



## FIT AND PROPER POLICY

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## CONTENTS

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<b>1</b>	<b>Glossary</b> .....	<b>6</b>
<b>2</b>	<b>Introduction</b> .....	<b>7</b>
2.1	Background.....	7
2.2	Objectives.....	7
2.3	Who does this Policy apply to?.....	8
2.4	How the Board determines whether a person is Fit & Proper.....	8
2.5	What information is not relevant to whether a person is Fit & Proper.....	9
2.6	Retention of information relevant to whether a person is Fit & Proper.....	10
2.7	Operational Performance of the Board.....	10
2.8	Review of this Policy.....	11
2.9	Access to this Policy.....	11
<b>3</b>	<b>Fit &amp; Proper Evaluation</b> .....	<b>12</b>
3.1	Continuous Disclosure Obligation.....	12
3.2	Annual Review.....	12
3.3	Process for Propriety Assessment.....	13
3.4	Additional Information.....	15
3.5	When a person may be deemed not to be Proper.....	15
3.6	Process for Fitness Assessment.....	16
3.7	Individual Fitness Requirements.....	16
3.8	Collective Fitness Requirements.....	17
3.9	Ongoing Monitoring.....	17
3.10	Skills and Expertise from External Service Providers.....	17
3.11	When a person may be deemed not to be Fit.....	18
3.12	Independent Directors.....	18
<b>4</b>	<b>What happens when a person is not Fit &amp; Proper?</b> .....	<b>19</b>
4.1	Candidates.....	19
4.2	Directors.....	19
4.3	Other Persons Subject to the Standard.....	20
4.4	Authorised Representatives.....	20
4.5	Other Employees.....	20
4.6	Termination of Employment.....	20
<b>5</b>	<b>Appointment of Responsible Persons</b> .....	<b>22</b>
5.1	Appointment Policy.....	22
	(a) <i>All Director and Senior Manager Appointments</i> .....	22
	(b) <i>Independent Director Appointments</i> .....	22
5.2	Appointment Process.....	23
	(a) <i>Directors &amp; Senior Managers</i> .....	23
	(b) <i>Interim appointment of Responsible Persons</i> .....	23
	(c) <i>Information provided upon appointment</i> .....	24
	(d) <i>Induction</i> .....	24
5.3	Succession Planning.....	25
5.4	Appointment of Responsible Persons who are not Directors or Senior Managers.....	25

(a)	For service providers.....	25
(b)	For employees and contractors of a connected entity .....	25
<b>6</b>	<b>Training and Professional Development .....</b>	<b>26</b>
6.1	Training policy .....	26
(a)	Induction Training.....	26
(b)	Ongoing Professional Development.....	27
(c)	Other Persons Subject to the Standard .....	27
(d)	Authorised Representatives and employees not subject to the Standard .....	28
6.2	Monitoring of Professional Development Activities .....	28
(a)	Identified Knowledge Deficiencies .....	28
(b)	Identifying Skill Deficiencies .....	28
<b>7</b>	<b>Monitoring the Capacity of Representatives .....</b>	<b>30</b>
7.1	Who is a Representative? .....	30
7.2	The Capacity of Representatives .....	30
7.3	Exceeding Capacity .....	30
7.4	Monitoring.....	30
(a)	Specific monitoring .....	30
(b)	General monitoring.....	31
<b>8</b>	<b>Whistleblowing.....</b>	<b>32</b>
<b>9</b>	<b>Related Notices to Regulators.....</b>	<b>33</b>
<b>10</b>	<b>Appendix A – Responsible Persons .....</b>	<b>34</b>
10.1	Responsible Persons Annual and Initial Declaration .....	34
(a)	<b>Part A: Personal Details of the Responsible Person.....</b>	<b>34</b>
(b)	<b>Part B: Propriety Attestation to be completed by All Responsible Persons .</b>	<b>37</b>
(c)	<b>Part C: Related Party Transactions to be completed by ALL Responsible Persons.....</b>	<b>39</b>
(d)	<b>Part D: Auditor Attestation to be completed by the External Auditor Only ...</b>	<b>41</b>
10.2	Professional Development Self-Assessment Confidence Matrix.....	43
<b>11</b>	<b>Appendix B - Independent Director Annual and Initial Declaration .....</b>	<b>46</b>
11.1	Independent Director Annual and Initial Declaration .....	46
<b>12</b>	<b>Appendix C - Competencies required for Responsible Person Positions.....</b>	<b>48</b>
(a)	<b>Directors.....</b>	<b>49</b>
(b)	<b>External Audit Partner .....</b>	<b>50</b>
(c)	<b>Internal Audit Partner.....</b>	<b>51</b>
(d)	<b>First Super CEO.....</b>	<b>52</b>
(e)	<b>First Super Executive Manager Governance and Secretary.....</b>	<b>53</b>
(f)	<b>Risk Manager .....</b>	<b>54</b>
(g)	<b>Executive Manager - Financial Advice and Education .....</b>	<b>54</b>
(h)	<b>Administrator CEO.....</b>	<b>55</b>
<b>13</b>	<b>Fit and Proper Policy: Appendix D – First Super Pty Ltd Statement of Capacity .....</b>	<b>56</b>

## 1 Glossary

AFSL	Australian Financial Services License
Authorised Representative	As defined in the Corporations Act 2001 (Cth) and Regulations
Board	The Board of First Super Pty Limited
CA	Corporations Act 2001 (Cth) and Regulations
Committee	Audit & Compliance Committee
Constitution	The Constitution of First Super Pty Limited originally dated December 1998.
Contractor	A person or firm that undertakes a contract to provide materials or labour to perform a service or do a job.
Director(s)	Director(s) of First Super Pty Limited
Employee	A person who usually works full-time, part-time or casually and works as a part of the Trustee office and as directed by their employer.
First Super	First Super Pty Limited acting either as a Trustee of regulated funds or on its own behalf or both as the context requires.
Fund	First Super superannuation fund
General Law	A collective term for Common Law and Equity
Officer	A collective term for statutory and General Law officers of First Super Pty Ltd, including Directors, Responsible Officers, Responsible Persons and Responsible Managers.
Responsible Officer	As defined in s10 of SIS, plus all other Responsible Persons under APRA SPS 520.
Responsible Person, Responsible Person Positions	Same meaning as under SPS 520. See Appendix C for Responsible Person Positions. This term includes all possible Responsible Officers, Corporate Officers and Responsible Managers.
Relevant Law	Any Act, Regulation, Contract, Trust Deed, Equitable Principle, Document or Precedent relevant as circumstance requires.
Responsible Person	An executive officer of First Super Pty Limited, a Representative or Responsible Officer/Manager for the purposes of the Corporations Act or Supervision Industry (Supervision) Act 1993 or both as the context requires.
RSE License (RSEL)	Responsible Superannuation Entity License
SIS	Superannuation Industry Supervision Act 1993 (Cth) & Regulations
Trustee	First Super Pty Limited.

## 2 Introduction

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### 2.1 Background

Superannuation Prudential Standard 520 (SPS) imposes a Fit and Proper Standard on the Trustee. The SPS has the effect of amplifying certain Corporations Act obligations that require the Trustee to possess the attributes and skills to enable it to properly discharge the duties and responsibilities of an RSE Licensee in a prudent manner. These include, but are not limited to:

- character, competence, diligence, experience, honesty, integrity and judgement; and
- educational or technical qualifications, knowledge and skills relevant to the duties and responsibilities of an RSE licensee.

In addition, the Trustee is subject to similar obligations under the Corporations Act in respect of Authorised Representatives and the AML/CTF Act in respect of a broader group of persons.

### 2.2 Objectives

While this document focuses most clearly upon APRA administered requirements (referred to as the Standard), it has been formulated to ensure related regulatory obligations administered by ASIC and AUSTRAC can also be met by a single set of processes and procedures that adopt the highest relevant requirement from each set of regulatory obligations.

This Policy (amongst other things) sets out how the Trustee:

- Assesses the relevant characteristics of Responsible Persons, employees and Authorised Representatives including:
  - a. character, competence, diligence, experience, honesty, integrity and judgement (collectively called the Proper limb); and
  - b. educational or technical qualifications, knowledge and skills relevant to the duties and responsibilities of Trustee (collectively called the “Fit Limb”);
- Tests whether any Responsible Person, employee or Authorised Representative is a disqualified person or otherwise ineligible to hold their position due to a statutory bar.
- Prudently manages the risks that persons acting in Responsible Person Positions who are not fit and proper pose to the interests, or reasonable expectations, of beneficiaries,<sup>1</sup> the financial position of the RSE licensee, any of its RSEs or connected entities, or in relation to any other relevant prudential matter.

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<sup>1</sup> See the Governance Charter for the meaning of “meeting the reasonable expectations of beneficiaries”.

## 2.3 Who does this Policy apply to?

This Policy applies to:

- All Responsible Persons of First Super Pty Ltd, including anyone who:
  - a. makes, or participates in making, decisions that affect the whole, or a substantial part, of the Trustee's business operations;
  - b. has capacity to affect significantly the Trustee's business operations or its financial standing;
  - c. may materially affect the whole, or a substantial part, of the RSE licensee's business operations or its financial standing through their responsibility for:
    - i. enforcing policies and implementing strategies approved by the Board;
    - ii. the development and implementation of systems used to identify, assess, manage or monitor risks in relation to the RSE licensee's business operations; or
    - iii. monitoring the appropriateness, adequacy and effectiveness of risk management frameworks;
    - iv. regardless of employment status or job title.
- The approved auditor due to specific inclusion in SPS 520. The Trustee considers that the approved auditor requirement will be satisfied if this Policy is applied to the current Managing Partner.
- Due to specific inclusion in SPS 520, any person who performs activities for a connected entity where those activities could materially affect the whole, or a substantial part, of the Trustee's business operations, or its financial standing, either directly or indirectly must also be covered by this policy.

In respect of this requirement, the Trustee holds a view that "connected entities" will overlap in meaning with s50AA CA and s170.265 of the *Income Tax Assessment Act 1997* (Cth), and has concluded that it has one connected entity, SBA Pty Ltd, which operates as administrator of the Fund. In determining how to apply this conclusion the Trustee has adopted a chain of causality test to exclude persons (natural or corporate) for whose actions SBA is answerable to the Trustee<sup>2</sup>, to the extent that it does not excuse those who make regular representations to the Trustee for SBA.

## 2.4 How the Board determines whether a person is Fit & Proper

Subject to regulatory exceptions, only the Board may determine whether a person is Fit and Proper to hold the position they hold and play the role they play in management and operation of the Trustee and Fund.

In order to conclude that a person is Fit & Proper, the Board must be able to conclude on the basis of information collected under this Policy<sup>3</sup> whether:

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<sup>2</sup> APRA's view on whether this is appropriate was sought on 11 July 2012, but APRA did not respond to the request.

<sup>3</sup> This includes, but is not limited to, the annual Fit & Proper Review and Annual Review of Training and Professional Development



- it would be prudent to conclude that the person possesses the competence, character, diligence, experience, honesty, integrity and judgement to perform properly the duties they perform for the Trustee;
- it would be prudent 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 or excluded under the SIS, Corporations or AML/CTF Acts from holding their position;

and

- the person either:
  - a. has no conflict of interest in performing their duties; or
  - b. if the person has a conflict of interest, it would be prudent to conclude that the conflict will not create a material risk that the person will fail to perform properly their duties properly.

The Fitness and Propriety of each affected person is measured annually in the Fit and Proper Review, which is carried out following the Annual Review of Training and Professional Development.

Both reviews are conducted by the Audit & Compliance Committee (Committee) to ensure information needed to measure fitness and propriety is available and current. The Fit and Proper Review is documented by a person tasked with this responsibility by the Committee. The Committee may nominate any member of management to document the reviews or may allocate this task to the Internal Auditor if it believes (for whatever reason) that to be prudent in the circumstances.

Neither the person documenting the Fit and Proper Review or the Committee may reach a definite conclusion regarding the Fitness or Propriety of any person. Their task is to assemble evidence on which the Board may reach conclusions.

The information routinely obtained and matters to be routinely considered in the decision-making processes are contained in Section 3 of this document.

## **2.5 What information is not relevant to whether a person is Fit & Proper**

SPS 520 requires that the Trustee make all reasonable enquiries to obtain information, including collecting Sensitive Information as defined in the *Privacy Act 1988*, it believes may be relevant to an assessment of whether the person is fit and proper.

Consideration of the Privacy Act and anti-discrimination legislation has led the Board to conclude that the following Sensitive Information is not relevant when assessing whether a person is Fit and Proper.

Information or an opinion about an individual's:

- racial or ethnic origin; or
- political opinions; or
- membership of a political association; or
- religious beliefs or affiliations; or
- philosophical beliefs; or

- sexual preferences or practices; or
- genetic information about an individual that is not otherwise health information.

This information will not be collected or retained by the Trustee for the purposes of determining whether a person is Fit & Proper.

## **2.6 Retention of information relevant to whether a person is Fit & Proper**

All information collected and reports compiled under this Policy are Trustee records and must be maintained for not less than 10 years. All Sensitive Information collected by the Trustee for the purposes of determining whether a person is Fit & Proper must be stored in a locked metal cabinet or in a secure folder with access limited to the CEO, the HR Specialist and the Executive Officer.

Going forward, any certified copies of screening records confirming identity, integrity and credentials verification material will be stored electronically.

## **2.7 Operational Performance of the Board**

Operational performance relates to the efficacy with which the Board and committees operate. While this is only consequentially relevant to the question of performance against the Standard, it is a vital and related consideration for the purposes of the Corporations Act and other Superannuation Prudential Standards.

Operational performance relates to issues such as whether:

- the Board is operating effectively against reasonable expectations for a competent board of the same type in similar circumstances;
- individual directors conscientiously attend meetings as required;
- each committee has attended to the business allocated to it; and
- each committee has access to the skills and expertise required to meet its core obligations.

The Trustee monitors operational performance:

- Annually by examining attendance of Individual Directors at Board and committee meetings as part of the Fit & Proper Review;
- Annually by considering, to the extent it is reasonably possible to do so, whether committees have effectively attended to the business allocated to them as part of the Fit & Proper Review;
- Annually by considering whether each committee has the particular skills and expertise needed to operate effectively as part of the Fit & Proper Review;
- Annually by considering the conduct of the Board against key Prudential Standards as part of the Fit & Proper Review; and
- Every two years by commissioning an external review of Board Performance. The procedure and methods used by the external review are largely left to the discretion of the external party since knowledge of what procedures and methods are likely to be most effective is part of the expertise relied upon. A party contracted to perform an external review of Board Performance must have clear expertise in relevant disciplines and may include organisations such as AIST, AIM or a general consulting firm that is able to demonstrate relevant expertise.

Issues to be considered on completion of the annual and biennial reviews above include:

- Whether further action is needed to improve the operational efficacy of the Board and/or committees;
- Whether committee charters ought to be reviewed;
- Whether the committee structure adopted by the Trustee remains relevant and effective; and
- Who should fill the chairperson(s) role(s) when the Board reviews this position each year?

## **2.8 Review of this Policy**

This policy will be reviewed every three years or as soon as practicable following:

- Significant legislative or regulatory change;
- A significant event in relation to the fitness and propriety of an employee or Director;
- A significant change to the circumstances of the Fund;
- The Audit and Compliance Committee determines that there is a need for review; or
- A significant change to the Trust Deed and Rules or Constitution.

## **2.9 Access to this Policy**

In addition to any other circumstances specified in any other document, this policy must be provided to:

- any candidate for election or appointment as a director of the Trustee as soon as possible after the candidate is nominated;
- any other person before an assessment of their fitness and propriety is conducted; and
- any other person who is subject to this policy on request.

### **3 Fit & Proper Evaluation**

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#### **3.1 Continuous Disclosure Obligation**

##### *Responsible Persons*

At each Board and Committee meeting, Responsible Persons present are required to confirm that, in their opinion, they continue to meet the requirements of the Standard, including all requirements of the Conflict of Interests Policy. Between meetings, Responsible Persons are required to inform a Co-Chairperson as soon as:

- they become aware they no longer meet a requirement of the Standard; or
- they become aware of an issue which is likely to lead in the future to them no longer meeting a requirement of the Standard.

In the absence of a Co-Chairperson, a Responsible Person may notify the CEO who will advise the Co-Chairpersons. After notification, the Co-Chairpersons will determine the appropriate action to be taken to ensure compliance with this Policy, which may include referring the issue to the Committee or the Board.

##### *Deemed Responsible Persons*

Persons occupying Responsible Person Positions who became, or will in future become, a Responsible Person by operation of the SPS may provide continuous disclosure notifications to the Executive Manager Governance in the first instance.

Where this occurs, the Executive Manager Governance will assess the information received and complete an Incident & Breach Report for the CEO to consider.

##### *Other Persons*

Any other person subject to this Policy must inform the Executive Manager Governance as soon as:

- they become aware that they no longer meet the requirements of this Policy; or
- they become aware of any issue which may lead in the future to them no longer meeting the requirements of this Policy.

The Executive Manager Governance will assess the information received and complete an Incident & Breach Report for the CEO to consider.

#### **3.2 Annual Review**

While the Committee and Board may consider Fitness and Propriety at any time using any lawful means not excluded by this Policy, the Board has determined that Fitness and Propriety will normally be measured and documented through an annual Fit and Proper Review following an Annual Review of Training and Professional Development. Both reviews are conducted by the Committee.

On receipt of these reports the Board will make whatever additional inquiries it deems appropriate in the circumstances, and determine how to respond to any adverse observations or omissions before determining the final form of both reviews.

### 3.3 Process for Propriety Assessment

#### *Responsible Persons*

Before appointment, and thereafter on an annual basis, the Trustee requires all Responsible Persons to complete Appendix A of this Policy in the form it appears from time to time. Management may adapt Appendix A for the purposes of improving the quality or efficiency of the assessment process as circumstances require.

Independent Directors will also be required to complete an additional attestation as to their independence (Appendix B). The CEO will provide a copy of the applicable Appendices to each Responsible Person at commencement of the Fit & Proper Review each year.

Before or on appointment,<sup>4</sup> the CEO will facilitate arrangements to obtain the following measures of propriety for each Responsible Person and employee:

- Australian Federal Police Check (which meets APRA requirements) and any required overseas police check;
- Bankruptcy check;
- ASIC AFSL banned person register check;
- ASIC Disqualified persons register check;
- ASIC Banned Futures Representatives register check;
- ASIC Banned Securities Representatives register check; and
- APRA Disqualified persons check.

Before or on appointment, confirmation will be provided to the Trustee and the CEO by the HR Specialist or other person engaged to provide this service that the following information has been collected or supplied for identify, integrity, and credentials verification:

- C.V.;
- Character references;
- Working rights;
- Media search;
- Academic qualifications;
- Professional memberships/licenses;
- Employment references;
- Sanctions and Politically Exposed Person checks.

In addition:

- each APRA and ASIC register check listed above will be carried out against each person subject to this Policy each year as part of the Trustee's Fit and Proper review; and
- Australian Federal Police and bankruptcy checks will be carried out against each person subject to this Policy every second year as part of the Trustee's Fit and Proper review.

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<sup>4</sup> The SPS permits this process to occur after appointment in some circumstances.

The purpose of these checks is to help test ongoing compliance with the “Proper” limb of the Standard, certain AFSL obligations and AML/CTF monitoring obligations.

The results of these checks and review of completed Appendix A and B documents will be reported to the Committee. The Committee will then consider any issues raised and report to the Board, which may make further inquiries.

*Authorised Representatives and Employees not subject to the Standard*

Prior to receiving becoming an Authorised Representative or prior to employment, the CEO will facilitate arrangements to obtain the following measures of propriety for each prospective Authorised Representative and employee:

- Australian Federal Police Check (which meets APRA requirements) and any required overseas police check;
- Bankruptcy check;
- ASIC AFSL banned person register check;
- ASIC Disqualified persons register check;
- ASIC Banned Futures Representatives register check;
- ASIC Banned Securities Representatives register check; and
- APRA Disqualified persons check.

Before or on appointment, confirmation will be provided to the CEO by the HR Specialist or other person engaged to provide this service that the following information has been collected or supplied for identify, integrity, and credentials verification:

- C.V.;
- Character references;
- Working rights;
- Media search;
- Academic qualifications;
- Professional memberships/licenses;
- Employment references;
- Sanctions and Politically Exposed Person checks.

In addition:

- each APRA and ASIC register check listed above will be carried out against each person subject to this Policy each year as part of the Trustee’s Fit and Proper review; and
- Australian Federal Police and bankruptcy checks will be carried out against each person subject to this Policy every second year as part of the Trustee’s Fit and Proper review.

The purpose of these checks is to help test ongoing compliance with the “Proper” requirements found in the Corporations and AML/CTF Acts.

The checks operate in addition to any Human Resources pre appointment checks, not in place of them, and will be reported to the Committee. The Committee will then consider any issues raised and report to the Board, which may make further inquiries.

### **3.4 Additional Information**

Once a report for 3.3 above is made to the Board, it may determine to collect further information to consider Fitness and Propriety at any time using any lawful means not excluded by this Policy.

### **3.5 When a person may be deemed not to be Proper**

A person is not Proper and cannot become or remain a Responsible Person or Authorised Representative if they:<sup>5</sup>

- Are listed on any ASIC Register of Banned and Disqualified Persons;
- Are listed on the APRA Disqualification Register;
- Were at any time convicted of an offence of dishonesty;
- Have at any time had a civil penalty order made against them;
- Are an insolvent under administration; or
- Are subject of an adverse finding by a financial regulator in relation to conduct involving dishonesty.

The Committee must report all such instances to the Board. It must also consider on a case by case basis whether an employee in the same circumstances should remain employed by the Trustee.

There would normally be a case to assert that a person is not Proper if sound evidence indicated they:

- Demonstrated a lack of willingness to comply with legal obligations, regulatory requirements or professional standards, or had been obstructive, misleading or untruthful in dealing with regulatory bodies or a court;
- Knowingly breached a fiduciary obligation or statutory duty to which they were subject;
- Failed to follow the Trustee's Conflict of Interest Policy;
- Perpetrated or participated in negligent, deceitful, or otherwise discreditable business or professional practices;
- Had been reprimanded, or disqualified, or removed, by a professional or regulatory body in relation to matters relating to the person's honesty, integrity or business conduct;
- Seriously or persistently failed to manage personal debts or financial affairs satisfactorily in circumstances where such failure caused loss to others;
- Had been substantially involved in the management of a business or company (other than as in a restructuring, rescue or similar capacity) which has failed, where the failure was occasioned in no small part by deficiencies that were reasonably within the person's control;
- Had been of bad repute in any business or financial community or any market; or

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<sup>5</sup> Approval may be sought particularly where an adverse finding originated in a foreign jurisdiction or is of uncertain status (E.G. the ACCC or a state regulator).

- Had been 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.

Evidence of any of these requires the Committee to investigate further, consider whether the person is Proper to be a Responsible Officer, employee or Authorised Representative and report its findings to the Board.

Conduct that is not normally conclusive of a lack of Propriety, but which may support a conclusion that a person is not Proper includes failure to:

- Observe the code of conduct contained in the Governance Charter.
- Comply strictly with all annual Fit and Proper attestation requirements under this Policy.
- Meet the Continuous Disclosure Obligation under this Policy in respect of a minor matter.
- Subject to the whistle-blower Policy, observe the convention that (to the extent permitted by law) matters discussed at Board or Committee meetings and associated documents constitute confidential information.
- Declare small gifts or minor entertainment as required by the Trustee's Conflict of Interests policy and Governance Charter.

Evidence of any of these requires the Committee to investigate further and advise the Board on its deliberations.

### **3.6 Process for Fitness Assessment**

The Trustee has established minimum fitness (or competency) requirements to ensure that the Board has access to an appropriate mix of skills and experience to properly discharge its duties.

The presence of required skills and experience is assessed for the annual Fit and Proper review through an Annual Review of Training and Professional Development. The Board has formulated a standard format for this review which is exemplified by the current review document.

A key objective of the Annual Review of Training and Professional Development is to help in assessing whether Responsible Persons meet the requirements of their Responsible Person Position Description (see Appendix C).

### **3.7 Individual Fitness Requirements**

#### *Responsible Persons*

Individual Responsible Persons are required to, at a minimum, meet each requirement set out for their Responsible Person Position in Appendix C.

There is no specific fitness level for new Directors, but where a newly appointed Director does not possess the appropriate competencies at appointment the Trustee will provide training, which must be completed within an agreed time of appointment. Further detail is provided in section 6.1.

All new Responsible Persons who are not Directors are normally expected to meet all requirements set out in Appendix C for their Responsible Person Position at all times from their date of engagement. Where this is not the case, the reasons for appointment and corrective action must be documented.



### *Authorised Representatives*

No person can be issued or continue to hold Authorised Representative status unless they meet the relevant minimum competency and training requirements set by ASIC from time to time.

### *Other persons subject to this standard*

Other persons must be competent to hold the position they hold with First Super.

## **3.8 Collective Fitness Requirements**

These are the competencies that must be present across the population of Responsible Persons to enable the Board effectively discharge its duties. The list of required competencies at the date of this Policy was:

Administration (Fund)	Administration (General)
Communications	Finance
Financial Planning	Governance
Industrial relations	Investments
Legal & Compliance	Trusteeship Skills
Management	Marketing
Taxation	

The Trustee will take steps to ensure that it can, at all times, count amongst its number at least one person who is competent in each of these areas. Each year the skills of Responsible Persons will be mapped against this list as part of the Annual Review of Training and Professional Development to produce a chart of available expertise and training requirements.

## **3.9 Ongoing Monitoring**

Training and professional development is monitored by use of a register to help ensure the overall required skill base is maintained between reviews.

## **3.10 Skills and Expertise from External Service Providers**

The Trustee recognises the benefits of obtaining external assistance from experienced consultants and advisers. As part of the Trustee's risk management framework it brings in additional skills and expertise in the following areas as needed:

- Audit and accounting;
- Legal and compliance;
- Investment and valuations;
- Actuarial and IT; and
- Fraud detection and investigation.

The Trustee acknowledges that use of external skills and expertise does not affect its responsibility for the prudent management of the Fund.

### **3.11 When a person may be deemed not to be Fit**

The fitness of a person would normally be called into question if they did not possess the qualifications and experience claimed in their CV, or if they did not comply with their training and professional development plan without good reason. Where this occurs the Committee must consider the relevant circumstances and report its findings to the Board.

The Fitness of a Responsible Person will be in question if they did not meet the criteria set out for their Responsible Person Position in Appendix C. Where this occurs the Committee must consider the relevant circumstances and report its findings to the Board.

The failure of a Responsible Person to complete 8 hours of formal training and professional development in two consecutive years is grounds for inquiring into whether a person meets to fit limb of the standard.

An Authorised Representative will not be fit if they fail to meet, at any time, the relevant minimum qualification and competency requirements set by ASIC. Where this occurs, the CEO or delegate must take immediate steps to revoke any Proper Authority held.

An employee who is not a Responsible Person may be considered unfit if that do not possess the necessary education and training required for their position.

### **3.12 Independent Directors**

Independent Directors are subject to additional conduct requirements that may affect their Fit & Proper status, but which do not discretely match either limb of the Standard. In order to monitor these, the Board has determined that:

- On appointment and on an annual basis, each Independent Director must make the declaration set out in Appendix B of this Policy as it appears from time to time; and
- Each Independent Director must declare at the commencement of each Board meeting (or sooner to a Co-Chairperson) any change in circumstances that may impair the Director's independence;

Failure to observe these obligations may constitute evidence that an Independent Director is not Fit & Proper.

## 4 What happens when a person is not Fit & Proper?

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The SPS provides that:

- no person who is assessed as being not Fit and Proper may be appointed to or retain a Responsible Person position with the Trustee; and
- The Trustee must notify APRA within 14 days of a person being found not to be fit and proper.

However, the fact of having been found not to be Fit & Proper will not normally end a contractual relationship, nor is such a finding conclusive proof of wrong doing.

Responses to a finding that a person is not Fit & Proper will therefore vary according to the circumstances and may include one or more of:

- Remedial action;
- Standing aside pending further information;
- Reassignment to different duties;
- Dismissal; or
- Termination of a contract.

As a result, the Board's response to a finding that a person is not Fit & Proper will be guided by the following considerations:

### 4.1 Candidates

A candidate for any position who is assessed as being not Fit & Proper may not be appointed to any position. If a letter of appointment has already been provided to the candidate, or if the candidate has terminated other opportunities of employment on a reasonable expectation of employment, compensation may be due to the candidate and legal advice should be sought.

### 4.2 Directors

If a Director is assessed as being not Fit & Proper they may not continue to act as a Director, and must resign or be removed as a Director under the processes contained in the Constitution and Corporations Act, as explained in the Governance Charter. This process will be managed by the Committee, but only the Board may terminate a Directors' appointment.

Where an Independent Director has had their independence impaired, they may remain Fit & Proper if the breach is not material and can be rectified quickly. See the Governance Charter for further information on removal of an Independent Director.

If a Director must be removed, it is critical they are removed in accordance with the Constitution and Relevant Law, including preparation of documentation sufficient to defend against a counter claim based on intimidation or refusal to accept direction. It is also critical to keep in mind that being found not to be Fit and Proper does not invalidate a Director's appointment or remove their legal rights. It merely obliges the Board to act to resolve the issue in accordance with the law. Failure to correctly define and act within the law as it exists at the time of removal may create an entitlement to compensation that would not otherwise exist.

It is also important to keep in mind that there is no option to suspend a Director or for a Director to temporarily stand aside pending further investigation. It may however be possible to reach a short term "pairing" arrangement to allow time to further consider issues before commencing final action.

#### **4.3 Other Persons Subject to the Standard**

If a person subject to the Standard who is not a Director is assessed as being not Fit & Proper, that person may not continue to act in any position that is a Responsible Person Position. It is further anticipated that such a person's connection to the Trustee will ultimately be severed; however the method of severance (if it occurs) must be consistent with the law and any applicable contract. This process will be managed by the CEO in conjunction with the Committee.

Where action to be taken involves termination, modification or action under a contract that is not an employment contract, the Board (or its delegate) must approve any final course of action before implementation. Where action concerns an auditor, particular care must be taken to observe ASIC's current auditor removal and approval process. Where action to be taken involves termination of an employment contract, the steps below under the heading "Termination of Employment" must be followed.

#### **4.4 Authorised Representatives**

If a person who is an Authorised Representative is assessed as being not Fit & Proper, that person's Authorised Representative status must be terminated immediately. It is further probable that such a person's connection to the Trustee will be severed; however the method of severance must be consistent with the law and any applicable contract.

This process will be managed by the CEO in conjunction with the Committee. Where action to be taken involves termination, modification or action under a contract that is not an employment contract, the Board must approve any final course of action before implementation. Where action to be taken involves termination of an employment contract, the steps below under the heading "Termination of Employment" must be followed.

#### **4.5 Other Employees**

If an employee who is not covered by one of the categories above is assessed as being not Fit & Proper, that person must not be permitted to work in any capacity that has responsibility for the operation of any AML/CTF, financial, fraud or risk management function.

This process will be managed by the CEO. Where further action to be taken involves termination of an employment contract, the steps below under the heading "Termination of Employment" must be followed.

#### **4.6 Termination of Employment**

*Where there are no charges pending*

Termination of employment must occur in a way consistent with any employment contract and Relevant Law. To ensure this occurs the following actions should be taken (as appropriate in the circumstances):

- Preparation of a memo to the employee documenting the circumstances that have arisen (e.g. area of underperformance or contravention of standards). If this justifies summary

termination<sup>6</sup> due to a course of conduct that includes gross dishonesty, negligence or frequent disregard for the law, employment may usually be terminated immediately.

- Unless step 1 identifies circumstances justifying summary termination, the employee should be counselled about their performance to ensure they have an opportunity to respond and rectify the issue, improve their conduct or performance (if possible in the circumstances). It may be necessary to conduct more than one round of performance counselling and performance monitoring.
- Subsequent removal may occur where it can be shown that continued conduct is inconsistent with any continued employment by the Trustee, however the employee should be afforded an opportunity to resign. The CEO will consider the circumstances and, where required, seek legal advice on composition of a dismissal letter.

No person who has demonstrated a course of conduct involving dishonesty may be permitted any active role in administration of the Fund or management of the Trustee, even where their employment cannot or should not be immediately terminated. In each case it must be kept in mind that laws relating to harsh or unreasonable termination have proven to be highly variable. Care must therefore be exercised to apply current legal standards.

*Where charges have been made or are expected*

In the event that an employee is or is expected to be charged with a relevant civil or criminal offence<sup>7</sup> or an offence involving dishonesty but no conviction has been entered, the Trustee requires the following process to be adhered to:

- The issue will, in the first instance, be referred to the CEO for consideration.
- Legal advice may be sought by the CEO (if thought necessarily) in respect of the charges and to ensure that employment terms, privacy and other legislative considerations are taken into account prior to termination if justified in the circumstances.

No person who has been or may be about to be charged with an offence involving dishonesty may be permitted any active role in administration of the Fund or management of the Trustee, even where their employment cannot or should not be immediately terminated. In each case it must be kept in mind that laws relating to harsh or unreasonable termination have proven to be highly variable. Care must therefore be exercised to apply current legal standards

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<sup>6</sup> The threshold for summary termination is high and this should not be attempted without specific legal advice.

<sup>7</sup> Summary offences do not generally merit dismissal or action. Generally, a course of conduct suggesting dishonesty or frequent disregard for the law or duties is required.

## 5 Appointment of Responsible Persons

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### 5.1 Appointment Policy

No Director, Senior Manager or other Responsible Person may be appointed if to do so would cause a breach of the Standard since that is inconsistent with clause 3 of the Constitution and (arguably) constitutes a breach of trust.

The following rules apply to ensure that Director and Senior Manager appointments are not made in breach of the Standard,

#### (a) All Director and Senior Manager Appointments

Except where determined by APRA<sup>8</sup>, no Director or Senior Manager may be appointed, if they:

- Have not been assessed as Fit & Proper under the procedures contained in this policy (including having received a copy of this policy);
- Were a member of an audit firm or a director of an audit company, who served in a professional capacity in the audit (internal or external) of the Trustee within the past two years; or
- Were an employee or director of an audit company (Internal or External) who acted as the lead auditor or review auditor of the Trustee within the past two years.

#### (b) Independent Director Appointments

In addition to the above, and Independent Director may only be appointed if they:

- Are not a member of the fund; and
- Are neither an employer-sponsor of the fund nor an associate of such an employer-sponsor; and
- Are neither an employee of an employer-sponsor of the fund nor an employee of an associate of such an employer-sponsor; and
- Are not, in any capacity, a representative of a trade union, or other organisation, representing the interests of one or more members of the fund; and
- Are not, in any capacity, a representative of an organisation representing the interests of one or more employer-sponsors of the fund.

In addition, a person may not be suitable for appointment as an Independent Director if that person:

- Is or has been during the last three years a substantial shareholder of the Trustee or their related entities, or a director or employee of a substantial shareholder and its related entities;
- Is or has been during the last three years an employee of the Trustee or Super Benefits Administration Pty Ltd (SBA) or their related entities;

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<sup>8</sup> APRA may determine that a person holds a responsible person position despite any of these factors.

- Is or has been during the last three years providing consulting, advisory or custodial services to the Trustee or the Fund, either as an individual or through an organisation of which they are under, or have had, a contractual arrangement;
- Is or has been a director or employee of any of the entities in which the Fund is invested;
- has familial or other close connections with any of the above.

An appointment made in the presence of any of these factors would not necessarily breach the Standard nor would it necessarily be improper. However consideration must be given to the possibility of loss of independence prior to appointment.

## 5.2 Appointment Process

### (a) Directors & Senior Managers

The Board appoints Directors. The process for nomination and appointment of Directors is contained in the Constitution of First Super Pty Ltd and explained in the Governance Charter. The Governance Charter provides further explanation as to why a Director may not be appointed except in compliance with this Policy despite the Constitution. Any attempt to do so may trigger a breach of trust and consequent action against the Directors collectively or personally.

Senior Managers are appointed by the Board in consultation with the CEO following a selection process and completion of an employment contract. The selection process includes compliance with the requirements of this Policy.

### (b) Interim appointment of Responsible Persons

Where necessary and urgent to prevent an inability to operate the Fund or Trustee, a person may be appointed to a Responsible Person Position without a full Fit and Proper assessment for a period of up to 90 days (longer with APRA's written agreement), providing reasonable steps have been taken to assess the fitness and propriety of the appointee and a full Fit and Proper assessment is completed prior to any permanent appointment.

Persons so appointed must not be appointed under a permanent contract unless or until they have been demonstrated to be Fit and Proper.

In every such case the CEO will facilitate arrangements to urgently obtain the following to assist in making an initial assessment of the person's likely Fit & Proper status:

- Completed appendix A of this policy ;
- Curriculum Vitae;
- Verification of qualifications;
- Signed Consent to Act (directors only); and
- APRA and ASIC disqualified register searches.

Bankruptcy checks and Police checks are to be obtained at the earliest possible time after the person commences if they cannot be obtained before.

All information will be forwarded to the members of the Committee for consideration at the earliest reasonable time.

(c) Information provided upon appointment

The Trustee provides candidates for Director and Senior Manager positions with the following information:

- the Governance Charter;
- the Trustee's Fit and Proper Policy; and
- the Trustee's Risk Management Strategy.

The Trustee provides Directors and Senior Managers with all necessary resources to enable them to properly meet their responsibilities to the Fund and its members, including:

- letters of appointment, including a summary of the legal obligations and duties of the Trustee Board and of individual Directors and other Officers;
- appropriate induction;
- initial and ongoing training; and
- access to independent advice.

(d) Induction

The induction process for Directors & Senior Managers includes:

- a meeting with the Chief Executive Officer to obtain an overview of the Fund and the Trustee Board;
- immediate access to appropriate training;
- the Governance Charter;
- the Fund's trust deed and Trustee Company's Constitution;
- copies of the RSE Licence and the key RSE licensing policies, including, as a minimum:
  - a. the Trustee's Fit & Proper Policy;
  - b. strategic plan, the current business plan and budget; and
  - c. Trustee's risk management strategy and the Fund's risk management plan;
- the Fund's investment governance statement;
- copies of the most recent Product Disclosure Statements;
- service provider list;
- copy of the most recent annual report;
- an overview of the Fund, including a membership profile; and
- details of the resources and training available to directors and other responsible officers.

More detailed information is maintained by management and provided to Directors and other Senior Managers on request, this includes:

- a register of Board policies or significant resolutions;
- copies of the minutes of all Board and Company meetings;
- copies of the minutes of committee meetings;
- past copies of member and employer communication material;



- copies of (or summaries of) all relevant legislation;
- a summary of any delegations from the Trustee Board to other persons, entities or committees;
- contracts with all service providers, together with their most recent reports; and
- copies of all insurance policies.

### **5.3 Succession Planning**

In considering succession planning, the Board will contemplate compliance with its obligations under the Standard.

### **5.4 Appointment of Responsible Persons who are not Directors or Senior Managers**

Responsible Persons who are not Directors or Senior Managers will be service providers (e.g. auditors) or employee/contractors of a connected entity.

#### *(a) For service providers*

The audit and internal audit partners are to be treated as though they were Senior Managers, but with contracts consistent with the Outsourcing Policy. Any other contractors found to be Responsible Persons become subject to this Policy as soon as they are found to be Responsible Persons. If this occurs prior to appointment, they are treated as though they were a Senior Managers but with contracts consistent with the Outsourcing Policy.

#### *(b) For employees and contractors of a connected entity*

The Trustee does not appoint these persons, however the Trustee will decline to deal with such persons to the extent reasonably possible unless they meet the same criteria that apply to Senior Managers to the extent reasonably applicable in the circumstances. Each such person must be provided with the same information that is provided to a Senior Manager under this policy (to the extent applicable in the circumstances) at the earliest reasonable time.

Where an employee or contractor of a connected entity is found not to be Fit and Proper, a contractual dispute with exist between the Trustee and connected entity to be resolved in accordance with the Relevant Law and contract.

## 6 Training and Professional Development

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### 6.1 Training policy

Responsible Persons must have access to initial and ongoing training and professional development to maintain the expertise necessary to properly oversee the management of the Fund and Trustee. This is the responsibility of the Trustee, except where otherwise provided for under a contractual arrangement. In these cases the Trustee will require that the contractor certify continued competence to a level sufficient to evidence that the “Fit Limb” of the Standard has been met.

Authorised Representatives need both initial and ongoing training and professional development to maintain the expertise necessary to meet obligations under Chapter 7 of the Corporations Act. This is the responsibility of the Trustee.

Other employees must demonstrate and maintain relevant competence to carry out the tasks they undertake for the Trustee. It is the responsibility of the Trustee to ensure that adequate training and professional development is provided.

The Trustee has developed training policies and procedures to deal with these requirements as follows.

#### (a) Induction Training

##### *Directors & Senior Managers*

Nominees and applicants (plus those who nominate/appoint them) are informed that commitment to initial and ongoing training is a requirement of appointment. A prospective or new Director or Senior Manager who has not already obtained the minimum competencies listed below will complete induction training to address any deficiencies:

- An understanding of, and ability to implement, the SIS covenants outlined in the Governance Charter.
- A working knowledge of the SIS legislation and other prudential requirements;
- A basic knowledge of the elements and application of other RSE licensee and trust law;
- A working knowledge of relevant accounting, auditing and operational processes; and
- An awareness of other areas where additional technical professional or expert advice could be sought.

This minimum standard can be obtained through completion of courses offered by organisations such as ASFA or AIST.

Because each Director and Senior Manager is a Responsible Person, they must, at a minimum, also meet each requirement set out for their Responsible Person Position in Appendix C.

There is no specific Fitness level for new Directors in Appendix C, but where a newly appointed Director does not possess the competencies specified in Appendix C at appointment, the Trustee will provide training which must be completed within an agreed time of appointment.

Senior Managers are normally expected to meet all requirements set out in Appendix C for their Responsible Person Position at all times from their date of engagement. Where this is not the case:

- a Training and Professional Development Plan must be put in place to rapidly address the gap; and

- interim measures must be put in place to address the gap, these might include use of consultants or supervision by another Senior Manager.

Each new Director or Senior Manager will be provided with a Training and Professional Development plan reflecting these rules soon after commencement.

#### *Other Persons Subject to the Standard*

A person subject to the Standard who is not a Director or Senior Manager will:

- If an employee, have training and competencies assessed as part of the employment process and receive a Training and Professional Development Plan consistent with the duties they undertake for the Trustee.
- If not an employee, have training and competencies assessed as part of the initial fit and proper evaluation, and be asked to provide details of how they will achieve or maintain competency to meet the role they play in operation of the Trustee and/or Fund. Such persons include the Auditor and Internal Audit partners.

#### *Authorised Representatives and employees not subject to the Standard*

A person not subject to the Standard will:

- If an employee, have training and competencies assessed as part of the employment process and receive a Training and Professional Development Plan consistent with the duties they undertake for the Trustee. Status as an Authorised Representative will not, under any circumstances, be issued until an acceptable level of competence is achieved.
- If not an employee, have training and competencies assessed as part of the initial fit and proper evaluation, and be prevented from acting for the Trustee by withholding the Authorised Representative status until competence is clearly achieved.

This process will be managed by the CEO in conjunction with the Committee.

#### *(b) Ongoing Professional Development*

##### *Directors & Senior Managers*

Are required to maintain their skills and competencies by complying with a Training and Professional Development Plan prepared for them as part of the Trustee's Annual Training and Professional Development Review. Each Training and Professional Development Plan will take account of the requirements in the relevant Responsible Person Position in Appendix C.

Training and Professional Development Plans may include attendance at various programs, industry seminars, conferences and other activities. Directors & Senior Managers will be required to do as much training and professional development as is necessary to establish and maintain competence as determined by the Training and Professional Development Review process. This will involve not less than 8 hours of formal training and professional development each year, but Directors and Senior Managers are expected to complete not less than 15 hours. Failure to complete 8 hours of formal training and professional development in two consecutive years is grounds for inquiring into whether a person meets to "Proper" limb of the standard.

Board members and Senior Managers will be sponsored for any events attended in line with this Policy on prior approval, and may seek approval for events outside this Policy at any time with respect to professional development. Approval is the prerogative of the Chief Executive Officer plus the Chairperson or both Co-chairpersons (or if not available any other Director).

#### *(c) Other Persons Subject to the Standard*

A person subject to the Standard who is not a Director of Senior Manager will:

- If an employee, will be treated as though they were a Senior Manager for Training and Professional Development purposes.
- If not an employee, maintain their skills and competencies to a level thought acceptable by the Trustee and measured as part of the Trustee's annual Training and Professional Development Review. This will include certification of competencies in light of the Trustee's needs.

(d) Authorised Representatives and employees not subject to the Standard

To remain Fit & Proper to provide General Financial advice, Authorised Representatives must maintain their skills and competencies by completing not less than 30 hours of approved professional development or training each year.

## 6.2 Monitoring of Professional Development Activities

All persons subject to this Policy are required to provide details of training and professional development undertaken to the Chief Executive Officer who maintains a training and professional development register.

Annually, each Responsible Person is required to complete a skills and experience self-assessment questionnaire (Appendix A). This provides a subjective view of comfort with current levels of skill and experience in light of changing circumstances, and is used to consider what the Trustee must do to be certain it can meet its own minimum skills requirements.

The Chief Executive Officer is responsible for monitoring the skills and experience of all Responsible Persons to ensure that each has appropriately identified and fulfilled their training obligations and requirements on a continuous basis. This is performed in conjunction with the Chairperson or Co-chairpersons and Committee on an annual basis.

(a) Identified Knowledge Deficiencies

Further to the annual completion of the self-assessment questionnaire the Chief Executive Officer, in conjunction with the Chairperson or Co-chairpersons, performs a review of the areas where individual Responsible Persons have specified that they require development. The results of this are incorporated into the Annual Review of Training and Professional Development and reported to the Board. Where necessary, a meeting is held between the Chief Executive Officer and each Responsible Person to determine the most appropriate training programs, courses or conferences to be undertaken or attended to address their specific requirements and the timeframe in which this will be achieved.

The training undertaken is documented on the training and professional development register. The register is used to record and monitor individual training and professional development programs and progress. The register will be updated on the completion of training and professional development programs and, as a minimum, annually.

Each Responsible Person who has identified a gap in skills or knowledge is required to address any weaknesses or deficiencies within six months of the completion of the questionnaire at the latest.

(b) Identifying Skill Deficiencies

For the purpose of monitoring the actual skills available to the Trustee for recruitment and management purposes, the Board has formulated the following list of skills it believes are required to properly manage the business of the Fund:

Administration (Fund)	Administration (General)
Communications	Finance
Financial Planning	Governance
Industrial relations	Investments
Legal & Compliance	Trusteeship Skills
Management	Marketing
Taxation	

Each year the Trustee secretariat will prepare a report mapping the skills available to the Trustee for the purposes of identifying any gaps to be addressed by further training, professional development, recruitment or adoption of any other measure thought suitable by the Trustee. This will form part of the Annual Review of Training and Professional Development.

## 7 Monitoring the Capacity of Representatives

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### 7.1 Who is a Representative?

For the purposes of the Corporations and SIS Acts a representative can be any of the following:

- An Authorised Representative of First Super Pty Limited;
- An employee or Director of First Super Pty Limited;
- A Responsible Manager nominated in respect of the AFSL held by the Trustee;
- An employee or director of a related body that provides a financial service for or on behalf of First Super Pty Limited;
- Any other person acting on behalf of First Super Pty Limited; or
- A person permitted by the Trustee to project ostensible authority as a representative.

### 7.2 The Capacity of Representatives

The capacity to act accorded to representatives has a direct bearing on their Fitness and Propriety since substantially or frequently exceeding that capacity may indicate a lack of Propriety. Representatives are informed of their capacity to act as follows:

- Authorised Representatives are provided with a Statement of Capacity (Appendix D).
- Representatives who are service providers (such as the SBA contract centre) are made aware of their responsibilities through the instrument of appointment and compliance reviews conducted through the Compliance & Risk Management Work Plan.
- Directors and employees of First Super Pty Limited are made aware of their capacity through training, the Governance Charter and a policy on delegation of authority.

### 7.3 Exceeding Capacity

No representative may exceed the authority granted to them under their Statement of Capacity or other instrument. For removal of doubt, a person acting beyond their capacity on the instructions or agreement of another who has that capacity will not be deemed to have exceeded their authority.

The actions of any person projecting ostensible authority as a representative of First Super must be challenged by First Super by, at a minimum, clarifying the true extent of authority to all affected third parties.

### 7.4 Monitoring

#### (a) Specific monitoring

Representatives who hold Authorised Representative status, or who work in a client service capacity and may provide general financial product advice under supervision, are subject to monitoring under the Compliance & Risk Management Work Plan.

Representatives who are Directors or Responsible Officers are subject to an annual evaluation process under the Fit and Proper Policy and are required to make declarations of any new conflict of interests, or disqualification at each Board and Committee meeting they attend. Similar requirements apply to Authorised Representatives and all employees of the Trustee in order to comply with AML/CTF obligations.

Representatives who are service providers are subject to compliance review under the Trustee's Compliance & Risk Management Work Plan and service provider reviews.

(b) General monitoring

The Incident & Breach Policy requires analysis of Incident and Breach reports. This analysis will be used by the Audit & Compliance Committee to detect possible non-compliance and identify training needs.

The Inquiries and Complaints Policy requires analysis of complaints received. This analysis will be used by the Audit & Compliance Committee to detect possible non-compliance and identify training needs.

## 8 Whistleblowing

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All aspects of the Trustee's operations are subject to its Whistle-blower's Policy. For removal of doubt, and despite anything else in any contract or other document, the Trustee and its connected entities expressly and irrevocably:

- Consent to a person notifying either the Committee or APRA if they believe that a Responsible Person does not meet the Trustee's Fit and Proper criteria and the reasons for that belief;
- Consent to a person notifying APRA if they believe the Trustee has not complied with an applicable Prudential Standard and the reasons for that belief;
- Consent to any person who has held a Responsible Person Position disclosing information or providing documents to APRA relating to their reasons for resignation, retirement or removal;
- Waves any rights they may have under any contract or policy that might otherwise constrain, impede, restrict or discourage, whether by confidentiality clauses, policies or other means, any person from disclosing information or providing documents to APRA about matters referred to in this section 6; and
- Asserts that no person acting in accordance with this section 6 in good faith will be subject to, or threatened with, a detriment because of any notification in purported compliance with the requirements of the Fit and Proper Policy.



## 9 Related Notices to Regulators

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The Trustee must, using the forms provided by regulators (if any):

- Notify APRA within 14 days if it assesses a Responsible Person as not Fit and Proper and whether or not the person remains in the responsible person position, including reasons.
- Take reasonable steps to:
  - a. obtain any information and documentation that APRA asks of it; and
  - b. provide that information to APRA to assist APRA in assessing the fitness and propriety of a person. This could include providing the Fit and Proper Policy to APRA on request.
- Notify ASIC within 7 days of a change in Director, Secretary, Responsible Officer for AFSL purposes or Authorised Representative.
- Notify APRA within 7 days of a change in Director, Secretary or Responsible Manager.
- Notify ASIC within 7 days of a change in address or name of a Director, Secretary, Responsible Manager for AFSL purposes or Authorised Representative.

## 10 Appendix A – Responsible Persons

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### 10.1 Responsible Persons Annual and Initial Declaration

#### OBJECTIVE

The information collected and confirmed in this document is used to enable First Super Pty Ltd (the Trustee) to evaluate compliance with the Fit and Proper requirements and complete various regulatory reports. All Responsible Persons of the Trustee are required to complete this declaration prior to appointment and annually thereafter.

(a) **Part A: Personal Details of the Responsible Person**

1 Personal Details

<b>Name</b>	
<b>Previous names</b>	
<b>Current Residential Address</b>	
<b>Current Postal Address</b>	
<b>Email address</b>	
<b>Telephone numbers</b>	
<b>Occupation</b>	
<b>Proposed Position (If applicable)</b>	
<b>Date of birth</b>	
<b>Place of birth</b>	
<b>Nationality</b>	
<b>Residency status (if not Australian)</b>	

2 Financial and Other Interests

Please list any financial or other interests held that are relevant to a fit and proper assessment. This will include direct and indirect interests in or affecting service providers and related parties of First Super Pty Ltd.

Company/entity	Nature of Financial/Other Interest

3 External Positions

Please list any external executive positions, secretary positions or directorships (executive or non-executive) currently held or held within the last 5 years.

Company/entity	Position	Date Appointed	Date Resigned

4 Major Shareholdings

Please provide details of any major shareholdings that exceed 10% of the total amount of shares on issue.

Company/entity	% Held

5 Financial Benefit

Please provide details of any financial benefits derived either directly or indirectly from an entity that provides services to the Trustee.

Company/entity	Nature of financial benefit

**(b) Part B: Propriety Attestation to be completed by All Responsible Persons**

The Trustee requires that all RESPONSIBLE PERSONS make the following ATTESTATION.

I \_\_\_\_\_ attest, confirm and assert that I:

**(1) Have not (or do not have):**

(1.1) Possessed 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;

(1.2) Breached a fiduciary obligation;

(1.3) A material conflict of interest that I have failed to properly declare, or which has been properly declared but is not capable of being adequately managed so as to prevent me carrying out my role and functions with the degree of probity and independence expected under the Governance Charter or Relevant Law;

(1.4) Perpetrated or participated in negligent, deceitful, or otherwise discreditable business or professional practices;

(1.5) Been reprimanded, or disqualified, or removed, by a professional or regulatory body in relation to matters relating to the person's honesty, integrity or business conduct;

(1.6) Seriously or persistently failed to manage personal debts or financial affairs satisfactorily in circumstances where such failure caused loss to others;

(1.7) Been substantially involved in the management of a business or company (other than as in a restructuring, rescue or similar capacity) which has failed, where that failure has been occasioned in no small part by deficiencies in that management;

(1.8) Been of bad repute in any business or financial community or any market;

(1.9) Been 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 me (including by consenting to an order or direction, or giving an undertaking, not to engage in unlawful or improper conduct), and which reflected adversely my competence, diligence, judgement, honesty or integrity; or

(1.10) Committed, or had committed against me, an act of victimisation of the type prohibited by s68 of the SIS Act.

**(2) Am not:**

(2.1) An insolvent under administration (a person declared bankrupt or having entered into an arrangement under Part X of the Bankruptcy Act).

(2.2) An undischarged bankrupt under:

- the *Bankruptcy Act 1966* or the law of an external Territory; or
- the law of a country other than Australia or the law of an external Territory.

(2.3) A person whose property is subject to control under section 50 or 188 of the Bankruptcy Act 1966 (or a corresponding provision of an external Territory or the law of a foreign country).

(2.4) A person who has executed a deed of assignment under Part X of the Bankruptcy Act 1966 or a corresponding provision of an external Territory or of the law of a foreign country if a certificate has not been given under:

- section 232 of that Act or the corresponding provision of the law of the external Territory or foreign country, as the case may be, in respect of the deed; or
- section 237A of that Act or the corresponding provision of the law of the external Territory or foreign country, as the case may be, in respect of the deed.

(2.5) A person whose creditors have accepted a composition under Part X of the Bankruptcy Act 1966 or the corresponding provisions of the law of an external Territory or of the law of a foreign country, if a certificate has not been given under section 243A of that Act or the corresponding provision of the law of the external Territory or foreign country, as the case may be, in respect of the composition; or

**(3) Have not been convicted of:**

(3.1) an offence against any law in connection with the promotion, formation or management of a company or other body corporate;

(3.2) an offence involving fraud;

(3.3) an offence involving a breach of a duty owed by a directors and other officer under the *Corporations Act 2001* (Cth) including insolvent trading; or

(3.4) an offence of involving dishonesty.

**(4) Am not and never have been:**

(4.1) A Disqualified Person in terms of the SIS or Corporations Acts;

(4.2) Subject to a civil penalty order under the SIS or Corporations Acts;

(4.3) Prohibited from being a director of a body corporate under the Corporations Act 2001 or similar overseas legislation; or

(4.4) A person subject to a Court order preventing them from managing a company.

**(5) Have:**

(5.1) Declared any real or potential conflicts of interest in a way consistent with the Trustee's Conflict of Interests Policy;

(5.2) Read and complied with the Trustee's Fit and Proper Policy for all of the period for which I have been a Responsible Person of First Super Pty Ltd.;

(5.3) Undertaken to immediately notify the Trustee in writing or to immediately resign my position as a Responsible Person should I believe that I cease to satisfy the requirements of the Fit and Proper Policy; and

(5.4) Undertaken to take part in training and professional development in accordance with the Trustee's Fit and Proper Policy.

**(c) Part C: Related Party Transactions to be completed by ALL Responsible Persons**

Strict legal requirements surround the reporting of related party transactions... This section asks Responsible Persons to provide information for use in financial statements and regulator reports.

A related party includes:

- a company that controls or is controlled by another company;
- any entity controlled by a director, or their employer spouse, parents or children; that deals with First Super; and
- any entity controlled by any of the entities or persons listed above.

Control means “a significant influence over”. You must disclose any transaction between First Super and any other party with which you have significant influence IF the transaction has not already been fully disclosed (such as the CFMMEU contract).

Please make disclosure by answering the following questions. For each question the word “you” includes:

- your spouse or a relative of you or your spouse,
- a trustee of a trust under which you, a spouse or a relative has a beneficial interest,
- a company in which you, a spouse or a relative has a greater than 10% interest, and
- any other entity controlled by you or a person or persons referred to above.

**1 Are you or have you been a member of First Super? Yes / No**

If so please provide your membership number \_\_\_\_\_

**2 Have you ever received a benefit from the Fund other than Director Fees or a salary? Yes / No**

If yes, did you receive an additional benefit not covered by normal membership of the Fund?  
Yes/No

If yes please provide details below.

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**3 Have you obtained or received a loan from the Fund or a related party of the Fund? Yes / No**

If yes please provide details below

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**4 Have you ever contracted to provide a service or product to the Fund or Trustee other than services as a Responsible Person or another contract already properly disclosed? Yes / No**

If yes please provide details below.

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**(d) Part D: Auditor Attestation to be completed by the External Auditor Only**

This attestation is required to permit the Board to satisfy itself that the auditor is independent of the Trustee, and that there is no conflict of interest situation that could compromise, or be seen to compromise, the independence of the auditor.

I, \_\_\_\_\_ as managing partner of the appointed external auditor to First Super Pty Ltd, the First Super superannuation fund and SBA Pty Ltd declare that:

- I am independent, within the meaning of the Corporations Act 2001, in both in appearance and in fact form First Super Pty Ltd, the First Super superannuation fund and SBA Pty Ltd.;
- I have no conflict of interest situation in respect of First Super Pty Ltd, the First Super superannuation fund or SBA Pty Ltd;
- There are no facts or circumstances known to me that could, in relation to myself and the audit firm, could compromise the independence certified in (a) above;
- Neither I nor any other person who will play a significant role in the audit of First Super Pty Ltd, the First Super superannuation fund and SBA Pty Ltd in the coming financial year has done so for more than five successive years, or for more than five years out of seven successive years;
- I am:
  - a. registered as an auditor under the Corporations Act 2001;
  - b. a member of a recognised professional body; and
  - c. ordinarily resident in Australia;
- I am not an employee of or contactor to (except as Auditor) First Super Pty Ltd, the First Super superannuation fund or SBA Pty Ltd or of a related body corporate or a connected entity or either;
- I have a minimum of five years' relevant experience in the audit of the business operations of RSE licensees;
- I have sufficient experience relating to the business operations of RSE licensees to be confident that I am familiar with current issues in the audit of the business operations of RSE licensees; and
- I am not:
  - a. an actuary of First Super Pty Ltd, the First Super superannuation fund and SBA Pty Ltd RSE licensee or RSE;
  - b. an employee or director of a body corporate, statutory body, partnership, trust, or commercial or professional enterprise of any kind of which the actuary is an employee or director; or
  - c. a partner of the actuary.

**Sign either below to make all attestations relevant to you.**

By signing this declaration I acknowledge that:

- All statements and omissions made in this document are true and purposeful; and
- I have a positive obligation to disclose any additional information, whether or not specifically requested in this form, that is reasonably relevant to my status as a Fit & Proper person; and
- failure to disclose information that is reasonably relevant to a Fit and Proper assessment may be taken as evidence that I am not a Fit and Proper person; and
- I am authorising First Super Pty Ltd to provide to APRA any information relevant to my Fit and Proper status it is required to provide to APRA under any law or prudential standard; and
- I consent to the collection and use of any information (including sensitive information) permitted to be collected by this Policy for the purpose of determining whether I am Fit & Proper by First Super Pty Ltd or by APRA for its powers and functions under the SIS Act

Name \_\_\_\_\_ Signature \_\_\_\_\_

Date \_\_\_\_\_

Name of Witness \_\_\_\_\_ Signature of Witness \_\_\_\_\_

Date \_\_\_\_\_

**Or**

Provide an explanation of why you are unable to make one or more of the attestations that are contained in this document and relevant to you.


Name \_\_\_\_\_ Signature \_\_\_\_\_

Date \_\_\_\_\_

## 10.2 Professional Development Self-Assessment Confidence Matrix

The Trustee has established a fit and proper framework to ensure that the Board has an appropriate mix of skills and experience in order to properly discharge its duties. This is designed to provide continued compliance with the Fit and Proper Standard.

Part of this framework involves each Responsible Person providing a subjective assessment of their confidence in certain skills required to run the fund and Trustee. Confidence in skills is not the same as actual competence. Confidence will generally decrease as uncertainty increases, and is a useful indicator of when training and professional development ought to focus more on basic or particular skills.

The attached skills matrix requires Responsible Persons to self-assess their level of confidence in their current skill level with regard to the environment in which they currently operate.

### *Completing the table*

The rating scale comprises three levels of competence equating to the following definitions:

**Requires Development:** This is a new or rapidly evolving concept in the present circumstances that requires attention.

**Basic knowledge:** I am confident I have a good grasp of the basics in the present circumstances.

**Competent:** I am confident I have a sound knowledge that allows for useful engagement with experts in the present circumstances.

To complete the table please tick or write 'yes' in the box that best describes your level of confidence with your current knowledge in each technical area.

Name:  Date of completion:	Rating Scale (Tick One Box) Increasing Confidence		
	Requires Development	Basic knowledge	Competent
COMPETENCIES			
<b>1. Basics of Superannuation</b> <b>Includes an understanding of:</b> <ul style="list-style-type: none"> <li>• The need for superannuation</li> <li>• Different forms of retirement saving.</li> <li>• Different types of superannuation funds.</li> <li>• Basic legislative provisions – Superannuation Guarantee (SG)/preservation.</li> </ul>			
<b>2. Governance and Trusteeship</b> <b>Includes an understanding of:</b> <ul style="list-style-type: none"> <li>• Basic principles of trust law.</li> <li>• Governing documentation (Articles of Association &amp; Trust Deed).</li> <li>• Board composition/appointment/removal process</li> <li>• Conflicts of interest policy</li> <li>• SIS Trustee Responsibilities</li> <li>• Complaints requirements and procedures</li> </ul>			
<b>3. Superannuation Legislation and other Legislation (as it relates to superannuation)</b> <b>Includes an understanding of:</b> <ul style="list-style-type: none"> <li>• Superannuation Industry (Supervision) Act (SIS)</li> <li>• SG</li> <li>• Co-contributions.</li> <li>• Choice of Fund</li> <li>• APRA/ASIC licensing</li> <li>• Family Law</li> <li>• Privacy</li> <li>• Anti-Money Laundering and Counter-Terrorism Financing</li> </ul>			

<p><b>4. Investments</b></p> <p><b>Includes an understanding of:</b></p> <ul style="list-style-type: none"> <li>• The role of different asset classes in a super fund.</li> <li>• Approaches to investment (unit pricing/crediting rates).</li> <li>• Understanding how strategy is constructed.</li> <li>• Principles in the use of 'alternative' investment classes.</li> <li>• Safe custody of assets.</li> <li>• The role of consultants and monitoring.</li> </ul>			
<p><b>5. Finance, Taxation and Administration</b></p> <p><b>Includes an understanding of:</b></p> <ul style="list-style-type: none"> <li>• Outsourced versus in-house service provision</li> <li>• Understanding key administration/accounting processes.</li> <li>• Service level agreements – construction, key terms, conditions and monitoring</li> <li>• Statutory requirements – disclosure.</li> <li>• Principles in the taxation of contributions.</li> <li>• Principles in the taxation of assets/growth.</li> <li>• Principles in the taxation of benefits.</li> <li>• Trustee responsibilities, returns and reporting</li> <li>• Income protection/death benefits</li> </ul>			
<p><b>6. Knowledge of systems and administrative procedures</b></p>			
<p><b>7. Business Planning</b></p>			
<p><b>8. Communications</b></p>			
<p><b>9. Marketing</b></p>			

Please indicate any specific training or development that you would like to undertake:

<b><i>Subject Description</i></b>	<b><i>Outline Specific Needs</i></b>

## 11 Appendix B - Independent Director Annual and Initial Declaration

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### 11.1 Independent Director Annual and Initial Declaration

#### OBJECTIVE

All independent non-executive directors (both incumbent and prospective) are required to complete this declaration prior to appointment and annually thereafter.

If any of the statements below are incorrect, please insert the correct information and initial the changes.

1. I confirm that I am not in any way involved in the management of First Super or First Super Pty Ltd or, nor any related body corporate within the meaning of the Corporations Act 2001.
2. I confirm that I am not in the employ of First Super Pty Ltd or any related entities, either directly or indirectly, whether by normal employment means, by contractual arrangement, or otherwise.
3. I confirm that I am not a member of First Super. If I was previously a member of First Super or its predecessor funds, I have provided details in the table below.
4. I confirm that I am neither an employer-sponsor of First Super, nor an associate of such an employer-sponsor.
5. I confirm that I am not, in any capacity, a representative of any of the Employer Organisations of the Fund or their related entities, or any other organisation representing the interests of one or more employer-sponsors of the fund. If I was previously such a representative, I have provided details in the table below.
6. I confirm that I am not, in any capacity a representative of the Forestry and Furnishing Products Division of the Construction, Forestry, Maritime, Mining and Energy Union or its related entities, or a representative of any other Union representing the interests of one or more members of First Super. If I was previously such a representative, I have provided details in the table below.
7. I confirm that I am not, nor have been during the last three years, a substantial shareholder of First Super Pty Ltd or any related entities, or a director or employee of a substantial shareholder and any related entities.
8. I confirm that I am not, nor have been, during the last three years providing consulting, advisory or custodial services to First Super Pty Ltd or the Fund, either as an individual or through an organisation of which they are under, or have had, a contractual arrangement.
9. I confirm that I am not, nor have been, a director or employee of any of the entities in which the Fund is invested, either directly or indirectly.
10. I confirm that I am not, nor have been, during the last four years the auditor of First Super Pty Ltd, the Fund or Super Benefits Administration Pty Ltd, the review partner or a senior audit staff member on the audit of these funds and companies, nor during the last two years was a partner of the audit firm that provided audit services to these funds and companies but was not directly involved in the audit.
11. I confirm that I have not had or am not having dealings, affiliations or associations, either directly or indirectly, that may interfere or be perceived as potentially interfering with my ability to discharge my duties as a director of First Super Pty Ltd.
12. I confirm that I have not served on the Board for such a period of time that the perception of a reasonable person is that the person could no longer be considered independent (a person with continuous service as a director for 10 years may not be considered to be independent).

13. I confirm that I do not have familial or other close connections with the above.

The Trustee requires that each independent director confirm that they meet with each of the above requirements.

If you do not satisfy each of the requirements listed above, or are unable to confirm that you do, please provide the details in the table below:


Please provide details in the table below of any previous relationships referred to in items 1, 3 and 4 above:


**DECLARATION**

I declare that each of the above statements is true and complete and I will inform the Trustee in writing as soon as possible if I cease to be independent of First Super Pty Ltd and its related entities or if any of the above statements ceases to be true.

Independent Director Name

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Signature

Date

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## 12 Appendix C - Competencies required for Responsible Person Positions

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Competencies required for Responsible Person Positions from July 2012.

The Relevant Prudential Standard requires that the Trustee must clearly define and document the competencies required for each responsible person position.

Responsible person position means the responsibilities or activities of a responsible person that would lead to the person being a responsible person that is a person who is:

- a director;
- a senior manager;
- an approved auditor;
- an approved actuary (not relevant);
- the secretary; and
- a person who performs activities for a connected entity where those activities could materially affect the whole, or a substantial part, of the RSE licensee's business operations, or its financial standing, either directly or indirectly.

The Responsible Person Positions known to exist at the date this Appendix was drafted were:

- All Directors;
- CEO ;
- Executive Manager Governance (also Secretary);
- Risk Manager;
- External Audit Partner;
- Internal Audit Partner; and
- The CEO of the Administrator (a connected entity).

Responsible Persons must be assessed as Fit & Proper before appointment except where:

- APRA deems a person to be a Responsible Person, in which case assessment must occur within 28 days; or
- It is necessary and urgent to make an interim appointment to prevent an inability to operate the Fund or Trustee. In these circumstances a person may be appointed to a Responsible Person Position without a full Fit and Proper assessment for a period of up to 90 days (longer with APRA's written agreement), providing that all reasonable steps have been taken to assess the fitness and propriety of the appointee and a full Fit and Proper assessment is completed prior to any permanent appointment.



(a) **Directors**

**Core Requirements**

Directors must be:

- Eligible to be appointed to and hold the position of Director of an RSE Licensee under Australian law.
- Assessed as being and remain Fit & Proper under this Policy.
- Be normally resident in Australia.

**Competency Requirements**

Directors\* must at all times:

- Have the capacity and willingness to understand and deal diligently with:
  - Corporate and trust accounts;
  - Trust law issues;
  - The operation of the First Super superannuation fund;
  - Corporate governance issues; and
  - Superannuation and financial services law issue.
- Have the capacity and willingness to observe the code of conduct and other rules rest out in the Governance Charter.
- Be willing to undertake such training and professional development as the Board deems necessary and desirable.

Directors must acquire the following competencies within an agreed time after appointment:

- An understanding of, and ability to implement, the SIS covenants outlined in the Governance Charter.
- A working knowledge of the SIS legislation and other prudential requirements;
- A basic knowledge of the elements and application of other RSE licensee and trust law;
- A working knowledge of relevant accounting, auditing and operational processes; and
- An awareness of other areas where additional technical professional or expert advice could be sought.

\*Board Co-Chairs and Committee Chairs are key leadership positions and as such, individuals filling these positions have to have additional skills that are beyond what is required of a Director. Any Director appointed to be a Chair must possess the qualities and abilities to be impartial and objective; to be effective; show an interest in the viewpoints of fellow Directors; be a good strategist; speak clearly and succinctly and be able to run a meeting so that it commences and finishes on time.

(b) **External Audit Partner**

**Core Requirements**

The External Auditor must:

- Commencing in the 2012 calendar year, the External Audit Partner must meet all Fit and Proper test set out in this Policy prior to appointment and each year after as part of the Trustee's Fit & Proper Review.
- Be eligible to be appointed to and hold a Responsible Person position for an RSE Licensee under Australian law.
- Be normally resident in Australia.

**Competency Requirements**

The External Auditor must:

- Be registered as an auditor under the *Corporations Act 2001*.
- Not be an employee or Director of the Trustee or of a related body corporate or a connected entity.
- Have a minimum of five years' relevant experience in the audit of the business operations of RSE licensees;
- Have experience relating to the business operations of RSE licensees that is sufficiently relevant and recent as to make the Auditor familiar with current issues in the audit of the business operations of RSE licensees;
- Must not be:
  - an actuary of the RSE licensee or RSE;
  - an employee or director of a body corporate, statutory body, partnership, trust, or commercial or professional enterprise of any kind of which the actuary is an employee or director; or
  - a partner of the actuary;
- Be a member of a recognised professional body; and
- Approved in writing by ASIC for appointment as auditor of the Trustee prior to appointment.

(c) **Internal Audit Partner**

**Core Requirements**

The Internal Auditor must:

- Commencing in the 2012 calendar year, the Internal Audit Partner must meet all Fit and Proper tests set out in this Policy prior to appointment and each year after as part of the Trustee's Fit & Proper Review;
- Be eligible to be appointed to and hold a Responsible Person position for an RSE Licensee under Australian law;
- Be normally resident in Australia; and
- Agree to enter into a written agreement that complies with the Trustee's Outsourcing Policy.

**Competency Requirements**

The Internal Auditor must:

- Be registered as an auditor under the Corporations Act;
- Not be an employee or Director of the Trustee or of a related body corporate or a connected entity;
- Have a minimum of five years' relevant experience in the audit of the business operations of RSE licensees;
- Have experience relating to the business operations of RSE licensees that is sufficiently relevant and recent as to make the Auditor familiar with current issues in the audit of the business operations of RSE licensees;
- Must be able to assist with process improvement projects and by providing access to expertise in the following areas:
  - actuarial services;
  - administration services;
  - fraud investigation and prevention;
  - AML/CTF processes; and
  - taxation.
- Be a member of a recognised professional body;
- Be able to satisfy the Board that they have at their disposal sufficient resources to conduct an evaluation of the adequacy and effectiveness of the financial and risk management framework of the Trustee. The Internal Audit partner must agree to make provision of this service a core component of the contract of appointment; and
- Agree to make reporting of any inability to adequately access any part of the Trustee's business lines and support functions in the course of performing their duties a core component of the contract of appointment.

(d) **First Super CEO**

**Core Requirements**

The First Super CEO must:

- Meet all Fit and Proper test set out in this Policy prior to appointment and each year after as part of the Trustee's Fit & Proper Review;
- Be eligible to be appointed to and hold a Responsible Person position for an RSE Licensee under Australian law; and
- Be normally resident in Australia.

**Competency Requirements**

The First Super CEO must:

- Possess professional and degree qualifications in commerce, economics, finance or related field.
- Have a minimum of fifteen years relevant business experience, with at least 10 years in a managerial position and 5 years in a senior accounting/finance or business position.
- Have experience reporting to Boards at a senior level.
- Have experience as a responsible officer or similar position.
- Have a broad appreciation and understanding of economics, marketing, investment management and theory, finance, business management and the inter-relationship between these disciplines.
- Have broad experience, appreciation and understanding of APRA, ASIC and ATO practices and procedures.
- Have strong inter-personal, and verbal and written communication skills.
- Have company secretariat experience and qualifications.
- Sales and marketing knowledge and experience.
- Knowledge of computer systems.
- Knowledge and experience of investment analysis and forecasting techniques.
- Industrial relations management.

(e) **First Super Executive Manager Governance and Secretary**

**Core Requirements**

The First Super Executive Manager Governance must:

- Meet all Fit and Proper test set out in this Policy prior to appointment and each year after as part of the Trustee's Fit & Proper Review;
- Be eligible to be appointed to and hold a Responsible Person position for an RSE Licensee under Australian law; and
- Be normally resident in Australia.

**Competency Requirements**

The First Super Executive Manager Governance must:

- Have not less than 5 - 10 years of experience in the superannuation sector, with well-proven skills and competency in the area of operations and/or risk management.
- Have tertiary qualifications in an appropriate discipline are required, including a sound knowledge of Financial Services law.
- Have extensive knowledge and experience in the administration and management of regulated superannuation funds, including contract management and dealing with service providers.
- Have experience with and reporting to Boards at a senior level.
- Have experience as a responsible officer or similar position.
- Have broad experience, appreciation and understanding of APRA, ASIC and ATO practices and procedures.
- Have company secretariat experience and/or qualifications.
- Have knowledge of computer systems.

**(f) Risk Manager**

**Core Requirements**

The Risk Manager must:

- Meet all Fit and Proper test set out in this Policy prior to appointment and each year after as part of the Trustee's Fit & Proper Review.
- Be eligible to be appointed to and hold a Responsible Person position for an RSE Licensee under Australian law.

**Competency Requirements**

- Have not less than 5 years of experience in risk management, preferably within the finance sector. Must be capable of preparing detailed reports to the Board of the Trustee accurately and fully in respect of all the areas listed above;
- Have tertiary qualifications in an appropriate discipline are required. Accounting and financial risk qualifications are highly regarded;
- Have experience with and reporting to Boards at a senior level;
- Have experience as a responsible officer or similar position;
- Have broad experience, appreciation and understanding of APRA, ASIC and ATO practices and procedures.

**(g) Executive Manager - Financial Advice and Education**

The Executive Manager – Financial Advice and Education must:

- Meet all Fit and Proper test set out in this Policy prior to appointment and each year after as part of the Trustee's Fit & Proper Review.
- Be eligible to be appointed to and hold a Responsible Person position for an RSE Licensee under Australian law.

**Competency Requirements**

- Have not less than 5 years of experience in financial advice and education. Must be capable of preparing detailed reports to the Board of the Trustee accurately and fully in respect of all the areas listed above;
- Be able to lead a program to improve the delivery of financial advice services through the provision of a customer-centric advisory service for a dignified retirement;
- Have tertiary qualifications in an appropriate discipline are required;
- Have experience with and reporting to Boards at a senior level;
- Have experience as a responsible officer or similar position;
- Have broad experience, appreciation and understanding of APRA, ASIC and ATO practices and procedures.

(h) **Administrator CEO**

**Core Requirements**

The Administrator SBA CEO must:

- Commencing in the 2012 calendar year, meet all Fit and Proper tests set out in this Policy prior to appointment and each year after as part of the Trustee's Fit & Proper Review.
- Be eligible to be appointed to and hold a Responsible Person position for an RSE Licensee under Australian law.
- Be normally resident in Australia.

**Competency Requirements**

- Must have a sound working knowledge of superannuation administration including provision of
  - Employer Services
  - Member Services
  - Insurance Services
  - Finance, Management & Compliance Services
  - IT Services
- Must be capable of preparing detailed reports to the Board of the Trustee accurately and fully in respect of all the areas listed above;
- Must hold relevant tertiary qualifications in finance and accounting disciplines
- Have extensive knowledge and experience in the administration and management of regulated superannuation funds.

**13 Fit and Proper Policy: Appendix D – First Super Pty Ltd Statement of Capacity**

First Super Pty Limited (First Super) provides .....(name)

.....(address)

with the following authority as an Authorised Representative.

<b>Advice Authority</b>
<p>You may provide external advisers, members, prospective members, sponsoring employers and prospective sponsoring employers with:</p> <ul style="list-style-type: none"> <li>• factual product information concerning the features of financial products issued by First Super;</li> <li>• factual information related to the administration and operation of financial products issued by First Super; and</li> <li>• general financial product advice concerning financial products issued by First Super.</li> </ul>
<b>Authority to Arrange</b>
<p>You may arrange by providing a First Super PDS to a retail client or prospective client.</p>
<b>Prohibition on Personal Advice</b>
<p>You must not provide or convey the impression that you are authorised to provide:</p> <ul style="list-style-type: none"> <li>• personal financial product advice on behalf of First Super; or</li> <li>• personal financial product advice on behalf of yourself or any other person without the express written agreement of First Super.</li> </ul>
<b>Expenditure Authority</b>
<p>You are authorised to incur the following expenditure on behalf of First Super.</p> <ul style="list-style-type: none"> <li>• Capital Expenditure: Nil.</li> <li>• Other Expenditure: Reasonable costs in the execution of normal duties.</li> </ul>
<b>Conditions of Authority</b>
<ul style="list-style-type: none"> <li>• You must abide by the policies and procedures of First Super while acting as an Authorised Representative of First Super.</li> <li>• You must comply with the relevant law at all times while acting as an Authorised Representative of First Super.</li> <li>• You must maintain competence to provide general financial product advice in respect of financial products issued by First Super.</li> <li>• You must not comment on any financial product or service not issued by First Super.</li> <li>• You must not give advice about non-superannuation issues, financial products or services.</li> <li>• You must not prepare advertising or promotional material.</li> </ul>



**Authorised Representative Statement**

I confirm I have read and understood this Statement of Capacity. I understand that complying with this Statement of Capacity is a condition under which I am appointed an Authorised Representative of First Super.

I acknowledge that this Statement of Capacity will immediately expire should an officer of First Super advise me verbally or in writing that I am no longer to act as an Authorised Representative of First Super or if my employment changes.

**Signed** \_\_\_\_\_  
**Name** \_\_\_\_\_  
**Date** \_\_\_\_\_

**Issuing Officer:** I issue this Statement of Capacity in compliance with the policies of First Super.

**Signed** \_\_\_\_\_  
**Name** \_\_\_\_\_  
**Date** \_\_\_\_\_