



FY2021 COMPLIANCE REPORT: AIST GOVERNANCE CODE

Fund name:

Cbus

Date of report:

16/09/2021

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Date of approval by the Board:

31/08/2021

Date of submission to AIST:

30 September 2021

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| Requirement | Compliance level Please select one: | Explanation & evidence (pls copy in links and/or supply documents) | List changes made in FY2021 | Planned improvement activities |
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| <p>1.1 A profit-to-member superannuation Board must:</p> <ul style="list-style-type: none"> conduct all appropriate enquiries to ensure that nominees have the appropriate skills and experience before appointing a person as a trustee director; for the appointment of representative directors in particular, this includes engagement with sponsoring organisations. | <p><input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply</p> | <p>Cbus has processes in place to liaise with Sponsoring Organisations prior to nominations being made in order to communicate any skills, experience or other desirable criteria for potential directors, while also having regard to the Board's strategic objectives, diversity goals, cultural fit and commitment to a member-first culture. Of importance, the Board and Committee Skills Matrix is provided to the Sponsoring Organisation and any skill needs are clearly highlighted. Sponsoring Organisations and nominees receive information on Director responsibilities and requirements, together with copies of key governance documentation, including the Fund Governance Policy, the Fit and Proper Policy and the Conflicts Management Policy.</p> <p>The Director nomination and appointment process in place which involves engagement with Sponsoring Organisations are set out in the Nomination & Appointment Process Document.</p> <p>The role of the Nominations Committee is to assess the skills and experience of each nominee Director (Nominee) and make a recommendation to the Cbus Board in relation to their respective appointment as a Trustee Director. This process is captured in the Nominations Committee Charter (https://www.cbussuper.com.au/content/dam/cbus/files/governance/board-executive/Nominations-Committee-Charter.pdf).</p> <p>The composition of the Nominations Committee is determined by the Board, which includes the Fund Chair and two other members on a rotational basis dependent on the appointments being reviewed to avoid any conflict situation.</p> <p>The Fit and Proper Policy (updated in 2020) states that prior to the appointment of a new Director, an assessment of fitness and propriety takes place in accordance with SPS510 Fit and Proper. The assessment includes an evaluation of skills and experience. Upon the nomination of a Director, Cbus writes out to the Nominee and provides a suite of governance policies and asks the Nominee to complete a Responsible Persons Skills Assessment form. This information informs the papers for the Nominations Committee and if they are appointed is then incorporated in Cbus' Board Skills Matrix.</p> <p>Further, training is provided on an as needs basis for individual directors in the event that it is assessed that additional training is required in order for the skills component of the assessment to be met. In the event that it is assessed that the Nominee may not</p> | <p>The Shareholder representatives resolved to include a skills gateway in the Trustee's Articles of Association (Articles). The Articles now specify that the "appointor has considered the existing skills and experience of the Board, and the appointee demonstrates one or more skill or experience set out in the Board skills matrix".</p> | |
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| | | meet any other aspect of the Fit and Proper Policy, the Chair and CEO meet with the Sponsoring Organisation (and in the case of an independent director, that individual) to discuss the issues and determine whether further evidence and investigation is required and whether another nominee will be sought. | | |
| 1.2 A profit-to-member superannuation fund must have a written agreement with each trustee director and senior executive setting out the terms of their appointment. | <input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply | Cbus issues Letters of Appointment for all Directors and Senior Executives to set out the terms of their appointment. In 2020, the Letters of Appointment were updated to also include key requirements of the role and information on the time commitment required, declarations of interests and duties and ongoing training requirements. | | |
| 1.3 The fund's company secretary is accountable directly to the Board, through the Chair, on all matters concerning effective Board operations and must provide every assistance to the Board to fulfil their obligations in acting in the best interests of members. The Chief Executive Officer must not be the company secretary. | <input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply | <p>Cbus has a Company Secretary that reports directly to the Cbus Board on all matters concerning effective Board operations and must provide every assistance to the Board to fulfil their obligations in acting in the best interests of members</p> <p>The Chief Executive Officer is not the Company Secretary.</p> | | |

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1.4 Profit-to-member superannuation funds must have a written diversity policy, appropriate to the circumstances of the fund, which sets out clear and measurable objectives and provides for annual reporting to the Board and members. This policy must establish objectives concerning gender balance as a minimum, with other forms of diversity considered by the fund as appropriate. Objectives must relate to processes, which may, but do not necessarily, include targets for participation at Board and management levels, to ensure that the fund taps the broadest talent pool and is responsive to the needs of all its members.

- Full
 Partial
 Does not/cannot comply

Cbus has a Diversity & Inclusion Policy for the Fund more broadly which currently focuses on three target areas for Management and staff:

- Gender and Gender Related Matters
- Workplace Flexibility
- Cultural Diversity.

There is a Diversity Action Plan contained within the Policy which sets out targets and timeframes accordingly.

Cbus has also set a gender diversity target for the Board which is set out in the Fund Governance Policy (<https://www.cbussuper.com.au/content/dam/cbus/files/governance/policies/Fund-Governance-Policy.pdf> , page 9). Progress against this target is reported annually in the Integrated Annual Report.

Cbus has implemented processes to support gender diverse outcomes including using gender neutral language in job advertisements, gender balanced shortlists and selection panels.

Cbus also has a Cbus Pathways Program aimed at increasing the experience, skills and diversity at Cbus through recruitment of employees from overseas countries including asylum seekers, refugees and people who have come to Australia on humanitarian grounds.

Refer page 60 of the 2020 Annual Integrated Report - <https://www.cbussuper.com.au/content/dam/cbus/files/governance/reporting/Annual-Integrated-Report-2020.pdf>

The Cbus Gender Equality Strategy was created in November 2020. It provides the progress which has been made in the last 12 months against the gender equality targets as well as supporting measurable objectives and diversity demographics (outside of gender) collected as part of the Cbus 2020 Employee Engagement Survey.

When the Gender Equality Strategy was developed, two year stretch targets were established to continue to drive equality achievements across the Fund. Some of these targets have been achieved and are above the Women Gender Equality Agency (WGEA)

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| | | | Financial Services Benchmark. | |
| <p>1.5 In accordance with SPS510, profit-to-member superannuation funds must have:</p> <ul style="list-style-type: none"> annual procedures to evaluate the performance of the Board; annual procedures to evaluate individual trustee directors. <p>The fund must:</p> <ul style="list-style-type: none"> disclose a summary of those procedures and; confirm annually that the performance evaluations were undertaken during the reporting period. | <input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply | <p>The Director Appointment, Performance and Renewal Policy sets out procedures with regard to annually evaluating the Board performance and individual director performance.</p> <p>In accordance with the Director Appointment, Performance and Renewal Policy, the Company Secretariat is responsible for ensuring that the Board performance assessment (individual and collective) takes place annually. Regular assessment of Board performance supports:</p> <ul style="list-style-type: none"> - Improving the effectiveness of the Board to achieve objectives; - Identifying any areas for improvement; and - Clarifying individual and group roles. <p>The assessment encompasses the Board as a whole, Board Committees, individual Directors, Committee Chairs and the Board Chair. A record of the assessment is maintained by the Company Secretariat.</p> <p>Triennial independent performance reviews of the Board, Directors and Fund Chair occur every three years. Every three years, the Company Secretariat will arrange for the annual, 'whole of board' and individual performance assessment to be completed by an external specialist. The external specialist will obtain whole of Board feedback and, to assist in ongoing annual assessments of the Chair's performance and effectiveness, provide this feedback to both the Chair and to the other Directors.</p> <p>Cbus has completed its annual performance evaluation and has disclosed a summary of those procedures on our website. (https://www.cbussuper.com.au/about-us/how-were-run/governance)</p> | <p>Cbus has disclosed a summary of the annual procedures to evaluate the performance of the Board on its website.</p> | |

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| <p>1.6 The Board of a profit-to-member superannuation fund must have a documented process for evaluating the performance of the senior management. The fund should disclose whether such a performance evaluation was undertaken during the reporting period.</p> | <p><input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply</p> | <p>Executive Performance is reviewed against the Cbus '5+1" performance management process.</p> <p>The People, Culture and Remuneration Committee reviews the outcomes of Executive performance and remuneration and any changes to remuneration must be approved by the Board.</p> <p>This financial year was the fourth year of the Variable Pay Program (VPP) for the CEO and Group Executives and for select roles within our Investment team. The program assesses contribution to the Cbus strategy and business plan objectives; team performance; and individual performance outcomes. Behavioural (cultural and engagement) metrics form part of the team and individual performance measures. VPP payments are made progressively over a three-year period.</p> <p>The process involves: the Chief Risk Officer (CRO) meeting with each individual Executive in advance of the August People, Culture and Remuneration Committee (PCRC) meeting to step through and discuss the Executive's self-attestation; the CRO providing a written Conduct Gate assessment to the PCRC; the CEO providing a written report to the PCRC on the individual Executive's conduct to ensure it is consistent with Cbus values and expected behaviours; and the PCRC reviewing the Executive self-attestation, the CEO report and the CRO's assessment to determine the Executive's eligibility for any variable payment and the VPP outcomes.</p> <p>In FY2021, the Committee considered that the number of binary measures (i.e. 0% or 100% achievement) should be reduced from Executives' Performance Plans (5+1s), where possible, to ensure a more representative impact on individual total scorecard results.</p> <p>The Committee also expressed a preference for quantitative or qualitative measurements to be graduated to deliver the Committee more flexibility in assessing performance outcomes/results. This feedback has been incorporated into the Executives' FY21 Performance Plans (5+1s).</p> | <p>The Executives' FY21 Performance Plans (5+1s) were enhanced by:</p> <ul style="list-style-type: none"> - Reducing the number of binary measures of performance (i.e. 0% or 100% achievement) - Graduated quantitative and qualitative measurements, which deliver the Committee more flexibility in assessing performance outcomes/results. | |

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| <p>2.1 The Board of a profit-to-member superannuation fund must:</p> <ul style="list-style-type: none"> Have a committee responsible for Board renewal that has at least three members; The committee must have a charter that is publicly disclosed and; It should meet at least annually. <p>For each reporting period the fund must:</p> <ul style="list-style-type: none"> disclose the members of the Board renewal committee and; attendance records for any meetings during that period. | <input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply | <p>The Nominations Committee is responsible for Board renewal. The Board appoints at least three Directors to the Committee and meets at least annually. The Board determines the Committees' composition which includes the Fund Chair and two other members on a rotational basis dependent on the appointments being reviewed to avoid any issues of conflict.</p> <p>The Nomination Committee's endorsements of nominees are provided to the Board for their approval.</p> <p>In FY2021 the Nominations Committee met once, and in FY2022 the Nominations Committee is scheduled to meet three times.</p> <p>The Nominations Committee Charter is available on the Cbus website. https://www.cbussuper.com.au/content/dam/cbus/files/governance/board-executive/Nominations-Committee-Charter.pdf</p> <p>Attendance records for all Board and Committee meetings, including the Nominations Committee meeting attendance are disclosed on the Cbus Website. https://www.cbussuper.com.au/content/dam/cbus/files/governance/board-executive/Nominations-Committee-Attendance.pdf</p> | | |

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| <p>2.2 A profit-to-member superannuation fund must:</p> <ul style="list-style-type: none"> Maintain a matrix showing the skills, relevant experience and diversity the Board currently has and acknowledge gaps it is looking to fill in order to effectively fulfil its strategic plan. It must disclose annually a representation of the existing collective skills, experience and diversity of the Board. | <input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply | <p>Cbus maintains a skills and experience spreadsheet that reflects the cohesive skillset of the Board and the individual directors.</p> <p>The skills assessment for the Board and Board Committees is reviewed annually to ensure that the Board has the skills and experience to set and execute the Trustee's strategy. The skills assessment is provided to the Directors for their self-assessment as part of Cbus' annual Fit and Proper Process.</p> <p>The results of the Board and Committee skills assessments are presented to the Board, along with proposed remediation plans to resolve any skills gaps identified. Each remediation plan is also tabled at the respective Committees for further discussion.</p> <p>Training records are also maintained for individual directors with a 30-hour minimum requirement that must be met by each director.</p> <p>Cbus has set gender equity targets at the organisational level, Board level and for the Investment team, this is provided in page 60 of the Annual Integrated Report: https://www.cbussuper.com.au/content/dam/cbus/files/governance/reporting/Annual-Integrated-Report-2020.pdf</p> <p>Cbus has disclosed their Board skills in a manner which shows its current state versus their desired state so it is clear where there are development opportunities on the Board. This was approved by the Board at the 31 August Board meeting. This is available on our website: https://www.cbussuper.com.au/about-us/how-were-run/governance.</p> | <p>Cbus has disclosed their Board skills in a manner which shows its current state versus their desired state so it is clear where there are development opportunities on the Board. This was approved by the Board at the 31 August Board meeting.</p> | <p>Cbus will continue to review the skills assessment and remediate the skills gaps identified through agreed action plans.</p> |

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| <p>2.3 In disclosing the names of its directors, a profit-to-member superannuation fund must identify for each director whether they are a member representative, an employer representative or a non-representative member. In each instance, the name of the nominating body must also be publicly disclosed.</p> | <p><input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply</p> | <p>On Cbus' website, Cbus outlines the structure of the Board as well as disclosing under each Director Profile whether they are an Independent Director, Member Director or Employer Director. For the Member Directors and Employer Directors, their profiles also shows their sponsoring organisation. All Directors' relevant interests and duties are disclosed on the website - Register of Interests & Duties.</p> <p>Information on Cbus' Board is here: https://www.cbussuper.com.au/about-us/how-were-run/board</p> <p>Register of Interests and Duties is available here: https://www.cbussuper.com.au/content/dam/cbus/files/governance/board-executive/Register-Relevant-Interests-Duties.pdf</p> | | |

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| <p>2.4 The voting rights of all trustee directors on the Board must:</p> <ul style="list-style-type: none"> • Be equal, regardless of their status as a member or employer representative director, or non-representative director. • The voting majority for any Board decision should be no less than two-thirds of all trustee directors. | <input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply | <p>Cbus Directors' voting rights are equal (regardless of their status as member, employer or independent director) and agreement by two-thirds majority of Directors is required for all resolutions.</p> <p>The voting rules are contained in the Board and Committee Charters and the Fund's Articles of Association all of which are available on Cbus' website.</p> <p>Board Charter: https://www.cbussuper.com.au/content/dam/cbus/files/governance/board-executive/Cbus-Board-Charter.pdf</p> <p>Committee Charters: https://www.cbussuper.com.au/about-us/how-were-run/board</p> <p>Articles of Association: https://www.cbussuper.com.au/content/dam/cbus/files/governance/board-executive/Articles-Association.pdf</p> | | |

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| <p>2.5 The Chair of a profit-to-member superannuation fund Board must:</p> <ul style="list-style-type: none"> • Be appointed by the Board, and • Must satisfy all the requirements of skill and experience identified in the fund's skills matrix for the role of Chair. | <p><input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply</p> | <p>The Independent Chair can be nominated by any Sponsoring Organisation or any Director and the appointment is reviewed by the Nominations Committee before being endorsed by the Board. As part of the appointment process, the Nominee must complete Cbus' Responsible Persons Skills Assessment form so that Cbus can ensure that the Nominee satisfies their skills and experience requirements.</p> <p>Previously, Cbus did not have additional skills of the Chair explicitly called out in their Skills Matrix as the Skills Matrix focus was to identify the collective skills of the Board and identify any gaps. However, Cbus has updated its Board Skills Assessment Guidance to include additional minimum skills for the Board Chair, Deputy Chair and Committee Chairs. Under the updated guidance, the Chair, Deputy Chair and Committee Chairs will be required to be experts in the following areas, within 12 months of their appointment to the role:</p> <ul style="list-style-type: none"> - Trustee Director Duties; - Values; - Leadership; and - Corporate Governance <p>Cbus' Fund Governance Policy (https://www.cbussuper.com.au/content/dam/cbus/files/governance/policies/Fund-Governance-Policy.pdf, page 4) and the Appointment, Renewal and Performance Policy (section 11.4) sets out the requirements and expectations of the role of Chair. These expectations are taken into account on appointment and annually during the individual performance assessment process.</p> | <p>Cbus has updated its Board Skills Assessment Guidance to include additional minimum skills for the Board Chair, Deputy Chair and Committee Chairs. Under the updated guidance, the Chair, Deputy Chair and Committee Chairs will be required to be experts in the following areas, within 12 months of their appointment to the role:</p> <ul style="list-style-type: none"> - Trustee Director Duties; - Values; - Leadership; and - Corporate Governance | |

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| 2.6 The CEO must not be a director of the fund. | <input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply | The CEO is not a director of the Fund. | | |
| 2.7 A profit-to-member fund must: <ul style="list-style-type: none"> • Have an induction program for new trustee directors and • Provide appropriate ongoing professional development and training opportunities to continuously enhance their skills and knowledge. | <input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply | <p>The Trustee has a comprehensive 12-month induction program in place for newly appointed directors.</p> <p>On an ongoing basis, all Directors must accumulate a minimum of 30 hours in professional training each financial year in accordance with the Director Training Policy. The Fund maintains training records and notifies each Director of their hours throughout the year. Training and development opportunities are notified to Directors throughout the year.</p> <p>Cbus also arranges speciality Board to Business sessions for the Board to provide further education in key areas, in FY20 this has included sessions on technology risks, financial Statements training with a planned session on FAR to come.</p> | | |

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| <p>3.1 A profit-to-member superannuation fund must:</p> <ul style="list-style-type: none"> Have a code of conduct for its Board, senior management and employees. This code, or a summary of it, must be publicly disclosed. | <p><input checked="" type="checkbox"/> Full</p> <p><input type="checkbox"/> Partial</p> <p><input type="checkbox"/> Does not/cannot comply</p> | <p>The Code of Conduct that covers the Board, Senior Management and all employees is disclosed on the Cbus Website.</p> <p>A summary of Cbus' Code of Conduct is summarised in the Fund Governance Policy.</p> <p>Code of Conduct: https://www.cbussuper.com.au/content/dam/cbus/files/governance/policies/Cbus-Code-of-Conduct.pdf</p> <p>Fund Governance Policy: https://www.cbussuper.com.au/content/dam/cbus/files/governance/policies/Fund-Governance-Policy.pdf</p> | | |

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| 4.1 The Board of a profit-to-member superannuation fund must ensure the financial integrity of both the fund and the trustee entity. | <input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply | <p>The newly established Audit & Finance Committee (AFC) oversees the financial integrity of the Fund and Trustee entity. Both the Fund's and the Trustee entity's financial statements are subject to external audit review and assurance.</p> <p>The AFC Charter is publicly available and includes oversight of internal and external audit, tax, the financial reporting framework, the risk management framework, business continuity, outsourcing and anti-money laundering/counter-terrorism financing.</p> <p>AFC Charter: https://www.cbussuper.com.au/content/dam/cbus/files/governance/board-executive/Audit-Finance-Committee-Charter.pdf</p> | <p>In 2021, the Audit and Risk Management Committee split into two separate Committees comprising of the Audit and Finance Committee and the Risk Committee. This split has elevated the Board's focus and oversight of both audit and finance and risk functions for the Fund.</p> | |
| 4.2 A profit-to-member superannuation fund must ensure due process in all transactions and ensure that any related party transactions are conducted under market conditions with full transparency and disclosure. | <input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply | <p>All related party transactions are conducted on an arms-length basis and under market conditions. Related party transactions are disclosed in the financial statements (https://www.cbussuper.com.au/content/dam/cbus/files/governance/reporting/Cbus-Annual-Financial-Statements-June-2020.pdf) which are audited and made available on Cbus' website.</p> <p>Cbus' Conflicts Management Policy set outs how the Trustee identifies and manages actual, potential and perceived conflicts and forms part of the Trustee's Conflicts Management Framework.</p> | | |

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| <p>4.3 The Board of a profit-to-member superannuation fund must:</p> <ul style="list-style-type: none">• Receive an attestation from the fund's CEO* and CFO* that the fund's accounts are a true and accurate reflection of the fund's financial position and that the financial records have been properly maintained, before approving the financial statements.• In accordance with SPS510 an independent auditor must be appointed. The auditor must be fit and proper pursuant to SPS520 and must issue their opinion on the financial | <p><input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply</p> | <p>An annual attestation/Management Representation letter from the CEO and CFO is provided prior to accounts being signed by directors. This was previously provided to the Audit & Risk Management Committee but will be provided to the newly formed Audit and Finance Committee and the Board in 2021, as part of the approval process for annual financial statements.</p> <p>An independent, external auditor is appointed, and the auditor is assessed for Fitness & Propriety and provides an opinion in the Financial Statements to the Trustee. Both the Financial Statements and accompanying audit reports are publicly available.</p> <p>Financial Statements: https://www.cbussuper.com.au/content/dam/cbus/files/governance/reporting/Cbus-Annual-Financial-Statements-June-2020.pdf</p> | <p>The annual attestation / Management representation letter was previously provided to Cbus' Audit and Risk Management Committee, it will now be provided to newly formed Audit and Finance Committee.</p> | |
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| statements to the trustee and members of the fund. | | | | |
| * Titles may differ – please indicate the title of relevant manager/s undertaking attestation. | | | | |
| 5.1 A profit-to-member superannuation fund must develop and implement a stakeholder engagement program, for effective disclosure of relevant and material issues. The program must provide opportunities for directors and senior management to communicate directly with stakeholders and for stakeholders to ask questions of them. | <input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply | <p>The Fund has an extensive program in place to ensure that stakeholders (members, employers, sponsoring organisations and fund employees) are provided with disclosure of relevant and material issues.</p> <p>We also report to our stakeholders using best practice frameworks such as the International Integrated Reporting Framework. An important feature of this framework is that the fund undertakes an annual materiality process to engage with key stakeholders including members, employers and sponsoring organisations to test what is important to them.</p> <p>Currently stakeholders can have direct dialogue and ask questions to the Fund Chair and Senior Managers at the Annual Member Briefing. In addition, throughout the year there are many opportunities for engagement including via an active webinar program, workplace visits including by the CEO and senior Management of Cbus and engagement with members via union channels.</p> | | |

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| <p>6.1 A profit-to-member superannuation fund must:</p> <ul style="list-style-type: none"> Have a strong risk culture with a Board that provides robust oversight of the fund's material risks. The risk management framework must explicitly address factors that may erode the fund's members-first culture. | <p><input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply</p> | <p>The Fund's Risk Management Framework includes identified risks that may erode the Fund's member-focused culture. These risks are monitored and reported on throughout the year.</p> <p>The following specific material risks have been identified under the Risk Management Framework that can impact on the culture of the Fund: culture and conduct risk; leadership and talent risk.</p> <p>Risk culture surveys and key risk indicators monitor those material risks, as per the Framework.</p> <p>As part of Cbus' risk culture framework, risk culture is monitored via</p> <ul style="list-style-type: none"> Culture key risk indicators Risk culture surveys and subsequent validation with the business on root causes Internal Audit performs a behavioural assessment as part of their internal audit reviews Board to business allows directors insights on culture through discussions with management | <p>Enhanced the Risk Culture Framework incorporating inputs from:</p> <ul style="list-style-type: none"> APRA's expectations on the ten dimensions of risk culture; Recent research on global best practices; Outcomes from the 2021 Employee Engagement survey. <p>Developed a Risk Culture Action plan that details activities to continue to uplift risk culture maturity at Cbus in line with the Risk Culture Framework.</p> | <p>Activities outlined in the Risk Culture Action plan which includes:</p> <ul style="list-style-type: none"> As part of the Financial Accountability Regime (FAR) program, develop accountability statements, maps and decision-making framework, consequence management framework. Review Code of Conduct to incorporate greater emphasis on risk and compliance culture and associated policies; develop comprehensive communication and education plan to rollout revised Code of Conduct Risk capability and skills assessment as part of '3 lines of defence' maturity uplift |
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| | | | | <ul style="list-style-type: none"> - Define scope, accountabilities and operating rhythm for Heads of group including expectations regarding role modelling and reinforcing risk culture Review and refresh risk and compliance training for existing employees and new hires |

FY2021 COMPLIANCE REPORT: AIST GOVERNANCE CODE

| Requirement | Compliance level Please select one: | Explanation & evidence (pls copy in links and/or supply documents) | List changes made in FY2021 | Planned improvement activities |
|---|--|---|-----------------------------|---|
| <p>7.1 A profit-to-member superannuation fund must have policies and practices in place to attract and retain highly competent people, assessed relative to the size, nature and complexity of the fund. These policies and practices must be consistent with its responsibilities for maximising members' retirement outcomes and encouraging and rewarding ethical practices and behaviour.</p> | <p> <input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply </p> | <p>The Fund has policies and practices in place covering remuneration, recruitment, training and development, conduct, performance reviews and management. These policies and practices are consistent with the Fund's responsibilities to act in the best interest of its members and the Fund values that members are at the heart of everything we do and are focused on achieving the Fund's strategies to maximise our members retirement outcomes. As well, the Fund has a 'Respect the Workplace Policy' which outlines how people are expected to behave towards and treat others with regard to providing a fair, safe, mutually respectful and appropriately dignified and professional work environment.</p> | | <p>The People & Culture Team are conducting a holistic review of the Cbus Remuneration Policy and the Executive Variable Pay Program over the next 3-6 months. The purpose of the review is to ensure that Cbus has robust frameworks to attract and retain talent.</p> |

FY2021 COMPLIANCE REPORT: AIST GOVERNANCE CODE

| Requirement | Compliance level Please select one: | Explanation & evidence (pls copy in links and/or supply documents) | List changes made in FY2021 | Planned improvement activities |
|--|---|---|-----------------------------|--------------------------------|
| 8.1 A profit-to-member superannuation fund must design and manage appropriate investment strategies having regard to member demographics and circumstances during both the accumulation and decumulation phases. | <input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply | <p>Our Investment Governance Framework and investment strategies are designed having regard to our member demographics and circumstance during accumulation and decumulation phases. Specifically, the Fund’s investment strategies reflect the membership profile, membership behaviour and Fund circumstances. The Fund maintains a model to monitor and analyse the Fund’s membership profile, including forward projections. The Business Insights Team is responsible for reviewing and updating the model and key assumptions, which occurs as required and at least triennially. The key aspects considered by Fund include, but are not limited to:</p> <ul style="list-style-type: none"> - Portion of the Fund in the accumulation and pension phase, by member number and funds under management; - Average and median duration to retirement; - Portion of the Fund that actively contributes; - Amount of the Fund in the default Option; - Volume of switching activity; - Average and median account balance; - Concentration of assets among different portions of the membership; - Retention rates of members at retirement age; - Stability of the contribution flows; and - Impacts of rollovers. | | |