

FY2021 COMPLIANCE REPORT: AIST GOVERNANCE CODE

Fund name:

Sunsuper Superannuation Fund

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Company Secretary

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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>Sunsuper has a Fit & Proper Policy in place which addresses the required skills and experience considered necessary to be a director. Sections 6.2, 9, 13, 14, 15 and Appendix A provide details around the skills and experience requirements. Propriety requirements are addressed in section 16. Additional requirements are set out in section 6(xi) of the Board Appointment and Renewal Policy. These two policies are published on the Fund's website. In particular a formal, written Fit and Proper assesment reflecting requirements of these policies is co-ordinated by the Company Secretary and reviewed by the Board Chair as part of process for appointment of all persons as a Trustee Director. Additionally the Nomination and Remuneration Committee (NRC) considers and makes a recommendation to the Board before a person is appointed as a trustee director. See section 4 of NRC Charter.</p> <p>https://www.sunsuper.com.au/governance-and-reporting/corporate-governance</p> <p>No new directors were appointed during 2020/2021. Michael Traill and Andrew Fraser were reappointed during the year.</p> <p>Pursuant to section 9.2 of the Constitution of Sunsuper Pty Ltd and sections 6 (iii) and 6 (iv) of the Board Appointment and Renewal Policy there is a process for engagement with sponsoring organisations and for nomination by the relevant Sponsor of an Employer Nominated Director or Member Nominated Director as appropriate.</p> <p>https://www.sunsuper.com.au/governance-and-reporting/prescribed-information</p> | <p>No significant changes made during 2020/2021.</p> | <p>Continue with current practices.</p> |
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| | | As noted above there were no appointments during 2020/2021 and therefore no requirement to engage with sponsoring organisations under these provisions. | | |
| 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 | <p>Each director has their appointment confirmed in writing. This includes, among other things, the terms and tenure of their appointment, their obligations and responsibilities as director, expectations of time commitments and meeting attendance, remuneration and conflicts management expectations.</p> <p>Senior executives are employed under individual employment contracts, which address general employment obligations and terms relating to remuneration, leave entitlements internal HR and other Sunsuper policies, competition and confidentiality, entitlements, workplace health and safety, etc.</p> | No material changes made during 2020/2021. | Continue with current practices. |
| 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>The Company Secretary role is accountable directly to the Board, through the Board Chair.</p> <p>The Company Secretary is not the CEO of the Fund.</p> <p>The Company Secretary role is shown on the Sunsuper website: https://www.sunsuper.com.au/about-us/our-executive-team.</p> | No changes made during 2020/2021. | Continue with current practices. |

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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

Sunsuper has a Board Diversity Policy which references the commitment of Sunsuper to attracting and retaining a Board of Directors whose composition reflects a diversity of backgrounds, knowledge, experience and abilities, and the objective of the gender diversity target of 40% of each gender represented on the Board of Directors. The Board Appointment and Renewal Policy also provides that the Board seeks to achieve gender, geographical, age and other diversity in the composition of the Board. The Board Skills Matrix also reflects diversity. The Board Diversity Policy, the Board Appointment and Renewal Policy and the Board Skills Matrix are published on the Sunsuper website.

<https://www.sunsuper.com.au/governance-and-reporting/corporate-governance>

<https://www.sunsuper.com.au/governance-and-reporting/fit-and-proper-matrix>

For employees and management, Sunsuper has a Diversity and Inclusion Policy, which references Sunsuper's commitment to creating a culture and workplace that fosters diversity and inclusion across all levels of the business. This commitment is supported by annual compliance training in relation to anti-discrimination, workplace harassment and bullying, sexual harassment and equal employment opportunity.

The Diversity and Inclusion Policy applies to how Sunsuper provides services to customers and how it interacts with other members of the public, as well as employee treatment of other employees, of customers and of other members of the public encountered in the course of their Sunsuper duties.

Addition of Board and Committee Chair Terms in Appendix 1 of Board Appointment and Renewal Policy.

Continue with current practices.

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| | | <p>Annual reporting is provided to the Nominations and Remuneration Committee on the total numbers of males and females employed, proportion of males and females in senior management positions and the proportion of males and females on the Sunsuper Board under the Workplace Gender Equality Agency (WGEA) Report. The report is made available to all staff.</p> <p>The WGEA report is published on the Sunsuper website: https://sunsuper.com.au/library/media/pdfs/governance-and-reporting/wgea---public-report.pdf</p> | | |

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| <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. | <p><input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply</p> | <p>The Board Assessment Procedure is published to the Fund's website - under the section Governance and reporting - corporate governance.</p> <p>https://www.sunsuper.com.au/governance-and-reporting/corporate-governance</p> <p>This Procedure sets out:</p> <ul style="list-style-type: none"> - At section 6.1 the annual assessment process of the Board's performance including external advice and assistance at least once every three years. - At section 6.2 the annual assessment process of individual directors. <p>The Fund's 2019-2020 Annual Report confirms, under the Governance and Financial Statements Section - Evaluation of Board and executives (page 40), that the performance evaluations for the 2019/2020 financial year were conducted. An external consultant conducted the review of the Board performance. Similar disclosure will also be made for the 2020-2021 Annual Report. An external consultant will not be used in 2021.</p> <p>Individual performance evaluations were undertaken during 2020 and are planned during 2021.</p> <p>The Annual report is published on the Fund's website under - Governance and reporting - Prescribed information.</p> <p>https://www.sunsuper.com.au/governance-and-reporting/prescribed-information</p> | <p>No significant changes made during 2020/2021.</p> | <p>Continue current practices.</p> |
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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.

- Full
 Partial
 Does not/cannot comply

Executive management positions are governed by individual employment contracts, not an enterprise agreement. The individual contracts contain terms and conditions that generally apply to employment such as leave entitlements internal HR and other Sunsuper policies, competition and confidentiality, entitlements, workplace health and safety, etc.

Sunsuper has a Performance Framework in place which has been formulated to support Sunsuper operating as a High Performance Organisation. Sunsuper utilises HR software platforms to formalise the performance assessment process. This starts with setting goals, capturing progress at regular intervals, agreeing to a development plan and assessing goals and attributes.

The Nomination & Remuneration Committee receives reporting and recommendation regarding the outcomes of the performance evaluation process. The Committee is responsible for making recommendations to the Board regarding assessments and any remuneration recommendations.

The Fund's 2019-2020 Annual Report confirms, under the Governance and Financial Statements Section (page 40), that the performance evaluations for the financial year were conducted. This disclosure will also be made for the 2020-2021 Annual Report.

Annual report is published on the Fund's website under - Governance and reporting - Prescribed information.

<https://www.sunsuper.com.au/governance-and-reporting/prescribed-information>

No significant changes made during 2020/2021.

Continue current practices.

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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. | <p><input checked="" type="checkbox"/> Full</p> <p><input type="checkbox"/> Partial</p> <p><input type="checkbox"/> Does not/cannot comply</p> | <p>The Nominations & Remuneration Committee is responsible for making recommendations to the Board in respect of Board renewal. The Committee consists of at least three (3) non-Executive Directors including the respective Chairs of Sunsuper Pty Ltd, and the Sunsuper Audit, Compliance and Risk Management Committee together with any other Directors as nominated by the Board (clause 5.1 of Charter). The Committee meets at least four (4) times per year (clause 6.1 of Charter) and the Charter is published on the Fund's website - under Governance and reporting - corporate governance.</p> <p>https://www.sunsuper.com.au/governance-and-reporting/corporate-governance</p> <p>The Fund's 2019-2020 Annual Report (page 44) and the Fund Financial Statements (page 49) both disclose the membership of the committee and attendance records for the financial year. The Fund's 2020-2021 Annual Report will contain similar information. The Fund's Annual Report is published on the Fund's website under Governance and reporting - prescribed information.</p> <p>https://www.sunsuper.com.au/governance-and-reporting/prescribed-information</p> <p>Membership of each Board Committee is disclosed in the Annual Report, refer to page 44, under the heading Directors' meetings.</p> | <p>No significant changes made during 2020/2021.</p> | <p>Continue current practices.</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>The Board maintains a matrix showing the skills, relevant experience and diversity the Board has and gaps it is seeking to fill, in order to effectively fulfil its strategic plan. On an annual basis a formal assessment of the skills and experience of individual directors and the Board collectively is undertaken as outlined in the Fund's Fit and Proper Policy. See section 15.6 and section 4 of Appendix A. This assessment is provided to the Board for consideration.</p> <p>A representation of existing collective skills, experience and diversity of the Board is published on the Fund's website and is subject to an annual review and update process following completion of the fit & proper assessment as described above.</p> <p>https://www.sunsuper.com.au/governance-and-reporting/fit-and-proper-matrix</p> | <p>No changes made during 2020/2021.</p> | <p>Continue current practices.</p> |
| <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> | <input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply | <p>The Directors of the trustee Board are disclosed in the 2019-2020 Fund Annual Report (page 40) as Member Nominated Directors, Employer Nominated Directors or Independent Directors. The nominating body is disclosed beside the name of the Director.</p> <p>The Financial Statements also identify on page 44 which Directors are Member Nominated, Employer Nominated or Independent.</p> <p>https://www.sunsuper.com.au/governance-and-reporting/prescribed-information</p> | <p>No changes made during 2020/2021.</p> | <p>Continue current practices.</p> |

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2.4 The voting rights of all trustee directors on the Board must:

- 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.

- Full
 Partial
 Does not/cannot comply

All directors of Sunsuper have equal voting power, except with regard to remuneration for Directors. Clause 9.3(a) of the Constitution sets out that remuneration is agreed to by all of the Employer Representative (Nominated) Directors and the Member Representative (Nominated) Directors.

The Constitution is published on the Fund's website under Governance and reporting - prescribed information.

<https://www.sunsuper.com.au/governance-and-reporting/prescribed-information>

In practice, the Sunsuper Board has delegated responsibility for considering director remuneration to the Nominations & Remuneration Committee, through the Committee Charter. The Nominations & Remuneration Committee has representatives from Employer Nominated Directors and Member Nominated Directors as well as Independent Directors. Recommendations from the Nominations and Remuneration Committee are provided to:

1. Employer and Member Nominated Directors for their approval on Director remuneration; and
2. the whole Board for their consideration and approval.

The voting majority for Directors to pass resolutions is three quarters (3/4), under clause 9.9(c) of the Constitution, with the Chair of the meeting not holding a casting vote in addition to their deliberative vote.

The Nominations and Remuneration Committee Charter is published on the Fund's website under Governance and reporting - corporate governance.

<https://www.sunsuper.com.au/governance-and-reporting/corporate-governance>

No changes made during 2020/2021.

Sunsuper will continue with the current Constitution and current practices.

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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</p> <p><input type="checkbox"/> Partial</p> <p><input type="checkbox"/> Does not/cannot comply</p> | <p>The Chair of the Board is appointed by the Board pursuant to the process set out in Clause 9.9 of the Constitution and Section 4(g) of the Board Charter. The Board is responsible for appointing the Chair, after consultation with all Directors and on the recommendation of the Employer and Member Nominated Directors.</p> <p>https://www.sunsuper.com.au/governance-and-reporting/prescribed-information</p> <p>The skills and experience required of the Board Chair are set out in the Fit and Proper Policy (Appendix A, section 3.2) They should include:</p> <ul style="list-style-type: none"> • Tier 2 requirements for Company Director and RSE Licensee Governance skills and experience; • Ability to lead others; • Ability to engage with all stakeholders including shareholders; and • Ability to advocate and effectively represent Sunsuper in the public arena. <p>https://www.sunsuper.com.au/governance-and-reporting/corporate-governance</p> <p>The current Chair of Sunsuper meets these requirements and is evidenced by resume extract published on Sunsuper website at https://www.sunsuper.com.au/about/board</p> | <p>No changes made during 2020/2021.</p> | <p>Continue current practices.</p> |

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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. Directors are listed on the Fund's website at https://www.sunsuper.com.au/about/board , which confirms that the CEO is not a director. | No changes made during 2020/2021. | Continue current practices. |

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| <p>2.7 A profit-to-member fund must:</p> <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. | <p><input checked="" type="checkbox"/> Full</p> <p><input type="checkbox"/> Partial</p> <p><input type="checkbox"/> Does not/cannot comply</p> | <p>All Directors have an obligation to develop a broad understanding of the Fund's structure and operations and the operational context. Section 15.5 of the Fit & Proper Policy sets out induction requirements, and includes:</p> <ul style="list-style-type: none"> • design of an induction program for each new Director taking into account skill sets and their Board and Committee memberships; • provision of governing documents (trust deed, constitution, policies, charters); • attending meetings with relevant executive including the CEO and each Executive General Manager of the Fund. <p>The Fit & Proper Policy addresses requirements for ongoing professional development in Section 15.6 and includes:</p> <ul style="list-style-type: none"> • Annual Director Learning and Development Plans; • Target training hours of 60 hours over rolling 2 year cycles; • Membership of the AIST; • Opportunities for training with AIST, AICD, Investment Managers, superannuation industry conference attendance and other opportunities. <p>Each trustee Director has as individual professional development plan tailored to their needs. Section 4 of Appendix A to Fit and Proper Policy sets out process for development of this plan.</p> <p>https://www.sunsuper.com.au/governance-and-reporting/corporate-governance</p> | <p>No significant changes made during 2020/2021.</p> | <p>Continue current practices.</p> |

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| 3.1 A profit-to-member superannuation fund must: <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. | <input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply | <p>Sunsuper maintains a Code of Conduct, the introduction to which is from the Board Chair and the CEO. The code provides the principles of behaviour that are expected to be met and applies to all directors, officers, employees, secondees and contractors of the Sunsuper Group.</p> <p>The Code of Conduct & Ethics is disclosed on the Fund's website under Corporate Governance.</p> <p>https://www.sunsuper.com.au/governance-and-reporting/corporate-governance</p> | No significant changes made during 2020/2021. | Continue current practices. |

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| <p>4.1 The Board of a profit-to-member superannuation fund must ensure the financial integrity of both the fund and the trustee entity.</p> | <p><input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply</p> | <p>It is the responsibility of the Board, as set out in the Board Charter (which is published on the Fund's website in the Corporate Governance section) to:</p> <ul style="list-style-type: none"> • Review and approve annual operating plans and budgets; • Monitor financial, operational and investment performance; • Assess the adequacy of financial reports and information; and • Ensure adequate policies and controls are in place with respect to the timely and accurate calculation and application of investment valuations, unit prices and performance results. <p>https://www.sunsuper.com.au/governance-and-reporting/corporate-governance</p> <p>Further, the Directors attest to the financial integrity of the Fund through the annual audit processes and sign off the Directors report which forms part of the Financial Statements of the Fund. The Financial Statements are published on the Fund website in the Prescribed Information section.</p> <p>https://www.sunsuper.com.au/governance-and-reporting/prescribed-information</p> | <p>No significant changes made during 2020/2021.</p> | <p>Continue current practices.</p> |

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| <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.</p> | <p><input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply</p> | <p>Sunsuper has put in place procurement protocols that support the Fund's Outsourcing Policy. The protocols apply minimum requirements around quotes to be obtained, consultation required with internal terms and purchase processes (whether invoice, purchase order, credit cards can be used) and apply stricter criteria as the contract value increases. The protocols also require that probity principles are addressed, which are:</p> <ul style="list-style-type: none">• open competitive process;• fairness, consistency and transparency of process;• identification and resolution of conflicts of interest;• accountability in relation to decision making;• monitoring and evaluation of performance. <p>In addition to the above protocols, related party transactions are subject to review as part of the end of financial year audit process. Sunsuper discloses related party transactions in the Notes to the Financial Statements.</p> <p>The Financial Statements, with the Notes, are disclosed on the Fund website in the Governance and Reporting section.</p> <p>In addition to the above protocols, Sunsuper's Conflicts Management Framework requires recording of disclosures in the Register of Relevant Duties and Relevant Interests in respect of Responsible Persons, both of which are published on the Fund's website in the Governance and Reporting section.</p> <p>https://www.sunsuper.com.au/governance-and-reporting/prescribed-information</p> | <p>No changes made during 2020/2021.</p> | <p>Continue current practices.</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 statements to the trustee and members of the fund. | <input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply | <p>The Board receives an attestation signed by the CEO and CFO as a standard part of the end of financial year audit proceses. These attestations from the CEO and CFO are prepared based on underlying confirmations from the executive, and are assessed by the auditor prior to the giving of the final audit opinion.</p> <p>The Auditor is appointed in accordance with the relevant Prudential Standards and satisfies the relevant associated audit and accounting standards. The Auditor was assessed Fit and Proper consistent with SPS 520 and Sunsuper's Fit & Proper policy.</p> <p>The Auditor issues their opinion based on the results of the audit and in accordance with the relevant audit and accounting standards that apply. Audit opinions are included with the Financial Statements, which are published on the Fund's website in the Prescribed Information section.</p> <p>https://www.sunsuper.com.au/governance-and-reporting/corporate-governance</p> <p>https://www.sunsuper.com.au/governance-and-reporting/prescribed-information</p> | <p>No changes made during 2020/2021.</p> | <p>Continue current practices.</p> |

* Titles may differ – please indicate the title of relevant manager/s undertaking attestation.

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| <p>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.</p> | <p><input checked="" type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> Does not/cannot comply</p> | <p>Sunsuper engages with its stakeholders for effective disclosure of relevant and material issues through various channels, including:</p> <ul style="list-style-type: none"> • Direct communications to members including personalised annual account statements and significant event notifications; • Direct communications to employer clients and other stakeholders, including quarterly reports and newsletters; • Issue of regulated disclosure documents including PDS's and guides, Annual report on the Fund's website; • Other website content providing information on various superannuation related issues; • A responsive contact centre that allows for direct engagement with members and employers via phone, email, web chat and social media channels • Sunsuper also holds an Annual Members Meeting, the inaugural meeting was held in February 2020. The last meeting was held on 4 November 2020. The meeting offers members the opportunity to engage with the Fund's Directors, CEO, Executives and other Key Stakeholders. The meeting was recorded and a copy is on the Fund's website. <p>https://www.sunsuper.com.au/advice/events-and-seminars/annual-member-meeting</p> | <p>No changes made during 2020/2021.</p> | <p>Continue current practices.</p> |

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6.1 A profit-to-member superannuation fund must:

- 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.

- Full
 Partial
 Does not/cannot comply

Sunsuper has developed and implemented a comprehensive risk management framework, which focuses on the identification, analysis, evaluation, treatment, monitoring and communication of risks.

The Sunsuper business includes a risk function, which manages the continued process of embedding a three lines of defence model where risk management is owned by the first line (generally the operational elements of the business), supported by the second line (the risk team, whose function is to provide assistance, oversight and partner with the business to enhance a risk management culture and guide risk management decisions at the first line), with oversight from the third line (generally internal assurance, internal and external audit, who are tasked with monitoring implementation and effectiveness). Risk Management is continually oversighted by the Board and the Board's Audit Compliance & Risk Management Committee who receive regular reporting and have responsibility under their respective Charters (published on the Corporate Governance section of the Fund's website) to ensure that appropriate consideration is given and resources are allocated to risk management.

The risk management framework is subject to limited annual assurance from Sunsuper's external auditor in accordance with prescribed auditing standards as well as further comprehensive review from Sunsuper's internal audit function in accordance with the requirements of APRA's SPS 220 – Risk Management. This is confirmed in the Governance and Financial Statements (Trustee information - page 39) section of the Fund's Annual Report published on the Fund's website under Prescribed Information.

No significant changes made during 2020/2021.

Continue current practices.

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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 |
|-------------|--|--|-----------------------------|--------------------------------|
| | | <p>Sunsuper is committed to a member first culture, and has included conduct risk in the Risk Management Framework, addressing both staff and executive.</p> <p>https://www.sunsuper.com.au/governance-and-reporting/corporate-governance</p> <p>https://www.sunsuper.com.au/governance-and-reporting/prescribed-information</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 |
|---|--|--|--|------------------------------------|
| <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 values of Sunsuper, and the primary purpose of the Fund, to inspire and empower members to fulfil their retirement dreams are embedded up front in Sunsuper's recruitment practices and throughout the employment structures in place in the business. Examples include:</p> <ul style="list-style-type: none"> • Advertisements for positions vacant reference Sunsuper values; • Values are applied to all staff, executive and Directors; • Values are referenced in processes associated with performance assessment, remuneration, code of conduct and ethics, requirements gateways which contain obligations regarding meeting training, compliance and risk management behaviours; • Robust HR policies and procedures, managed by a dedicated People & Culture team, in partnership with the Sunsuper business teams; • Staff recognition programs that align to the values of Sunsuper (nominations for recognition must set out how the person has demonstrated a particular value (or values) in the behaviour and actions). <p>Key policies are:</p> <ol style="list-style-type: none"> 1. Diversity and Inclusion Policy; 2. Equal Employment Opportunity Policy; 3. Remuneration Policy; 4. Recruitment and Selection Guide; 5. Connect (performance management tool, includes Attributes, Goal Setting, regular connect points, development plans). | <p>No changes made during 2020/2021.</p> | <p>Continue current practices.</p> |

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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.

- Full
 Partial
 Does not/cannot comply

Sunsuper has carefully considered the main purposes members have for their superannuation and retirement savings and has developed investment options to match them. Sunsuper's investment options are designed to take into account various risk profiles of members including as they progress from accumulation to decumulation.

The fund's default MySuper investment strategy for accumulation members is the Lifecycle Investment Strategy, which gradually transitions members from age 55 from the Balanced Pool into the Retirement Pool and Cash Pool by age 65. The intent of this transition into Retirement and Cash Pools is to expose the member's account to lower levels of risk. This is disclosed in the Sunsuper for life PDS published on the Fund website - under PDS and Guides.

For members who have retirement accounts, the Fund has a default investment option called the Retirement Investment option. This is disclosed in the Sunsuper for life PDS published on the Fund website - under PDS and Guides.

Members who wish to engage more with their superannuation investments have the opportunity to make alternate investment choices from a wide range of options that are designed to align with various risk profiles. See the Investment Guide for all the Fund's investment options. This is published on the Fund website - under PDS and Guides.

Sunsuper's Board decides on the investment objectives and investment strategy for each investment option. Sunsuper's Investment Committee reviews, monitors and makes delegated decisions on behalf of and recommendations to the Sunsuper Board on the investment activities for the Fund.

No changes made during 2020/2021.

Continue current practices.

FY2021 COMPLIANCE REPORT: AIST GOVERNANCE CODE

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|-------------|--|---|-----------------------------|--------------------------------|
| | | https://www.sunsuper.com.au/pds-guides | | |