employee Groups
United Super Pty Ltd (Cbus)	<ul style="list-style-type: none"> <li>• Directors</li> <li>• CEO</li> <li>• Group Executive</li> <li>• Risk and Financial Control Personnel:               <ul style="list-style-type: none"> <li>○ Divisional Head Governance &amp; Risk</li> <li>○ Senior Specialist Group Tax</li> <li>○ Head of Finance</li> <li>○ Head of Legal &amp; Compliance</li> <li>○ Head of Risk Management</li> <li>○ Head of Investment Performance &amp; Risk</li> </ul> </li> </ul>	<p>All Non-Specified Employees</p> <p>(Cbus Board approves remuneration structure for this group only - % changes are negotiated via the Enterprise Bargaining system)</p>
<p>Cbus Property Pty Ltd*</p> <p><i>*for STI payments only applying the Cbus Board-approved STI Remuneration Methodology.</i></p> <p><i>The CPPL Board approves the Total Salary Package (net of STI) for all CPPL employees.</i></p>	<ul style="list-style-type: none"> <li>• Directors*</li> <li>• CEO*</li> <li>• CEO Direct reports (excluding those staff not on the Executive team)*</li> <li>• Risk and Financial Control Personnel*:               <ul style="list-style-type: none"> <li>○ Manager Group Accounting</li> <li>○ Financial Accountant</li> <li>○ Compliance &amp; Corporate Operations Manager</li> </ul> </li> </ul>	<p>Approved by CPPL Board:</p> <p>All Non-specified Cbus Property employees**</p> <p><i>**STI can only be paid in accordance with specific provisions in the CPPL STI methodology approved by Cbus' Board</i></p>