

Sunsuper Pty Ltd

ABN: 88 010 720 840

AFSL No: 228975

RSE Licence No: L0000291

RSE Registration No: R1000337

Sunsuper Pty Ltd
Sunsuper Superannuation Fund
Sunsuper Financial Services Pty Ltd
Sunsuper Pooled Superannuation Trust
Precision Administration Services Pty Ltd

Audit, Compliance and Risk Management Committee Charter

March 2021

Index

1.	Introduction	3
2.	Purpose.....	3
3.	Authority.....	3
4.	Responsibilities.....	3
	a. Statutory Financial Reporting	3
	b. External Audit.....	4
	c. Internal Audit	4
	d. Other Independent Assurance	4
	e. Conflict Management Framework.....	5
	f. Risk Management.....	5
	g. Compliance.....	5
	h. Insurance	5
	i. Financial Crime	5
	j. Investments.....	5
	k. Technology/Information Security	5
	l. Workplace, Health and Safety	6
	m. Business Continuity Management.....	6
	n. Policies/Frameworks/Assessments/Decisions (not set out above).....	6
	o. Reporting Responsibilities.....	6
	p. Conflicts Investigations Committee (CIC).....	7
	q. Other Responsibilities	7
5.	Composition	7
	a. Size.....	7
	b. Knowledge	8
	c. Independence	8
	d. Chair.....	8
6.	Meetings	8
	a. Frequency.....	8
	b. Attendees.....	8
	c. Closed Door Meeting	8
	d. Conflicts of Interest.....	9
	e. Secretarial	9
	f. Quorum	9
7.	Compensation	9

1. Introduction

This charter outlines the purpose, authority, responsibilities, composition, meetings, and compensation of the Audit, Compliance and Risk Management Committee ("Committee") established by the Sunsuper Group (Sunsuper Pty Ltd ("Trustee") (in its personal capacity and as trustee of the Sunsuper Superannuation Fund, Sunsuper Pooled Superannuation Trust and Sunsuper Infrastructure Trust 3) and its trading subsidiaries, Sunsuper Financial Services Pty Ltd (SFS) and Precision Administration Services Pty Ltd (Precision) which are collectively referred to as 'the Sunsuper Group' and their respective Boards of Directors (each called "the Board").

2. Purpose

The purpose of the Committee is to assist the Boards in providing an objective non-executive oversight of the effectiveness of the financial reporting process, the audit process, the system of internal control, risk management and the process for monitoring compliance with laws (including regulations), Superannuation Prudential Standards ("SPS"), the conflict management framework and the code of conduct.

The scope of the Committee's responsibilities applies to the Sunsuper Group. As deemed appropriate, the Boards may delegate some decisions to the Committee. The Committee may make decisions on behalf of the Boards where such delegation is specified, and acts in an advisory and oversight capacity to the Boards in relation to other decisions. The Sunsuper Group uses group policies except where specifically noted otherwise.

3. Authority

The Committee has authority to conduct or authorise investigations into any matters within its scope of responsibility. It is empowered to:

- Resolve any disagreements between management and the External Auditor regarding financial reporting matters;
- Resolve any disagreements between management and the Internal Auditor regarding internal audit reporting matters;
- Retain independent counsel, accountants, or others to advise the Committee, or to assist in the conduct of an investigation;
- Seek all information necessary for the performance of its functions from employees, contractors or any other party, all of whom are directed to cooperate with the Committee's requests;
- Be provided with full access to all books, records, facilities and personnel; and
- Meet with company officers, External Auditors, Internal Auditors, assurance and risk management providers, compliance officers and legal counsel, as necessary.

The members of the Committee must, at all times, have free and unfettered access to senior management, the Chief Risk Officer, the Internal Auditor, the External Auditor and the Actuary, and vice versa.

4. Responsibilities

The Committee shall carry out the following responsibilities:

a. Statutory Financial Reporting

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements;
- Approve year end account and audit timelines;
- Approve annual financial statement shells;
- Review management representations and sign-offs regarding the integrity of the financial statements and financial reporting controls before recommending approval by the Boards;
- Review the annual financial statements and APRA statutory reporting requirements, and consider whether they are complete, consistent with information known to Committee members, reflect appropriate professional accounting principles and regulatory requirements, where applicable, before recommending approval by the Boards and eventual publication; and

- Review annually, at the time of the audit, adjusted and unadjusted items noted by the External Auditor and obtain explanations from the External Auditor and management as to why any items remain unadjusted.
- b. External Audit
- Review the performance of the External Auditor annually, assess the need for the rotation of the lead external audit partner and recommend to the Boards the appointment and dismissal of the External Auditor as required;
 - Review the engagement of the External Auditor at least annually including making an assessment of whether the auditor meets the Audit Independence tests set out in APES 110 Code of Ethics for Professional Accountants as well as the auditor independence requirements set out in SPS 510 and report findings to the Boards as required;
 - Review the External Auditors' proposed audit scope and plans. Ensure that the plans cover all the material risks and financial reporting requirements of the Trustee and the Sunsuper Group. Ensure the coordination of audit effort with the Internal Audit, compliance and risk management functions;
 - Review with management and the External Auditors the results and any findings of the audit, including any difficulties encountered and ensure that issues are being managed and rectified in an appropriate and timely manner;
 - Enquire of the External Auditors if there have been any significant disagreements with management, irrespective of whether or not they have been resolved;
 - Review all non-audit services provided by the External Auditors in accordance with Sunsuper's Auditor Independence and Objectivity Guidelines;
 - Approve all non-audit services provided by the External Auditors in accordance with Sunsuper's Auditor Independence and Objectivity Guidelines; and
 - Provide advice to the relevant Boards on the appropriateness of proposed or existing arrangements and external audit findings.
- c. Internal Audit
- Review Sunsuper's Assurance Framework (as required) including assurance coverage of key risk areas using the risk and assurance map.
 - Review the performance of the Internal Audit function at least annually and recommend to the Board of Sunsuper Pty Ltd the appointment and dismissal of the Internal Auditor as required;
 - Review and confirm at least annually the independence and resourcing of the internal audit function;
 - Review the Internal Auditors' proposed audit scope and plans. Ensure that the plans cover all the material (financial and non-financial) risks and financial reporting requirements of the Trustee and the Sunsuper Group. Ensure the coordination of Internal Audit effort with the external audit, compliance and risk management functions;
 - Review internal audit reports and monitor performance against internal Audit strategy and plan;
 - Ensure that issues are being managed and rectified in an appropriate and timely manner (and approve items to be closed in the audit log);
 - Ensure at all times that there are no unjustified restrictions or limitations on the work of the internal audit function;
 - Review all non-audit services provided by the Internal Auditors in accordance with Sunsuper's Auditor Independence and Objectivity Guidelines and the ACRMC Chair to approve as required; and
 - Provide advice to the relevant Board on the appropriateness of proposed or existing arrangements and internal audit findings.
- d. Other Independent Assurance
- Review the results from independent assurance reports such as: AUASB Guidance Statement GS007 Audit Implications for the Use of Service Organisations for Investment Management Services (GS007), Australian Standard on Assurance Engagements ASAE 3402 Assurance Reports on Controls at a Service Organisation, Control Objectives for

- Information and Related Technologies (COBIT) and other external assurance reports (as required) including in relation to the Anti-Money Laundering (AML) Program.
 - Approve the ASAE 3402 report for release by Precision to relevant stakeholders.
- e. Conflict Management Framework
- Annual review of the Conflicts Management Framework as set out in the Conflict Management Policy and recommendation to the Board of Sunsuper Pty Ltd Board of any proposed changes.
- f. Risk Management
- Review, and recommend to the Board of Sunsuper Pty Ltd the approval of the Risk Management Framework("RMF");
 - Review the results of the triennial review of the Risk Management Framework;
 - Review and recommend the approval of the Board of Sunsuper Pty Ltd Risk Appetite Statement (outlined in the RMS);
 - Monitor, and recommend the approval by the Board of Sunsuper Pty Ltd of, any significant risks accepted by the Sunsuper Group;
 - Review and approve changes to the Risk Culture Plan;
 - Review reports from the risk management function on significant residual risks, and the management of those risks;
 - Monitor management's responses and reactions to risk management reports;
 - Ensure at all times that there are no unjustified restrictions or limitations on the work of the risk management function; and
 - Review assurance coverage of key risk areas using the risk and assurance map.
- g. Compliance
- Review the maturity and effectiveness of the Sunsuper Compliance Framework;
 - Approve changes to the Sunsuper Compliance Framework;
 - Review compliance reports and monitor performance against the Compliance Framework;
 - Monitor management's responses and reactions to assurance reports;
 - Review the findings of any examinations by regulatory agencies, and any auditor observations;
 - Review reports on significant proposed regulatory or reporting issues to assess any potential impact on the Board's responsibilities; and
 - Review compliance with APRA Prudential Standards.
- h. Insurance
- Review and recommend to the Board of Sunsuper Pty Ltd the annual Sunsuper group insurance program.
- i. Financial Crime
- Review and approve changes to the Fraud Control Plan;
 - Recommend to the Board of Sunsuper Pty Ltd changes to the AML CTF Program- Part A only.
- j. Investments
- Review investment operations' reports;
 - Monitor risks and controls relating to investment operations;
 - Review the controls implemented by the Custodian in relation to the Custodian's functions (including by receiving a presentation from the Custodian every two years); and
 - Oversight of the valuations' process for unlisted assets (no decision making).
- k. Technology/Information Security
- Review reporting on technology and information security including changes to ISO 27001 Domain policies and Standards; and
 - Review and recommend to Board of Sunsuper Pty Ltd any changes to Information Security Policy.

l. Workplace, Health and Safety

- Approve Workplace, Health and Safety Policy; and
- Review Workplace, Health and Safety Reporting.

m. Business Continuity Management

Recommend to Board of Sunsuper Pty Ltd:

- the Business Continuity Policy; and
- the Crisis Management Team Charter.

Note testing results.

n. Policies/Frameworks/Assessments/Decisions (not set out above)

Sunsuper Group

- Review and if appropriate recommend to the Board of Sunsuper Pty Ltd, changes to significant Sunsuper group policies including:
 - Adequacy of Resources Statement;
 - Restricted Trading Policies;
 - Outsourcing Policy;
 - Sunsuper Tax Charter;
 - Reserving Policy;
 - Operational Risk Financial Requirement Reserve (ORFR) annual assessment; and
 - Modern Slavery Statement.
- Review and approve changes to Sunsuper group policies including
 - Reportability criteria only set out in Breach, Incident and Risk Escalation Policy;
 - Financial Make Good Policy,
 - Whistleblower Policy;
 - Contract, Execution and Storage Policy;
 - Gifts, Entertainment and Other Benefits Policy;and
 - Procurement Policy.

Precision and SFS

- Review and approve changes to policies relating to SFS* and/or Precision only including:
 - Beam Governance Framework;
 - Beam and Sunsuper Clearing House Complaints Policy; and
 - Beam and Sunsuper Clearing House Compensation Policy.

* currently no SFS policies for consideration by ACRMC.
- Review and recommend changes to Boards of Precision and/or SFS: Beam clearing house services:
 - Commence charging transaction fees;
 - Change Beam STP fees;
 - Alter commercial agreement;
 - Material change to access and use agreement; and
 - Any matter that may have a negative impact on the Risk Profile of PAS/SFS/Sunsuper.

o. Reporting Responsibilities

- Provide to the Boards as soon as possible after each meeting of the Committee:
 - Committee minutes (draft minutes should be provided in the interim until the Committee has approved the minutes);
 - Recommendations; and
 - Reports on issues which have been requested by the Board.
- Review with the Boards any relevant issues that arise with respect to the quality or integrity of the financial statements, internal control, risk management, compliance with legal or regulatory requirements, the performance and independence of the External Auditors, and the performance of the Internal Audit and risk management functions.

The Committee will inform the Board of Sunsuper Pty Ltd of advice and recommendations of the Committee to the Boards of Precision and SFS through minutes of Committee.

p. Conflicts Investigations Committee (CIC)

The CIC is a sub-committee of this Committee and the Chair of the ACRMC is the Chair of the CIC. Other members of the Committee are approved by the Board of Sunsuper Pty Ltd. Responsibilities of the ACRMC include:

- Reviewing CIC Charter and recommending any changes to the Board of Sunsuper Pty Ltd.
- Reviewing CIC minutes, as appropriate, and consistent with provisions of CIC Charter; and
- Considering matters recommended by the CIC for consideration.

q. Other Responsibilities

- Annually review and assess the adequacy of the Committee Charter, request Sunsuper Pty Ltd Board approval for any proposed changes, and ensure appropriate disclosure of any Committee Charter changes as may be required by law or regulation;
- Annually confirm that all responsibilities in the Charter have been carried out;
- Evaluate the effectiveness of its performance. The Board of Sunsuper Pty Ltd has a process for its annual evaluation and individual director performance. This is set out in the Board Assessment Procedure;
- Review reporting from the Advice Committee; ¹;
- Establish and maintain policies and procedures for employees of the Sunsuper Group to submit, confidentially, information about accounting, internal control, compliance, audit, and other matters about which the employee has concerns. The Committee must also have a process for ensuring employees are aware of these policies and for dealing with matters raised by employees under these policies;
- Monitor management's implementation of agreed actions resulting from findings reported in internal, external and regulatory audits (and approve closure of items in the audit log);
- Members of the Committee must be available to meet with APRA (and other relevant regulators) on request;
- Monitor director and executive expenses;
- Monitor Sunsuper gifts register;
- Instigate and oversee special investigations as needed, including under the Whistle-blower Policy;
- Perform other activities related to this Charter as requested by the Board;
- Review case studies relating to customer complaints; and
- Recommend approval to Boards, if required, relevant 'Material' contracts pursuant to Sunsuper Group policies, frameworks and processes.

5. Composition

a. Size

The Committee shall consist of at least three members. All members shall be non-Executive members of the Board of Sunsuper Pty Limited.

An external independent advisor may be appointed to the Committee as the "Audit Committee Financial Expert" on the recommendation of the members of the Committee and the approval of the Board of Sunsuper Pty Ltd. The Audit Committee Financial Expert is responsible for advising the Committee when making decisions or recommendations to the Boards.

The Board of Sunsuper Pty. Ltd. shall appoint Committee members for a term of up to three years.

The Chief Executive Officer, Chief Financial Officer, Head of Finance, Chief Risk Officer, Head of Risk and Head of Compliance, shall report to, but not be members of, the Committee.

¹ Advice Committee will oversee advice activities and is in process of being implemented.

b. Knowledge

The Committee shall collectively have skills and knowledge in the areas of finance, superannuation, corporate governance, risk management, internal control, regulation and compliance.

c. Independence

The members of the Committee and the appointed Audit Committee Financial Expert shall be independent. The independence of each member and the appointed expert shall be considered by the Board of Sunsuper Pty Ltd. in appointing and retaining members for the Committee.

An member/appointed expert is considered to be independent if they are independent of management and free of any business relationship or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

A relationship is "material" if, in the judgment of the Board of Sunsuper Pty Ltd, it would interfere with the member or appointed expert's independent judgment.

Members and the appointed expert shall be considered independent if they have no relationship with any member of the Sunsuper Group, its associates or external service providers to the Sunsuper Group that might materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their independence from management and the Sunsuper Group.

Appointment as a Committee member or nomination as a director by one of Sunsuper's sponsoring shareholders will not impact the independence of the Committee member or director for the purposes of this section. The management of appointing shareholder conflicts is dealt with in the Conflicts Management Policy.

The Committee shall, on an annual basis, review the position and associations of each of its members and the appointed expert to determine if they are independent (as defined above). The Committee shall make a determination as to the independence of each member and disclose such determinations to the Board of Sunsuper Pty Ltd

d. Chair

The Chair of the Committee shall be appointed by the Board of Sunsuper Pty Ltd, after consultation with all Directors, and on recommendation of all of the employer nominated directors and member nominated directors of the Board of Sunsuper Pty Ltd. The Committee Chair cannot also be the Chair of the Board of Sunsuper Pty Ltd

6. Meetings

a. Frequency

The Committee shall meet at least four times a year, with authority to convene additional meetings as circumstances require. All Committee members are expected to attend each meeting, in person or via teleconference or videoconference.

b. Attendees

The Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, the Internal Auditor, the External Auditor and any other persons considered appropriate shall attend meetings of the Committee by invitation, and provide pertinent information, as necessary.

Any Board member may attend a meeting as an observer.

c. Closed Door Meeting

A closed door meeting will be held with the Chief Risk Officer at each meeting.

The Committee, the Internal Auditor, the Actuary or the External Auditor have the option to request and hold a closed door meeting with the Committee, without management present, where required, and at least one such meeting must be held annually.

d. Conflicts of Interest

If a Committee member, consultant or management team member has an interest in, or an association with, a particular decision beyond the scope of their Sunsuper responsibilities, then this interest must be declared ahead of the discussion and/or decision. The Committee will then decide whether or not that person should remain included in the decision or whether they should remove themselves from the meeting for the purposes of the recommendation and or decision.

e. Secretarial

The Company Secretariat team shall provide secretarial support to the Committee. The Company Secretary in conjunction with the Chief Risk Officer, the Chief Financial Officer and the Chair, shall draw up an agenda which shall be circulated with supporting papers at least five business days prior to each meeting to the members of the Committee, the Internal Auditor, External Auditors and other meeting attendees. Minutes shall be prepared for each meeting, circulated to the Chair within one week of each meeting for review, and then confirmed as accurate at the following meeting. The meeting agenda and papers shall be circulated to the External and Internal Auditors who shall have an open invitation to attend any meeting.

f. Quorum

The quorum for the transaction of business at any meeting of the Committee will be determined as follows:

$$\left(\frac{\text{Current members of the Committee}}{2} \right) + 1, \quad \text{rounded down to the nearest whole number.}$$

Provided always that where the application of the formula would result in a number less than three, the presence of three members will be necessary to constitute a quorum.

A resolution of the Committee is passed if at least two thirds of the members present at the meeting (rounded up to nearest whole number) vote in favour of the resolution. Members may not vote or participate by proxy. The Committee may act by unanimous written consent of all members.

7. **Compensation**

Members shall receive fees for services provided to the Committee, either independently or as part of their payment for acting as a Sunsuper Pty Ltd Board member.

Appendix 1 sets out a summary of decision-making powers of Committee, set out in this Charter, delegated to the Committee by the Boards of Sunsuper Pty Ltd, Precision and/or SFS.

Appendix 1

Summary of decision-making powers of Committee, set out in this Charter, delegated to the Committee by the Boards of Sunsuper Pty Ltd, Precision and/or SFS.

No.	Authority
1.	Approve year end account and audit timelines
2.	Approve annual financial statement shells
3.	Approve pursuant to Auditor Independence and Objectivity Guidelines
4.	Approve Contract Execution and Storage Policy
5.	Approve reportability criteria set out in Breach, Incident and Risk Escalation Policy.
6.	Approve Compliance Framework
7.	Approve Gifts, Entertainment and Other Benefits Policy
8.	Approve Procurement Policy
9.	Approve Fraud Control Plan
10.	Approve Financial Make Good Policy
11.	Approve Workplace, Health and Safety Policy
12.	Approve Risk Culture Plan
13.	Approve Whistleblower Policy
14.	Approve Beam Governance Framework
15.	Approve Beam and Sunsuper Clearing House Complaints Policy
16.	Approve Beam and Sunsuper Clearing House Compensation Policy
17.	Approve the ASAE 3402 report for release by Precision to relevant stakeholders.