

BUSS (Queensland) Pty Ltd
General Governance Disclosures

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1. Overview

This document contains disclosures of certain governance aspects of BUSS (Queensland) Pty Ltd as trustee of the Building Unions Superannuation Scheme Queensland.

2. Board Charter

2.1 Purpose

The purpose of this charter is to set out the composition, roles and responsibilities, and operation of the Board of BUSS (Queensland) Pty Ltd as Trustee of the Building Unions Superannuation Scheme (Queensland) ("the Fund") and the BUSS (Queensland) Pooled Superannuation Trust ("the PST").

This Charter complies with the requirements within Superannuation Prudential Standard (SPS) 510 Governance, the relevant Superannuation Industry (Supervision) SIS Act requirements and the Trustee's Constitution.

2.2 Responsibilities of the Board

The Board has ultimate responsibility for the sound and prudent management of the RSE licensee's business operations and is responsible and accountable for decisions and actions taken by the RSE licensee.

The Board ensures that an appropriate governance system exists and operates to deliver it in the best interests of Fund members. The Board sets the objectives and strategies for the Fund and provides oversight of these strategies and operations.

The Board may delegate to committees however overall responsibility remains with the Board.

The Board may engage third party experts so long as the engagement and advice received is independent.

The Board is responsible for:

- Setting the tone from the top, to influence a values-led culture ensuring that ethical frameworks are embedded within the organisation's systems, people, processes, and culture
- Determining the strategic direction of the Fund, including approving the Business Plan
- Determining the strategic direction of, and monitoring the operation and compliance of, the PST
- Establishing appropriate Board Committees to assist the Board in its oversight of activities and operations
- Endorsing the annual budget and monitoring it on regular basis
- Overall responsibility of policies and procedures
- Appointment and removal of the Chief Executive Officer (CEO) or equivalent and other responsible persons
- Approval and monitoring of the Trustee's systems of risk management, compliance and code of conduct

- Consideration of reporting by management and service providers
- Monitoring the performance of the Fund as a whole, including Board, management and service providers
- Formulating and giving effect to an investment strategy and investment objectives
- Prudent management of resources
- Ensuring the Trustee and Fund are providing financial services efficiently, fairly and honestly
- Maintaining and enhancing the Fund's reputation
- Establishing and reviewing procedures for annually assessing the Board's performance relative to its objectives, along with the performance of individual directors.

2.3 Role of the Chair

The Chair must ensure that the Board functions effectively and provide the leadership to oversee the operations of the Trustee, Fund and PST. The Chair of the Board must be a Director of the Trustee.¹ The Chair:

- Chairs the Board meetings, facilitating good leadership and governance and sets the tone for the meetings.
- Influences the direction and priorities of the Board, ensuring focus is maintained on what is best for members, the Trustee, Fund and PST. Where appropriate, designating issues to the relevant Committees to address.
- Ensures that appropriate procedures and structures are in place so that all relevant issues are considered by the Board. Manages the relationship between the Board, the CEO and all staff.
- Ensures that Directors are fully informed and guides the development of individual Directors.
- Is responsible for reviewing the performance of the CEO and appropriate remuneration.
- Is responsible for ensuring that all Directors/responsible persons have the opportunity to contribute.
- On identification of Directors who are disruptive or who domineer the proceedings will:
 - arrange counselling, mediation or training to modify behaviour; or
 - with the approval of the Board, sponsors, and in line with the Fund's policies and procedures, remove the Director.

2.4 Role of Board Committees

The effectiveness of the Board is enhanced by the establishment of specialist committees. The Board approves a charter for each committee which clearly specifies its delegated authority and limitations, as well as the composition and processes.

The approved Board Committees are:

- Investment
- Audit and Risk
- Insurance
- People, Culture, Remuneration and Nominations

¹ SPS 510 (19)

2.5 Board Composition & Appointments

Under the rules of the Constitution, the Board must comprise of a minimum of six Directors². Under the SIS Act the minimum number of Directors of an RSE licensee is four.

Current membership will comprise four employer representatives and four member representatives. Under the Trustee's Governance Framework, all Responsible Persons, including Directors, must reside in Australia.³ This exceeds the SIS Act requirement of "the majority of" which must be Australian resident Directors.⁴

The appointment of Directors is governed by Articles 32 to 38 of the BUSS (Queensland) Pty Ltd Constitution. In consultation with shareholders, the Board actively supports equal opportunity for Board positions.

The Chair will be elected from one of their numbers by the Directors.⁵ In the event a decision on the Chair cannot be reached, external mediation will be sought.

Any vacancy in the minimum number of Directors must be filled within 90 days after the vacancy occurred.

In the absence of the Chair the remaining members will elect one of their members as Chair.

2.6 Tenure

Board Members will normally be appointed for a term of four years and will be subject to a maximum of three full terms or 12 years in total unless otherwise approved by APRA.

Appointment terms will be staggered to the extent practicable.

2.7 Skills & Knowledge Assessment

The Trustee's Fit and Proper Policy outlines the Trustee's expectations of what is required from the Board as a whole and from individual Directors to be fit and proper to manage beneficiaries' interests.

The Board must ensure that the Directors are appropriately skilled to carry out its roles and responsibilities, and a skills assessment is conducted in conjunction with the appointment process. The Board must also ensure that the appointed Chair is appropriately skilled in that function so that meetings are well run and proper decision-making processes are facilitated.

The performance of Directors and the Board will be reviewed annually to ensure Board has adequate skills, knowledge and fresh ideas to carry out its duties.

2.8 Conflicts of Interest

Where there is an actual or perceived conflict of interest, the Director must disclose the interest and the Board must manage that conflict as per the Conflicts Management Policy.

Should a conflict of interest arise, a Director may be required to leave the meeting or abstain from discussion in which case they will not be entitled to vote on the matter in conflict. To pass any resolution the Board needs to have a quorum without the Director

² BUSS (Queensland) Pty Ltd Constitution (Constitution), Article 30.

³ Governance Framework (clause 1)

⁴ SPS 510 (20)

⁵ Constitution, Article 45; SPS 510 (19)

in conflict. If a quorum is not present, the matter needs to be addressed at a later meeting of the Board.

If the Chair is absent from a meeting or is in conflict and is required to leave the meeting or abstain from discussion, the other voting members attending the meeting shall appoint a temporary Chair to deal with proceedings.

2.9 Meeting Frequency

The Board will meet as frequently as required but not less than every two months (minimum of six meetings).

2.10 Voting & Quorum⁶

At a meeting of the Board, the number of Directors whose presence is necessary to constitute a quorum is not less than two-thirds of the total number of Directors. Attendance shall be personally, secure online functionality, by telephone, or other agreed form of communication.

Questions arising at a meeting of Directors may be decided by a resolution of two-thirds of the total number of Directors. The Chair of the meeting does not have a casting vote.⁷

Decisions may be made by circular or written resolution. A circular or written resolution signed by two-thirds of all Directors entitled to vote on the resolution will be effective as a resolution duly passed at a Board meeting and may consist of several documents which contain identical statements. The resolution is passed when the last director signs.⁸ The expression “written” includes email or other electronic means.

2.11 Committee Meetings

Attendees at Committee meetings are classified as follows:

- Director members of the Committee (Director members) – have voting rights
- Sponsor-nominated attendee members – have no voting rights
- External Expert Committee Attendees – no voting rights.

Where the Committee has the delegation from the Board to make a decision, this may be determined by a resolution of the Director members present and voting and will not be effective unless passed by two thirds of the total number of Director members⁹.

Minutes of the meeting shall be tabled at the next Board meeting for discussion by the Board and signed by the Chair.

3. Board Evaluation

The Board sets key performance indicators (KPIs) annually. Performance against the KPIs is considered at each regular Board meeting.

The Board evaluates its performance reviewed annually, covering:

- The Board as a whole
- Board committees

⁶ SPS 510 (18)(b)

⁷ Constitution, Article 46.2

⁸ Corporations Act, s248A

⁹ Constitution, Article 50.6

- Individual Directors, including the Chair

The Board evaluation process is recommended by the People, Culture, Remuneration and Nominations Committee for Board approval. The evaluation is led by the Chair with governance support from the Company Secretary and Chief Executive Officer. The evaluation involves each Director completing a questionnaire and a skills and knowledge matrix, and a discussion. The evaluation is focused on continued Board effectiveness through appropriate and timely decision making and the sound oversight of strategy implementation and operations.

An external review is conducted at least every three years.

A key purpose of the Board evaluation is to identify areas where further training and development may be appropriate for individual Directors, members of a Committee or the Board as whole. Directors undertake 40 hours of training over each two financial years.

The annual Board evaluation was completed for the financial year ending 30 June 2022 by an external provider.

Implementation of actions from the Board evaluation occurs with the assistance of management as appropriate and is monitored at following Board meetings.

4. People, Culture, Remuneration and Nominations Committee

The People, Culture, Remuneration and Nominations Committee is established by the Board. The Committee's powers, functions and responsibilities are set out in its charter or otherwise delegated to it by the Board as per the Delegations Register, and in accordance with the Constitution.

The Committee is authorised to investigate any function or activity of the group. The Committee has unrestricted access to management, risk and financial control personnel, and service providers, to enable it to carry out its duties.

The Committee has the power to engage external third-party experts for external advice.¹⁰

4.1 Roles & Responsibilities of the Committee

The overarching role of the Committee is to provide assistance to the Board to meet its obligations under the Governance Framework regarding Board and Committee nominations, reviewing the Remuneration Policy and determining the appropriateness of remuneration arrangements.

The Committee is responsible for:

- Conducting regular reviews of, and making recommendations to the Board on, the Remuneration Policy.¹¹ This includes:

¹⁰ SPS 510 (43)

¹¹ SPS 510 (42)

- Assessing the Remuneration Policy's effectiveness and compliance with the requirements of Superannuation Prudential Standard SPS 510 Governance
- Making annual recommendations to the Board on the remuneration of Responsible Persons, other persons whose activities may in the Committee's opinion affect the financial soundness of the RSE Licensee's business operations, any other person specified by APRA
- Making annual recommendations to the Board on the categories of persons covered by the Remuneration Policy.
- Reviewing the Key Performance Indicators of the CEO and Company Secretary, other persons whose activities may in the Committee's opinion affect the financial soundness of the RSE Licensee's business operations, any other person specified by APRA; and categories of persons covered by the Remuneration Policy
- Responsible Person appointment and development processes
- Consider advice received from external experts but exercise the Committees' own judgement and not solely rely on advice received
- Board review and performance
- CEO Review (performance and remuneration)
- Setting the tone from the top, to influence a values-led culture ensuring that ethical frameworks are embedded within the organisation's systems, people, processes, and culture
- Staff survey results and action plan
- Succession planning for CEO and Responsible Person positions
- Providing recommendations on the constituency of the Board's Committee on an annual basis
- Overseeing Training plans with a view to increasing the Board and Responsible Person's skills
- Reviewing Directors' terms
- Recommending to the Board appointment of Directors to Committees
- Succession planning for Board and Committee roles
- Determining Board competencies including skills requirements under the Fit and Proper Policy.

The Committee is to assist the Board by monitoring and reviewing related Fund policies for identification and managing risks associated with the Fund and the adequacy of these policies.

4.2 CEO

The CEO is responsible for implementing the decisions of the Committee.

The CEO is to provide the following documents to applicable Committee meetings:

- The results of the review of the effectiveness of the Remuneration Policy and its compliance with SPS 510, including any recommendations

- Annual recommendations to the Board on the remuneration of Responsible Persons and other persons as required under the Remuneration Policy and SPS 510
- Review of succession planning policies and outcomes.

4.3 Executive Manager, Governance, Risk & Compliance

The Executive Manager, Governance, Risk & Compliance is responsible for:

- Carrying out the relevant decisions of Committee meetings at the direction of the CEO
- Advise the Committee of any compliance issue under its area of responsibility.

The Executive Manager, Governance, Risk & Compliance is to provide the following documents to applicable Committee meetings:

- Review of Fit and Proper Policy
- Performance with reference to the Board Performance Review and Renewal Policy and the Remuneration Policy and Procedures.

4.4 Committee Composition & Appointments

The Committee will comprise:

Four Director members as appointed by the Board¹², and may also include:

- Sponsor-nominated attendees nominated by the Fund's Sponsors and accepted by the Board. (These Sponsor nominees should bring to the Committee knowledge of the building and construction industry and enhance the Trustee's succession planning)
- one or more external experts as required by the Board.

Membership of the Committee shall be determined from time to time by the Board and a temporary appointment of a Director member may be made to cover a period when a Director member has leave of absence. In line with appointments to the Board, Committee Members will normally be appointed for a term of four years and will be subject to a maximum of three full terms or 12 years in total unless otherwise approved by APRA. The membership of the Committee will be reviewed annually to ensure appointment terms are staggered to the extent practicable.

The Chair of the People, Culture, Remuneration and Nominations Committee is appointed by the Board: The Chair of the Committee must be a member of the Committee and cannot be the Chair of the Board.¹³ The members of the Committee may designate an acting Chair by majority vote when the elected Chair is not in attendance (on a single meeting basis only).

All other Board Members may attend Committee meetings.

Attendees may be paid a fee for each meeting attended. This will be determined by the Board on recommendation from the Committee and reviewed annually.

4.5 Skills & Knowledge Assessment

In appointing members of the Committee, the Board must ensure that the Committee is appropriately skilled to carry out its role. The Board must also ensure that the appointed

¹² SPS 510 (39)

¹³ SPS 510 (40)

Chair of the Committee is appropriately skilled in that function so that meetings are well run and proper decision-making processes are facilitated.

Director members joining the Committee without the needed skills will be required to undertake relevant training over a twelve-month period from joining the Committee.

Committee members will be provided with annual continuing education opportunities and customised training focusing on relevant topics.

4.6 Conflicts

In seeking sensitive or confidential information or advice from relevant internal parties conflict management processes must be adhered to. Should a conflict of interest or duty arise the Conflicts Management Policy requirements must be followed. In such a case, a Committee Member may be required to leave the meeting or abstain from discussion in which case they will not be entitled to vote on the matter in conflict.

If a conflict is identified prior to a meeting (for example, when the agenda is circulated) the conflicted Committee member will not receive papers on the conflicted item in their Committee paper pack.

To pass any resolution the Committee needs to have a quorum without the Committee member in conflict. If a quorum is not present, the matter needs to be addressed at a later meeting of the Committee or referred to the Board for resolution.

If the Committee Chair is absent from a meeting or is the one conflicted and is required to leave the meeting or abstain from discussion, the other voting members attending the meeting shall appoint a temporary Chair to deal with proceedings.

4.7 Meeting frequency

The Committee will meet at least once a year, or more frequently as circumstances dictate.

Each regularly scheduled meeting may begin with a confidential session of the Committee, absent members of management.

4.8 Voting & Quorum

A quorum for a meeting of the Committee shall be two thirds of the total number of Director members. Attendance shall be in person, secure online functionality, by telephone, or agreed form of communication.

Where the Committee has the delegation from the Board to make a decision, this may be determined by a resolution of the Director members present and voting and will not be effective unless passed by two thirds of the total number of Director members. Should there not be a two thirds vote in favour of the resolution, the matter is to be referred to the Board.

Decisions may be made by circular or written resolution. A circular or written resolution signed by two thirds of the total number of Director members will be effective as a resolution duly passed at a Board meeting and may consist of several documents. The expression "written" includes email or other electronic means.

The Board shall ratify the decisions made by the Committee.

4.9 Meeting Attendance

Below is the summary of the Committee member attendance for FY2021-22.

	<u>No of meetings</u>	
	attended	eligible to attend
<i>Current members</i>		
Jacqueline Collie (Chair)	7	7
Paul Hick	2	2
Michael Ravbar	2	2
Benjamin Young	1	1
<i>Former members</i>		
Paula Masters	5	5
Grant Galvin	1	1
Sonya Beyers	5	5
Geoff Baguley	1	1

5. Code of Conduct

BUSSQ has a Code of Conduct that outlines the responsibilities, general standards of work, conduct and behaviour expected of BUSSQ Directors and employees. Key elements of the Code of Conduct include:

Acting in the best financial interests of our members at all times

We provide the highest quality of services to our members and employers. We make the difficult easy for our members and employers.

We are fair and equitable in dealings with members, employers, BUSSQ staff, sponsors and other stakeholders.

Acting with Integrity

We behave honestly and with integrity. We commit to the highest ethical standards when fulfilling our responsibilities.

We comply with our internal policies, relevant legislation and requirements of regulators.

Managing conflicts and proper use of information

We disclose and manage conflicts of interest and duty.

We do not make improper use of inside information. We maintain a high level of privacy and confidentiality in undertaking our work, especially if it relates to client matters. Confidential information obtained in the course of employment must not be used or disclosed to any party other than for direct work purposes. Information held in official files must not be used to gain any personal advantage or to take advantage of others.

Using resources efficiently

We act with care and diligence. We use resources efficiently and appropriately. Live by the philosophy of continuous improvement.

Maintaining a safe working environment

We maintain a non-discriminatory and harassment-free work environment. We do not tolerate any form of aggressive, threatening or abusive behaviour towards our staff by any party.

We work in line with applicable human rights laws and with modern slavery laws. Human rights laws encompass the full range of human rights laws in Australia, including anti-discrimination law, age-discrimination law, disability discrimination, racial discrimination, sex discrimination laws

We do not consume alcohol or drugs in the workplace. We follow workplace health and safety requirements.