



# Fit and Proper Policy



This Policy outlines how CSC determines the fitness and propriety of individuals holding positions of responsibility in relation to CSC. It is designed to be a risk treatment plan for the risks posed to CSC from having persons who are not fit and proper acting in a responsible person position. In that way, it is part of CSC's risk management framework.

The responsibility for the sound and prudent management of the superannuation schemes and investment of the funds managed by CSC resides with the CSC Board. This Policy outlines the processes used to ensure that responsible persons have the appropriate skills, experience and knowledge to carry out their responsibilities and that they act with honesty, integrity, in the best interest of beneficiaries and in accordance with regulatory requirements.

## Definitions and regulatory requirements

### Responsible persons

A responsible person is any of the following:

- a director of CSC
- a senior manager of CSC<sup>1</sup> (see below)
- an approved auditor who is appointed to conduct any audit of CSC or of any of its connected entities
- an actuary if the actuary is appointed by CSC to perform an actuarial function under RSE licensee law, including the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and prudential standards
- a secretary of CSC
- a person who performs activities for one of CSC's connected entities where those activities could materially affect the whole, or a substantial part, of CSC's business operations, or its financial standing, either directly or indirectly.<sup>2</sup>

### Senior managers

Senior managers are persons (other than a director of CSC) who:

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

<sup>1</sup> As defined by Prudential Standard SPS 520 at [16]

<sup>2</sup> As defined by Prudential Standard SPS 520 at [11]

The responsible persons listed above need not be employees of CSC. In some circumstances, a consultant, contractor or employee of a connected entity or otherwise related company may be a responsible person of CSC.<sup>3</sup> Further, APRA may determine that a person is a responsible person if APRA is satisfied that the person plays a significant role in the management or control of the RSE licensee, or if that person's activities may materially impact on the interests or reasonable expectations of beneficiaries, or the financial position of CSC or any of its connected entities, or any other relevant prudential matter.<sup>4</sup>

APRA may also determine that a person is not a responsible person in relation to a particular position, responsibility or activity if it is satisfied that the person does not play a significant role in the management or control of CSC or that the person's activities may not materially impact on CSC or any of its connected entities, or any other relevant prudential matter.<sup>5</sup>

## Fitness and propriety standards

### Responsible persons

CSC is required to have responsible persons who have the attributes that enable CSC to properly discharge its duties and responsibilities in a prudent manner under both the SIS Act<sup>6</sup> and *Superannuation Prudential Standard SPS 520 - Fit and Proper (SPS 520)*<sup>7</sup>. These include attributes that relate to character, competence, diligence, experience, integrity, honesty, judgement and relevant technical qualifications, knowledge and skills.

### Fit and proper criteria

For the purposes of the SIS Act, the fit and proper criteria are whether:

- it would be prudent for CSC to conclude that the person possesses the competence, character, diligence, experience, honesty, integrity and judgement to perform properly the duties of the responsible person position
- it would be prudent for CSC to conclude that the person possesses the education or technical qualifications, knowledge and skills relevant to the duties and responsibilities of an RSE licensee
- the person is not disqualified<sup>8</sup> under the SIS Act from holding the position, and
- the person either:
  - has no conflict of interest in performing the duties of the responsible person's position, or
  - if the person has a conflict of interest, it would be prudent for CSC to conclude that the conflict will not create a material risk that the person will fail to perform properly the duties of the position.

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<sup>3</sup> SPS 520, paragraph 12.

<sup>4</sup> SPS 520, paragraph 13.

<sup>5</sup> SPS 520, paragraph 14.

<sup>6</sup> *Superannuation Industry (Supervision) Act 1993* (Cth)

<sup>7</sup> APRA's Prudential Practice Guide SPG 520, has also been considered.

<sup>8</sup> A person is disqualified if they have been convicted of an offence of dishonest conduct in Australia or elsewhere or has been issued with a civil penalty order; are an insolvent under administration; or are disqualified under the SIS Act by the Commissioner of Taxation or the Federal Court (see SIS Act, s120).

Other factors outlined in APRA's guidance (SPG 520) include whether the person:

- has demonstrated a lack of willingness to comply with legal obligations, regulatory requirements or professional standards, or been obstructive, misleading or untruthful in dealing with regulatory bodies or a court
- has breached a fiduciary obligation
- has perpetrated or participated in negligent, deceitful or otherwise discreditable business or professional practices
- has been reprimanded, disqualified or removed, by a professional or regulatory body in relation to matters relating to the person's honesty, integrity or business conduct
- has seriously or persistently failed to manage personal debts or financial affairs satisfactorily in circumstances where such failure caused loss to others
- has been substantially involved in the management of a business or company which has failed, where that failure has been occasioned in part by deficiencies in that management
- is of bad repute in any business or financial community or any market, or
- was the subject of civil or criminal proceedings or enforcement action, in relation to the management of an entity, or commercial or professional activities, which were determined adversely to the person (including by the person consenting to an order or direction, or giving an undertaking, not to engage in unlawful or improper conduct) and which reflected adversely on the person's competence, diligence, judgement, honesty or integrity.

Conduct and events that took place overseas may also be relevant to the assessment.

## Auditors

CSC's (external) auditors must be fit and proper.<sup>9</sup> The auditors will be assessed by CSC against the criteria set out above for all responsible persons, and against the following additional criteria which apply only to auditors, prior to their engagement and annually during the term of their engagement:

- the person must be registered as an auditor under the *Corporations Act 2001* (Corporations Act), or be the Auditor-General or a delegate of the Auditor-General of the Commonwealth, a State or Territory
- the person must not be the CEO or a director of CSC, or of a related body corporate or connected entity of CSC
- the person must have a minimum five years' relevant experience in the audit of the business operations of RSE licensees
- the person must have experience relating to the business operations of RSE licensees that is sufficiently relevant and recent to provide reasonable assurance that the person is familiar with current issues in the audit of the business operations of RSE licensees
- the person must not be the actuary of CSC or any RSE within CSC's business operations
- the person must not be an employee or director of a body corporate, statutory body, partnership, trust, or commercial or professional enterprise of any kind of which CSC's actuary is an employee or director

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<sup>9</sup> These SPS 520 and SIS Act provisions do not apply to internal auditors.

- the person must not be a partner in the professional practice of CSC’s actuary
- the person must not be an employee of CSC
- the person must be a member of a recognised professional body
- the person must be ordinarily resident in Australia, and
- whether there is a risk that the independent professional judgement of the person may be unduly influenced by their other duties and interests.

## Actuaries

Any actuaries engaged by CSC for SIS Act purposes must be fit and proper. They will be assessed by CSC against the criteria set out for all responsible persons, and against the following additional criteria which apply only to actuaries, prior to their engagement and annually during the term of their engagement:

- the person must have appropriate formal qualifications
- the person must not be the CEO or a director of CSC, or a related body corporate (except when that related body corporate is a connected entity of CSC)
- the person must not be the auditor of CSC or any RSE within CSC’s business operations
- the person must not be the approved auditor of CSC or any RSE within its business operations, an employee or director of an entity of which the approved auditor is an employee or director, or a partner in the professional practice of the approved auditor
- the person must have a minimum of five years’ relevant experience in the provision of actuarial services to RSE licensees and RSEs or in superannuation more generally, that is sufficiently relevant and recent to provide reasonable assurance that the person is familiar with current issues in the provision of actuarial services to the business operations of RSE licensees
- the person must not be an employee of CSC
- the person must be a Fellow or Accredited Member (however described) of the Institute of Actuaries of Australia
- the person must be ordinarily resident in Australia, and
- whether there is a risk that the independent professional judgement of the person may be unduly influenced by their other duties and interests.

## Fit and proper criteria and prudent judgement

RSE licensees are required to apply prudent judgement in determining whether the person should be considered fit and proper for the responsible person position.

Depending on the circumstances, additional due diligence checks may be required and a factor relevant to one assessment may not be relevant to another. Individual circumstances need to be considered by the assessment and decision maker. Where a matter is relevant, CSC may consider it in conjunction with other relevant matters such as materiality, elapsed time since the event, and repetition or duration of the behaviour.<sup>10</sup>

For example, a person may be assessed as unfit for a particular responsible person position because of a lack of competence for that position, because they do not have suitable skills or experience to fill a skills requirement on the board, or because of a conflict of interest that

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<sup>10</sup> SPG 520, paragraph 25.

applies to the duties of that position. The person may still be fit and proper for another responsible person position where they have relevant competencies for that position or conflicts were specific only to a particular position.<sup>11</sup>

## Board and Committee Skills

### Board skills matrix and skills audits

The Board Skills Matrix is set out in Attachment B.<sup>12</sup> To assist with the assessment of directors' fitness for office, the Board Governance Committee conducts a skills assessment<sup>13</sup>, comparing the collective skills of the Board with the skills requirements as contained in the skills matrix.

The requirements in the Board Skills Matrix take into consideration the operations, nature, size and complexity of CSC's operations and schemes managed, the strategy and future focus of CSC, and the skills required to adequately manage the external risk environment. The attributes reflect legislative requirements, standards and best practice statements.

### Board committee skills requirements

When assessing the directors' fitness for office, the Board Governance Committee will also consider the skills that are desirable for CSC's board committees as follows:

Committee	Desired Skills/Experience
Board Governance Committee	<ul style="list-style-type: none"> <li>At least one member who scores 4 or more in relation to the 'trustee directorship and corporate governance' skill</li> </ul>
Audit Committee	<ul style="list-style-type: none"> <li>At least one member with a relevant professional accounting, audit and/or assurance qualification (CA, CPA etc)</li> </ul>
Risk Committee	<ul style="list-style-type: none"> <li>At least one member who scores 4 or more in relation to the 'risk management' skill</li> </ul>
Remuneration and HR Committee	<ul style="list-style-type: none"> <li>At least one member who has experience in remuneration and HR matters as a result of executive management and/or senior board roles</li> </ul>
Ad hoc committees and reconsideration committees	<ul style="list-style-type: none"> <li>Skills as relevant to the committee and, in the case of reconsideration committees, as required by relevant scheme legislation.</li> </ul>

<sup>11</sup> SPG 520, paragraph 26.

<sup>12</sup> A detailed matrix is kept that covers all directors to enable detailed review by the Board Governance Committee and a summary, in the form set out in Attachment B, is updated and published annually.

<sup>13</sup> This review includes reviewing the scores as self-assessed by Directors and modifying if appropriate.

Where these desired skills/experience are not able to be drawn from directors alone, the Board will address that issue as required, for example by appointing an external expert to the committee (where permissible) or by seeking expert advice as required.

## **Process for assessment of fitness and propriety - General**

### **Policy to be provided**

All responsible persons (and potential responsible persons) will be provided with a copy of this policy prior to their appointment and at the commencement of any further assessment. Directors nominated by a nominating body (the President of the ACTU and the Chief of the Defence Force) will be provided with a copy of the policy as soon as possible but no later than immediately following nomination.

### **Reasonable enquiries to obtain relevant information**

The General Counsel team, on behalf of CSC, will make all reasonable enquiries to obtain relevant information. The information that can be taken into account in making a fit and proper assessment, in addition to the self-assessment forms completed by (potential) responsible persons and the results of a police check, can include a person's formal qualifications and attainments, curriculum vitae, referee reports obtained as part of a recruitment process, and any other publicly available information that is relevant to the fit and proper criteria.

Documents may be provided in a different form to those attached to this policy provided that the documents contain substantively the same content as required by the forms attached to this policy and addresses all relevant requirements of SPS 520.

### **Disclosure of information relevant to a fit and proper assessment**

Staff, directors and contractors are required to disclose to CSC all information that may be relevant to a fit and proper assessment. This information may also be disclosed to APRA. CSC will take all reasonable steps to ensure compliance with the *Privacy Act 1988* (Cth) in collecting and using information about responsible persons collected as part of the assessment process.

Conflicts of interest are required to be disclosed in accordance with CSC's Conflicts Management Framework and Conflicts Management Policy. This includes the completion of a Disclosure of Duties and Interests declaration (Attachment D) by all responsible persons on appointment and on an ongoing basis, either by way of regular positive attestations or, for directors, being provided with the opportunity to declare any interests at each Board meeting.

## Conducting and determining the assessment

Fit and proper assessments will be conducted and determined prior to appointment and annually by the following persons/Committees on behalf of CSC<sup>14</sup>:

Category of responsible person	Who conducts and determines the assessment
<b>Directors</b>	<u>Assessments prior to appointment:</u> The Board Governance Committee <u>Annual assessments post appointment:</u> Chair of the Board, who may delegate to the Board Governance Committee
<b>Chair</b>	<u>Assessments prior to appointment:</u> The Board Governance Committee <u>Annual assessments post appointment:</u> Chair of the Board Governance Committee
<b>Chief Executive Officer</b>	<u>Assessments prior to appointment:</u> The Board Governance Committee in conjunction with the Chair of the Board. <u>Annual assessments post appointment:</u> Chair of the Board Governance Committee and Chair of the Board.
<b>Senior managers (excluding the Chief Executive Officer)</b>	Chief Executive Officer
<b>Auditors, actuaries</b>	Chief Executive Officer
<b>Others</b>	Chief Executive Officer

The General Counsel team collates material for assessments. Assessments are then conducted and determined per the table above and the outcome of the assessment documented on the Fit and Proper Assessment Certificate (Attachment G) which is modified as relevant for each assessment.

## Document retention and reporting

The General Counsel team, on behalf of CSC will maintain on file information related to the fit and proper assessment of all current and recently past responsible persons. Fit and proper assessment results are available to the Chair and reported annually to the Board.

## Chair and Director assessment processes

### On Appointment

The Department of Finance generally ensures that a copy of this Policy is provided to the candidate and, obtains documentation as set out below in accordance with the this and the Board Renewal Policy.

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<sup>14</sup>For clarity, the Board, via its approval of this Policy, is delegating the power to conduct and determine fit and proper assessments to those set out in the table.



Documentation to be provided by the Department of Finance to enable a fit and proper assessment to be undertaken includes:

- an agreement and declaration for appointment as a director of CSC
- CSC Fit and Proper Certification (Attachment A)
- director self-assessment ratings supported with a current resume/curriculum vitae (Attachment C)
- a Disclosure of Duties and Interests (Attachment D), and
- a recent police check or a completed consent to a police check form (which can be obtained from CSC's General Counsel team if required).

In addition, other appropriate searches, such as National Bankruptcy, APRA and ASIC searches, may be conducted.

CSC will inform the Department of Finance of the result of the assessment. If approved, an instrument of appointment, signed by the Minister for Finance, will then be provided by the Department of Finance.

If the documentation provided is insufficient to allow a view to be formed, or gives rise to any questions about the fitness and propriety of a candidate director, these will be discussed with the Minister for Finance or the Department, by either the Chair or the CEO as appropriate, and action will be agreed to address any issues or obtain further information.

### **Ongoing director fitness and propriety assessments**

The following ongoing assessment will be undertaken on an annual basis:

- obtain a CSC Fit and Proper Certification (Attachment A)
- assess competencies against the Board Skills Matrix which lists required attributes of directors (Attachment B) using the self-assessment process (Attachment C)
- undertake police checks as a matter of course every 3-5 years and where CSC becomes aware of information that may result in a director being assessed as not fit and proper
- undertake bankruptcy/insolvency searches, such as National Bankruptcy, APRA and ASIC searches, as a matter of course for directors whose appointments to the Board have already extended or will extend beyond 3 years
- assess candidates against a Disclosure of Duties and Interests (Attachment D).

This process is conducted at least annually, or as required, such as where material information adverse to fitness and propriety standards or the skills mix becomes known. This process is to help ensure that the Board comprises directors with relevant knowledge and experience including the financial services and superannuation industry, investment principles and practices, government, defence force, legal and union representation.

## Senior managers' initial and ongoing assessment process

Senior managers (as defined by SPS 520) are assessed as fit and proper prior to their appointment and annually thereafter during the term of their employment. This is conducted by:

- the senior manager completing the Responsible Person Fit and Proper Certification (Attachment A) prior to appointment and on an annual basis
- a national police check is undertaken prior to appointment, as a matter of course every 3-5 years, and where CSC becomes aware of information that may result in a senior manager being assessed as not fit and proper
- other relevant searches, such as National Bankruptcy, APRA and ASIC searches, are conducted where CSC becomes aware of information that may result in a senior manager being assessed as not fit and proper
- consideration of relevant information such as resumes and referee reports obtained during the recruitment process, and
- the senior manager completing a Disclosure of Duties and Interests (Attachment D) prior to appointment and thereafter on an annual, or more frequent, basis.

Where a senior manager is judged not to meet the appropriate standards, then that person will not be appointed to the position or will be removed from the position, pending resolution of any outstanding issues.

## Auditors and actuaries' initial and ongoing assessment processes

In order for CSC to assess auditor and actuary fitness and propriety on appointment and annually, relevant personnel are required to complete:

- police checks, both on appointment<sup>15</sup> and as a matter of course every 3-5 years and where CSC becomes aware of information that may result in an auditor or actuary being assessed as not fit and proper.
- a Disclosure of Duties and Interests (Attachment D) prior to appointment and on an annual basis

Additional searches, such as National Bankruptcy, APRA and ASIC searches may be conducted where CSC becomes aware of information that may result in an auditor or actuary being assessed as not fit and proper.

### Additional certification for auditors

Potential auditors must complete the Auditor Certification (Attachment E) and attach supporting documentation to substantiate their fitness and propriety.

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<sup>15</sup> A police check undertaken within the previous 12 months can be provided to CSC. In this case, no initial police check is required.

## **Additional certification for actuaries**

Potential actuaries must complete the Actuary Certification (Attachment F) and attach any supporting documentation to substantiate their fitness and propriety.

## **Failure to be fit and proper**

Where a person is found to be not fit and proper due to a lack of character, diligence, honesty, integrity or judgement, or is found to be misleading or deceptive in their interactions with APRA and its supervision processes, that person will normally not be suitable for any responsible person position.<sup>16</sup>

Responsible persons who become a disqualified person or deliberately mislead CSC on personal compliance with fitness and propriety are required to resign or their appointment is terminated immediately.<sup>17</sup>

Where a responsible person has been assessed as fit and proper, but CSC subsequently becomes aware of information that may result in the person being assessed as not fit and proper, CSC will take all reasonable steps (including collecting further information if relevant) to ensure that it can prudently conclude that no material fitness and propriety concern exists. Where a concern exists, a full fit and proper assessment will be conducted.

## **Staff members**

If a CSC staff member who is a responsible person fails to meet these fit and proper standards (either initially, or ongoing) CSC will either not appoint that person, or will terminate that person from their responsible person position (as appropriate).

## **Directors**

If a CSC director fails to meet these fit and proper standards (either initially, or ongoing) the Chair will advise the Minister for Finance.

## **Auditors and Actuaries**

If a CSC auditor or actuary, both being statutory appointments, fail to meet these fit and proper standards (either initially, or ongoing), CSC's CEO will advise the Board who will consider the appropriate action to take, including writing to the Auditor-General to bring this matter to his or her attention.

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<sup>16</sup> SPG 520, paragraph 27.

<sup>17</sup> In addition, pursuant to the GAGSS Act and the Public Governance, Performance and Accountability Act 2013, CSC's responsible persons or directors may also be terminated from holding their position if they contravene various provisions of those Acts. For example, due to misbehaviour or physical or mental incapacity, making assignment of his or her remuneration for the benefit of his or her creditors or contravening general duties of officials. More information is outlined in CSC's Board Charter.

Where an actuary or auditor has been appointed by CSC, CSC will either not appoint that person, or will terminate that person from their responsible person position (as appropriate).

## **Interim appointments and APRA determination**

Where an interim appointment (i.e. not permanent) is made to a responsible person position, CSC will endeavour to assess that person against the fit and proper standards as soon as practicable, and in any event within 90 days of that person's interim appointment. Interim appointees will be subject to the same assessment as permanent responsible persons.

The fit and proper assessment may also be conducted after a person is appointed, if APRA determines that that person's position is a responsible person position. In that case, CSC will conduct the fit and proper assessment within 28 days of APRA's determination.

## **Professional development**

CSC maintains fitness and propriety standards by maintaining a professional development program and undertaking assessments of individual and collective fitness and propriety.

Upon commencement, CSC's senior managers who are responsible persons are provided with an initial in house induction program conducted by senior staff based on the individual's requirements. New directors are provided with an induction arranged by the CEO. CSC's director portal contains additional information to assist directors to become familiar with CSC.

Professional development is included in all CSC staff's key performance indicators. Directors also are expected to avail themselves of suitable professional development opportunities on a regular basis and to give priority to any deficiencies identified in their skills review. CSC directors aim to undertake professional development at follows:

- At least 40 hours of professional development in a rolling 3-year period. Induction and other training provided to directors counts toward this requirement.
- At least 10 hours annually.

## **Informing APRA**

CSC is required to inform APRA, within 14 days of appointment, of the following information for every responsible person:

- the title of the responsible person position;
- the person's full name;
- the person's date of birth;
- the person's position and main responsibilities; and
- a statement of whether the person has been assessed under this policy.

APRA must be informed within 14 days of any changes. Where CSC has assessed a responsible person as being no longer fit and proper, APRA must be informed within 14 days. The information or notification will be provided in accordance with APRA procedures.

## Whistleblowing

CSC's policy and processes in relation to whistleblowing are set out in its *Whistleblower Protection and Public Interest Disclosure Policy* (the Whistleblower Policy). If a person has information that a responsible person does not meet CSC's fit and proper criteria this information can be provided to either the person responsible for conducting fit and proper assessment (as set out above), APRA or any other person in accordance with the processes set out in the Whistleblower Policy. Additionally, any person who has information that CSC itself has not complied with SPS 520 can provide that information to APRA.

CSC consents to any person who holds or held a responsible person position disclosing information or providing documents to APRA relating to their reasons for resignation, retirement or removal.

CSC will not constrain, impede, restrict or discourage, whether by confidentiality clauses, policies or other means, any person from disclosing information or providing documents to APRA.

In accordance with APRA's requirements<sup>18</sup>, the Whistleblower Policy will be adequately explained to directors and employees of the CSC who are likely to have information relevant to fit and proper assessments. The Whistleblower Policy is available on CSC's website and Intranet.

## Review of policy

This policy will be reviewed by the Board Governance Committee biennially or as required, in particular in light of relevant regulatory initiatives or any significant changes to CSC's constituent legislation or business objectives. The Committee will recommend to the Board for its approval any necessary or desirable amendments to ensure the policy remains current and consistent with best practice and applicable law.

Date	Author	Comments
February 2009	Corporate Secretary	Approved by Board 10 February 2009 (Minute no 0554).
March 2012	General Counsel Group/Corporate Secretary	Approved by Board 22 March 2012 (Minute no 0201).

<sup>18</sup> SPS 520, paragraph 41.

May 2013	General Counsel Group	Revised draft – Governance Committee review (1 May 2013, 13 May 2013), for recommendation to Board
20 June 2013	General Counsel Group	Board approval 20 June 2013
17 June 2015	General Counsel Group	Board Governance Committee review 5 May 2015 meeting; Board approval 17 June 2015.
25 July 2017	General Counsel team	Biennial review. Board Governance Committee meeting 15 June 2017; Board meeting 25 July 2017.
25 September 2019	General Counsel	Biennial review. Board Governance Committee meeting 14 August 2019; Board meeting 25 September 2019
20 August 2020	General Counsel & Board Governance Committee	Review to address APRA recommendations. Board Governance Committee meeting 2 June 2020; Board meeting 20 August 2020.
28 June 2022	General Counsel	Biennial review, including amendments to clarify the process for making determinations on behalf of CSC. Board Governance Committee 25 May 2022; Board 28 June 2022

## Responsible Person Fit and Proper Certification (Attachment A)

I..... (full name) ..... (date of birth)

1. Confirm that I am not a disqualified person under the SIS Act, Banking Act or Insurance Act, and am not prohibited from being a responsible person under the Corporations Act or similar overseas legislation, and that I am ordinarily resident in Australia.
2. Confirm that I have never been convicted of any offence of dishonesty in any jurisdiction, whether in Australia or overseas.
3. I have not perpetrated or participated in negligent, deceitful or otherwise discreditable business or professional practices.
4. Will immediately resign and inform CSC should I become disqualified or prohibited from being a responsible person, or fail to meet CSC's fit and proper standards.
5. Believe my competence, character, diligence, experience, honesty, integrity and judgment to properly perform the duties of my responsible person position to be appropriate for the tasks that I will be required to undertake because

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6. I have the educational and technical qualification, knowledge and skills relevant to properly perform the duties of my responsible person position to be appropriate for the tasks that I will be required to undertake.
7. I authorise CSC, to make due enquiries in relation to this declaration. I note that this may include a National Police Check, a National Bankruptcy, APRA and ASIC searches.

Signed:

Date:



### Board Skills Matrix (Attachment B)

The Board Skills Matrix sets out the skills and experience that would contribute to the effective operation of the CSC Board.

The Matrix skills are in addition to the basic skills/experience expected of all CSC Directors as follows:

- Awareness of superannuation and its regulatory framework
- Financial literacy
- Understanding of directorship, governance and trusteeship principles
- Understanding of risk factors
- Sound business judgement
- Critical thinking and ability to provide constructive challenge

### Board Skills Matrix

CSC has identified 10 skill sets reflecting skills and experience required of the Board to effectively and prudently manage the operations of CSC and fulfil its duties and deliver the member outcomes as agreed by the Board from time to time. CSC seeks to have as many of the 10 skills as feasible collectively represented on the Board. CSC aims for both general and expert representation across the skills, seeking at least one highly experienced director for as many of the skills as possible. Where any skill is underrepresented, the Board may address the issue by accessing alternative expertise. The Board uses a 5 level score to assess director skills and experience.

Skill	Number of highly experienced* directors
<b>Leadership:</b> experience in the development, implementation, oversight and delivery of strategic outcomes and operational activities for an organisation the scale and complexity of CSC	
<b>Financial services sector:</b> experience in the financial services sector in Australia or overseas, including superannuation, banking, insurance, investment funds, etc	
<b>Finance, Audit and Assurance:</b> experience relevant to CSC in financial accounting and reporting, corporate finance and internal controls, including assessing the quality of financial controls	
<b>Legal:</b> experience in the legal and regulatory environment applicable to CSC including but not limited to superannuation, trust, corporations, government/administrative and commercial law	
<b>Risk management:</b> experience in identifying, assessing, monitoring and overseeing the management of financial and non-financial risks	
<b>Technology and digital:</b> experience in developing technology strategies, monitoring and implementing technology strategies, and/or in digital innovation in corporate environments	
<b>Marketing and communications:</b> experience in marketing and communications in member/customer focused environments	
<b>Public policy:</b> experience in public and regulatory policy, including interaction with government and regulators at all levels and influencing public policy decisions and outcomes	
<b>Trustee directorship and corporate governance:</b> extensive experience in trustee / fiduciary directorship and/or corporate governance	
<b>Understanding CSC's members and customers:</b> experience relevant to understanding of CSC's military and public service membership	





\* 'Highly experienced' constitutes a director who scores 4 or more

Scoring

Directors will be counted as generally having the relevant skill where they have a score of 3 or more as follows:

1	<b>Limited:</b> No work experience, understanding, knowledge or qualifications.
2	<b>Background:</b> Have had some ancillary/indirect exposure through work experience or training sufficient to enable background awareness but not sound knowledge. For example exposure to the skill's subject matter while working in a different function that the skill is connected to, such as working on an innovation project as the product specialist and being exposed to technology strategy development.
3	<b>Sound:</b> Have had experience or training sufficient to give a sound understanding of the skill. This includes (but is not limited to) having had: <ul style="list-style-type: none"> <li>• relevant work experience of at least 2 years, specific to the skill though not necessarily specific to the work of CSC, or</li> <li>• relevant training in relation to the skill below a tertiary level, such as through short courses, industry conferences, seminars or in-house training programs</li> </ul>
4	<b>Comprehensive:</b> Have had significant experience or hold relevant qualifications to give a comprehensive understanding of the skill. This includes (but is not limited to) having: <ul style="list-style-type: none"> <li>• had relevant work experience of at least 5 years specific to the skill in an area either specifically relevant or transferrable to the work of CSC, including experience on boards, at a management level or in a professional services firm</li> <li>• relevant qualifications specific to the skill, which may include (dependent upon the skill) a law degree, accounting/audit qualifications, a communications or marketing qualification, an IT/ICT qualification, a management/leadership qualification, such as a relevant degree or MBA, etc.</li> </ul>
5	<ul style="list-style-type: none"> <li>• <b>Professional/Expert:</b> Have had significant experience and generally<sup>#</sup> also hold relevant qualifications to give an expert understanding of the skill. This includes (but is not limited to) having had: <ul style="list-style-type: none"> <li>• relevant work experience of at least 8 years specific to the skill in an area directly relatable to the work of CSC, including experience on boards, at a senior management level in a related industry to CSC, or in a professional services firm, AND</li> <li>• relevant qualifications may include those as set out in relation to a score of 4 above.</li> </ul> </li> </ul> <p>This score is generally for where this is/was the person's primary profession or where the person would be regarded as an expert in this particular area as a result of their experience.</p> <p><sup>#</sup>Where a person has significant experience (of over 15 years) a qualification is not necessary where that particular skill does not require a professional qualification. For example a lawyer would be required to have a law degree and years of experience practising law to score a 5 for the legal skill. However, a director with many years of senior management experience (including experience on boards) would not necessarily require a specific leadership qualification to score a 5 in the leadership skill.</p>



### Directors' Self-Assessment Ratings (Attachment C)

Directors should self-assess their competencies using the table below. The self-assessment should be supported by evidence provided within their curriculum vitae/resume.

Director name:

Date of self-assessment:

#### Scoring:

1	<b>Limited:</b> No work experience, understanding, knowledge or qualifications.
2	<b>Background:</b> Have had some ancillary/indirect exposure through work experience or training sufficient to enable background awareness but not sound knowledge. For example exposure to the skill's subject matter while working in a different function that the skill is connected to, such as working on an innovation project as the product specialist and being exposed to technology strategy development.
3	<b>Sound:</b> Have had experience or training sufficient to give a sound understanding of the skill. This includes (but is not limited to) having had: <ul style="list-style-type: none"> <li>• relevant work experience of at least 2 years, specific to the skill though not necessarily specific to the work of CSC, or</li> <li>• relevant training in relation to the skill below a tertiary level, such as through short courses, industry conferences, seminars or in-house training programs</li> </ul>
4	<b>Comprehensive:</b> Have had significant experience or hold relevant qualifications to give a comprehensive understanding of the skill. This includes (but is not limited to) having: <ul style="list-style-type: none"> <li>• had relevant work experience of at least 5 years specific to the skill in an area either specifically relevant or transferrable to the work of CSC, including experience on boards, at a management level or in a professional services firm</li> <li>• relevant qualifications specific to the skill, which may include (dependent upon the skill) a law degree, accounting/audit qualifications, a communications or marketing qualification, an IT/ICT qualification, a management/leadership qualification, such as a relevant degree or MBA, etc.</li> </ul>
5	<ul style="list-style-type: none"> <li>• <b>Professional/Expert:</b> Have had significant experience and generally<sup>#</sup> also hold relevant qualifications to give an expert understanding of the skill. This includes (but is not limited to) having had: <ul style="list-style-type: none"> <li>• relevant work experience of at least 8 years specific to the skill in an area directly relatable to the work of CSC, including experience on boards, at a senior management level in a related industry to CSC, or in a professional services firm, AND</li> <li>• relevant qualifications may include those as set out in relation to a score of 4 above.</li> </ul> </li> </ul> <p>This score is generally for where this is/was the person's primary profession or where the person would be regarded as an expert in this particular area as a result of their experience.</p> <p><sup>#</sup>Where a person has significant experience (of over 15 years) a qualification is not necessary where that particular skill does not require a professional qualification. For example a lawyer would be required to have a law degree and years of experience practising law to score a 5 for the legal skill. However, a director with many years of senior management experience (including experience on boards) would not necessarily require a specific leadership qualification to score a 5 in the leadership skill.</p>



Skill	Score	Justification for score
<b>Leadership:</b> experience in the development, implementation, oversight and delivery of strategic outcomes and operational activities for an organisation the scale and complexity of CSC		
<b>Financial services sector:</b> experience in the financial services sector in Australia or overseas, including superannuation, banking, insurance, investment funds, etc		
<b>Finance, Audit and Assurance:</b> experience relevant to CSC in financial accounting and reporting, corporate finance and internal controls, including assessing the quality of financial controls		
<b>Legal:</b> experience in the legal and regulatory environment applicable to CSC including but not limited to superannuation, trust, corporations, government/administrative and commercial law		
<b>Risk management:</b> experience in identifying, assessing, monitoring and overseeing the management of financial and non-financial risks		
<b>Technology and digital:</b> experience in developing technology strategies, monitoring and implementing technology strategies, and/or in digital innovation in corporate environments		
<b>Marketing and communications:</b> experience in marketing and communications in member/customer focused environments		
<b>Public policy:</b> experience in public and regulatory policy, including interaction with government and regulators at all levels and influencing public policy decisions and outcomes		
<b>Trustee directorship and corporate governance:</b> extensive experience in trustee / fiduciary directorship and/or corporate governance		
<b>Understanding CSC's members and customers:</b> experience relevant to understanding of CSC's military and public service membership		

Additional comments (if any):

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## **Disclosure of Duties and Interests (Attachment D)**

Disclosure of duties and interests

Under relevant legislation I advise that I have no duties or interests that could reasonably be expected to conflict with my duties as a responsible person of CSC.

I acknowledge that I will advise:

- if any event has changed my continuing compliance with the responsible person qualification requirements set out in the *Superannuation Industry (Supervision) Act 1993* and relevant prudential standards; or
- if I am required to make any disclosures of duties or interests; or
- if any change in my business relationships has occurred that might have a connection with CSC's duties or activities.

Further, I will maintain appropriate records of my dealing in securities and will provide a copy of these records if requested.

Name:

Signature:

Dated:



**Fit and Proper Certification for Auditors (Attachment E)**

I..... (full name) ..... (date of birth) confirm that

1. I am not a disqualified person under the SIS Act, Banking Act or Insurance Act, and am not prohibited from being a responsible person under the Corporations Act or similar overseas legislation;
2. I have never been convicted of any offence of dishonesty in any jurisdiction, whether in Australia or overseas;
3. I have not perpetrated or participated in negligent, deceitful or otherwise discreditable business or professional practices;
4. I will immediately resign and inform CSC should I become disqualified or prohibited from being a responsible person, or fail to meet CSC’s fit and proper standards;
5. I believe my competence, character, diligence, experience, honesty, integrity and judgment to properly perform the duties of my responsible person position to be appropriate for the tasks that I will be required to undertake because

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6. I have the educational and technical qualification, knowledge and skills relevant to properly perform the duties of my responsible person position to be appropriate for the tasks that I will be required to undertake;
7. I am registered as an auditor under the *Corporations Act 2001*, or the Auditor-General or a delegate of the Auditor-General of the Commonwealth, a State or Territory;
8. I am not the CEO or a director of CSC, or of a related body corporate or connected entity of CSC;
9. I have a minimum five years’ relevant experience in the audit of the business operations of RSE licensees;
10. I have experience relating to the business operations of RSE licensees that is sufficiently relevant and recent to provide reasonable assurance that they are familiar with current issues in the audit of the business operations of RSE licensees;
11. I am not the actuary of CSC or any RSE within CSC’s business operations;
12. I am not an employee or director of a body corporate, statutory body, partnership, trust, or commercial or professional enterprise of any kind of which CSC’s actuary (if any) is an employee or director;
13. I am not a partner in the professional practice of CSC’s actuary (if any);
14. I am not an employee of CSC;
15. I am a member of a recognised professional body
16. I am ordinarily resident in Australia; and
17. There is no risk that my independent professional judgement may be unduly influenced by my other duties and interests.
18. I authorise CSC, to make due enquiries in relation to this declaration. I note that this may include a National Police Check, a National Bankruptcy, APRA and ASIC searches.

On assessment of appointment this statement is supported by the attached current curriculum vitae / resume and copy of a National Police Check.

Signed:

Date:



Fit and Proper Certification for Actuaries (Attachment F)

I..... (full name) ..... (date of birth) confirm that

- 1. I am not a disqualified person under the SIS Act, Banking Act or Insurance Act, and am not prohibited from being a responsible person under the Corporations Act or similar overseas legislation;
2. I have never been convicted of any offence of dishonesty in any jurisdiction, whether in Australia or overseas;
3. I have not perpetrated or participated in negligent, deceitful or otherwise discreditable business or professional practices;
4. I will immediately resign and inform CSC should I become disqualified or prohibited from being a responsible person, or fail to meet CSC's fit and proper standards;
5. I believe my competence, character, diligence, experience, honesty, integrity and judgment to properly perform the duties of my responsible person position to be appropriate for the tasks that I will be required to undertake because

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- 6. I have the educational and technical qualification, knowledge and skills relevant to properly perform the duties of my responsible person position to be appropriate for the tasks that I will be required to undertake;
7. I have appropriate formal qualifications;
8. I am not the CEO or a director of CSC, or a related body corporate (except when that related body corporate is a connected entity of CSC);
9. I am not the auditor of CSC or any RSE within CSC's business operations;
10. I am not an employee or director of an entity of which CSC's auditor is an employee or director;
11. I am not a partner in the professional practice of CSC's auditor;
12. I have a minimum of five years' relevant experience in the provision of actuarial services to RSE licensees and RSEs or in superannuation more generally, that is sufficiently relevant and recent to provide reasonable assurance that the person is familiar with current issues in the provision of actuarial services to the business operations of RSE licensees;
13. I am not an employee of CSC;
14. I am a Fellow or Accredited Member (however described) of the Institute of Actuaries of Australia; and
15. I am ordinarily resident in Australia; and
16. There is no risk that my independent professional judgement may be unduly influenced by my other duties and interests.
17. I authorise CSC, to make due enquiries in relation to this declaration. I note that this may include a National Police Check, a National Bankruptcy, APRA and ASIC searches.

On assessment of appointment this statement is supported by the attached current curriculum vitae and copy of a National Police Check.

Signed:
Date:



## Fit and Proper Assessment Certificate (Attachment G)

### Fit and Proper Assessment

<b>Responsible person:</b>	
<b>Position:</b>	
<b>Date of assessment:</b>	
<b>Assessment conducted and approved by: (Name and Position)</b>	
<b>Type of assessment: (Initial/Annual)</b>	

Material considered:	<ul style="list-style-type: none"><li>• Signed 'Agreement and Declaration for Appointment as Director of CSC'</li><li>• Signed 'Responsible Person Fit &amp; Proper Certification'</li><li>• Completed 'Directors' Self-Assessment' (against CSC's skills matrix)</li><li>• Signed 'Disclosure of duties and interest' declaration (no duties or interests disclosed)</li><li>• Curriculum Vitae</li><li>• National bankruptcy, APRA and ASIC searches (no records found)</li></ul>
Determination:	<ul style="list-style-type: none"><li>• The Responsible Person meets the fit and proper standards subject to a National Criminal History Check resulting in no disclosable outcomes.</li></ul>
Reasons for determination:	<p>Taking into consideration the material provided, it would be prudent to conclude that:</p> <ul style="list-style-type: none"><li>• the person possesses the competence, character, diligence, experience, honesty, integrity and judgement to perform properly the duties of the responsible person position</li><li>• that the person possesses the education or technical qualifications, knowledge and skills relevant to the duties and responsibilities of an RSE licensee</li><li>• the person is not disqualified<sup>19</sup> under the SIS Act from holding the position, and</li><li>• the person has no conflict of interest in performing the duties of the responsible person's position.</li></ul>
Issues / actions:	No issues arising or actions required.

<sup>19</sup> A person is disqualified if they have been convicted of an offence of dishonest conduct in Australia or elsewhere or has been issued with a civil penalty order; are an insolvent under administration; or are disqualified under the SIS Act by the Commissioner of Taxation or the Federal Court (see SIS Act, s120).