

Sponsorship & Donations Framework

How we manage sponsorship & donations at QSuper

Applies to	
Entity(s):	QSuper
Division(s):	All
Business Unit(s):	All
Owner:	Head of Customer and Marketing
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Approval:	QSuper Board
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Why do we have this framework?

The Sponsorship & Donations Framework (S&DF) governs how sponsorships and donations are managed within the QSuper Group (QSuper) achieving a transparent assessment and reporting regime. The purpose is to ensure consistency with the Group Strategy and to provide a Framework that can be applied to protect members' best interests and ultimately deliver sound member outcomes. The S&DF ensures that all sponsorships are consistent with the Trustee's obligations to members, the strategic direction of QSuper, the QSuper core values and QSuper brand attributes.

Key principles

The key principles for assessment of all new and on-going sponsorships and donations include the following:

1. The Sole Purpose Test
2. Alignment with Partnership and Sponsorship Strategy
3. Alignment with the Terms of the Trust Deed
4. Consistent with Licencing Obligations and/or any other Legislative or Prudential Standards
5. No conflicts and/or no profits fiduciary proscriptions
6. A duty of care
7. Corporate Social Responsibility
8. Level of exclusivity
9. Multi-Year Agreement

Controls

- Group Compliance review of all sponsorships and donation proposals and agreements
- Customer and Marketing annual training awareness and responsibilities
- Adherence to the Sponsorship Evaluation Criteria
- Group Finance monitors the exercise of delegations by authorised officers. Escalation is reported to the Chief of Member Experience (CMEX) or Chief Executive Officer (CEO) as appropriate
- Vendor / Contract Management (critical and/or specialised)
- Incident reporting in the event that a delegation is exceeded
- Monitoring regulatory change and assessing such change to ensure impacts upon the Sponsorship Arrangements.

Related Policies

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| 1. Conflicts of Interest Policy | 2. Gifts and Benefits Policy |
| 3. Sponsorship Opportunity Assessment Form | 4. Privacy Policy |
| 5. Procurement Policy and Manual | 6. Sponsorship Evaluation Form |
| 7. Delegations Policy | 8. Sponsorship and Donations Procedure |

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1. Objectives

The objectives of this Framework are to set out the governance roadmap on how QSuper manages its sponsorship and donations funding. By adopting the framework, the QSuper Group aims to achieve, among others, the following objectives:

- Delivering initiatives for the acquisition and retention of members;
- Acting in the best interests of its members and delivering sound member outcomes;
- Maximising brand reach and awareness;
- Developing aligned external strategic brand partnerships;
- Execution of a Board approved Sponsorship and Donations Strategy; and
- Transparent reporting and oversight.

2. Scope

For the avoidance of doubt, sponsorships and donations do not include the following:

- Commercial distribution agreements;
- Bursaries and Scholarships;
- Mergers or acquisitions; and
- Endorsements and gifts defined within the Gifts and Benefits, and Conflicts of Interest Policy for Employees.

3. Wellbeing Intent

It is the intent within QSuper's Sponsorship portfolio to "Champion confidence through well-being". The QSuper definition of wellbeing includes five essential elements of holistic wellbeing:

1. Social;
2. Mental;
3. Emotional;
4. Physical; and
5. Financial.

4. Assessment Process

4.1. Key Stages

The assessment process covers six (6) key stages outlined in Diagram 1 below. This operational process, detailed in the Sponsorship and Donations Procedure document, addresses how a new proposal is managed, the due diligence associated with reviewing the initiative, financial considerations, the steps obtained for formal approval and a post evaluation and learnings following completion.

Diagram 1 – Assessment Process



5. Evaluation Criteria

There are nine (9) elements that are considered for each new and ongoing Sponsorship and Donation. The first six (6) are considered mandatory. The remaining three are beneficial but not mandatory:

Criteria	Definition
1. QSuper's Sole Purpose Test	<p>Each Sponsorship or donation proposal is reviewed for compliance with the sole purpose test. The sole purpose test¹ ensures that QSuper operates for the sole purpose of providing retirement benefits to its members. The test exists to ensure that QSuper makes decisions in the best interests of its members. QSuper may offer additional services known as ancillary benefits but these must not be offered without the core purpose set out above.</p> <p>A core purpose is to provide benefits for each member of the fund on or after:</p> <ul style="list-style-type: none"> the member's retirement from any business, trade, occupation or employment; the member's attainment of a prescribed age; the earlier of the member's retirement from any business, trade, occupation or employment or the attainment of a prescribed age, or the member's death, if the death occurred before they attained a prescribed age or retirement, where benefits are provided to the member's dependants or legal representative. <p>Provided the core purpose is satisfied, QSuper may provide an ancillary benefit to its members. An ancillary purpose is to provide benefits for each member on or after:</p> <ul style="list-style-type: none"> the termination of the member's employment with an employer who, at any time, had made contributions to the fund for that member; cessation of employment due to ill health; death of the member after retirement where benefits are paid to the member's dependants or legal representative;

¹ Section 62(1) *Superannuation Industry (Supervision) Act 1993 (Cth)* (SIS Act).

	<ul style="list-style-type: none"> • death of the member after attaining a prescribed age where the benefits are paid to the member's dependants or legal representative; or • other ancillary benefits that may be approved in writing by the Regulator.
2. Alignment with Advertising and Sponsorship Strategy	<p>The initiatives contribute to some or all of the following:</p> <ul style="list-style-type: none"> • Alignment with the Wellbeing Intent Principles; • Create shared value, by championing societal issues which are shared by QSuper, the partnering organisation and the community in which our members' reside; • Focus on member passion points, by connecting with what's important to existing members; • Ensure reach and impact, by aligning with initiatives which have strong reach and visibility across the communities; • Increased amplification, by ensuring the relevancy of the community/cause partner to members, as well as providing sufficient activation and promotion support; and • Increased brand awareness in the open market.
3. Alignment with the Terms of the Trust Deed	A review to ensure each sponsorship opportunity is compatible with the terms of the QSuper Deed.
4. Consistent with Licencing Obligations and/or any other Legislative or Prudential Standards	<p>Under the <i>Superannuation Industry (Supervision) Act 1993 (Cth)</i> ("SIS Act"), Trustees are required to hold a Registerable Superannuation Entity (RSE) licence issued by the Australian Prudential Regulation Authority (APRA).</p> <p>The QSuper Board and all Group employees are held to the highest standards including duties to act honestly and in good faith, to act in the best interests of its members², and to act for proper purposes (sole purpose test) and other relevant considerations. The underlying benefit for members and value for money will be demonstrated at all times.</p> <p>In addition to the above, the Group will meet any relevant requirements or restrictions for the particular use contained in legislation, regulations, prudential standards or regulatory guides (for example, related party transactions).</p> <p>Investments in a sponsorship or donation must be on arm's length terms. This means that a dealing needs to be carried out on commercial terms. A useful test to apply is whether a prudent person, acting with due regard to her or his own commercial interest, would have made such an investment in the circumstances.</p>

² Section 52(2)(c) *Superannuation Industry (Supervision) Act 1993 (Cth)* (SIS Act)

5. No conflicts and/or no profits fiduciary proscriptions³	Conflicts may arise between parties and any related party dealings must be managed in accordance with the Conflicts of Interest Policy (COI) Policy. There must be no unauthorised benefit from a relationship and there must not be a situation where the interest or duties would conflict. QSuper entities, employees and contractors, Trustees and Directors cannot derive a benefit or advantage directly or for another person or entity, that is not expressly authorised unless fully informed consent is obtained in accordance to the COI Policy.
6. A duty of care	The QSuper Board and its authorised delegates are required to act with care, skill and diligence when considering any sponsorships and donations, including in making use of members' money.
<p><i>Discretionary Evaluation criteria: The remaining three criteria are to be considered for each new and on-going sponsorship and donation however meeting each of these is not mandatory:</i></p>	
7. Corporate Social Responsibility (CSR)	The opportunity may align with the QSuper Corporate Social Responsibility (CSR) requirements and agenda (known as the CSR Strategy and Framework). This includes amplifying shared values and issues of interest. For example, financial literacy, diversity and inclusion, reconciliation and domestic violence.
8. Level of exclusivity	Depending on the nature of the opportunity, where possible, the rights and benefits are to be exclusive to QSuper and not shared with any competitor in the superannuation and financial services industry.
9. Multi-Year Agreement	Multi-year agreements that provide initiatives for continual and consistent engagement that support and build membership and brand awareness. This engagement does not involve “set and forget” or “logo and leave”.

6. Roles and Responsibilities

Table 1 sets out all QSuper Group functions and teams that are responsible for administering the S&DF.

Table 1 – Roles and Responsibilities

Roles	Responsibilities
QSuper Board	<p>The QSuper Board as trustee for the QSuper Fund (the Board) governs the administration of the Fund and is ultimately responsible for this Framework.</p> <p>The Framework will be reviewed annually, with material changes to be reported and approved by the Board. Responsibilities will extend to considering and approving additional sponsorship funding over and above the approved annual sponsorship and donations budget.</p> <p>The Board will approve the annual budget and delegate authority to approve sponsorships within that budget provided the framework is complied with</p>

³ Section 58B SIS Act.

	(without the requirement to formally seek Board approval for individual campaigns) and in line with the Delegations Policy.
Chief Executive Officer (CEO)	<p>The CEO will determine if any Sponsorships will require escalation to the QSuper Board due to a Sponsorship Agreement being considered outside appetite, such as a high risk and/or critical in accordance with the QSuper Group Risk Matrix and/or alternatively, if there are heightened reputational risks associated with the arrangement which may have a low risk rating.</p> <p>The CEO may approve Sponsorships and Donations proposals within delegation that are assessed as a 'high' and/or critical risk in accordance with the QSuper Group Risk Matrix. The CEO will escalate to the QSuper Board for approval if there are heightened reputational risks associated with the arrangement.</p>
Chief of Member Experience (CMEX)	<p>CMEX will have oversight of the S&DF and will approve all Sponsorships and Donations proposals within delegation pursuant to the Delegations Policy that are assessed as a medium risk in accordance with the QSuper Group Risk Matrix.</p> <p>The CMEX will also determine if any Sponsorships require escalation to CEO due to a Sponsorship Agreement being considered as a heightened reputational risk.</p>
Head of Customer and Marketing (HO C&M)	<p>The Head Of Customer & Marketing (HO C&M) is responsible for approving Sponsorships and Donations proposals within delegation pursuant to the Delegations Policy that are assessed as a 'low' risk assessment in accordance with the QSuper Group Risk Matrix.</p> <p>The HO C&M will also determine if any Sponsorships require escalation to the CMEX due to a Sponsorship or Donation Agreement being considered as a heightened reputational risks associated with the arrangement.</p> <p>The HO C&M is responsible for ensuring the annual amount of expenditure on sponsorship is within the approved budget and that any reporting on the Sponsorship Performance is presented to the QSuper Board on an annual basis.</p>
Brand and Member Engagement Team	<p>The Brand and Member Engagement Team are responsible for:</p> <ol style="list-style-type: none"> 1. The review and assessment of all sponsorship proposals and donation requests in accordance with the evaluation criteria set out in section 4; 2. Accepting and/or declining sponsorship proposals based on a completed assessment of the sponsorship's evaluation criteria; 3. Documenting the evaluation process for all sponsorships and donations including any associated documents, contracts in the Central Register (for approved initiatives only) and retained for a period of time in accordance with the Information Retention and Disposal Policy; 4. Approve all use of the QSuper logo on promotional material 5. Approval of all donations associated with this Framework;

	<ol style="list-style-type: none"> 6. Assess the sponsorship or donation to understand if the activity was successful against key performance indicators and met all requirements within the agreement and prepare the post implementation report (PIR)/sponsorship effectiveness report; and 7. Ensuring compliance with all relevant policies, legislation and regulations.
Group Risk and Compliance	The Group Risk and Compliance team will be responsible for reviewing each Sponsorship and Donations contract and/or proposal to assess compliance with Superannuation laws and Prudential Standards.
Legal	Legal and Secretariat will be responsible for contractual and legal advice on the sponsorship and if applicable donation facilitation. This responsibility will extend to during and after the Sponsorship Agreement has concluded.
Procurement	Providing timely advice and ensuring compliance with the Procurement Policy and manual. Procurement to engage the Legal and Secretariat team directly on all matters relating to contractual and legal advice of sponsorships and donations
All Employees	<p>All Employees must:</p> <ul style="list-style-type: none"> • Ensure all sponsorship proposals will be completed in the prescribed form (Sponsorship Opportunity Assessment Form) well in advance of the initiative. This includes providing all necessary information in accordance with section 4 that allows the Brand and Member Engagement Team to make an assessment; • Disclose any conflicts of interest in accordance with the COI Policy; • Maintain confidentiality and privacy in all sponsorship and donation dealings in accordance with Privacy Policy; • Provide the Brand and Member Engagement Team with all information known to the individual about the proposed opportunity and the parties involved to ensure high standards of transparency throughout the assessment process and during and after completion of all sponsorship and donation initiatives; and • Forward all donation requests to Media and the Brand and Sponsorship Team for assessment and approval before any commitment can be made.

7. Reporting

Reporting is required to demonstrate that all sponsorship initiatives are monitored against objectives and are successful in meeting these objectives.

- Monthly reporting to the CEO and CMEX on current performance and work in progress by the Brand and Sponsorship Team;
- Performance reporting on Sponsorship Arrangements through the Product Services and Marketing Report (PSAM) to the QSuper Board by CMEX as necessary and/or upon request by the CEO;

- At least annual reporting to the QSuper Board on overarching sponsorship performance; and
- A PIR provided by the Brand and Sponsorship Team at the conclusion of all sponsorship agreements and/or activities to the HO C&M.

8. Risk management

Material risk	Business unit	Control(s)
1. Risk 3 - Brand and Marketing	Member Experience	<ul style="list-style-type: none"> • Group Compliance review of all sponsorships and donation proposals and agreements. • Customer and Marketing annual training awareness and responsibilities. • Adherence to the Sponsorship Evaluation Criteria. • Group Finance monitors the exercise of delegations by authorised officers. Escalation is reported to CMEX or CEO as appropriate. • Vendor / Contract Management and due diligence. • Incident reporting in the event that a delegation is exceeded.
2. Risk 6 - Legislative and Regulatory & Governance	Member Experience	<ul style="list-style-type: none"> • Monitoring regulatory change and assessing such change to assess any potential impacts upon the Sponsorship Arrangements.

9. Exclusions

Outside of QSuper’s professional industry and employer affiliations and CSR endeavours, QSuper sponsorships are for the intent and purposes outlined in this Framework. Sponsorships will not be used to support individuals, groups, organisations, events or activities (including but not limited to) which:

- may damage or bring disrepute to the QSuper Group;
- are detrimental to the QSuper brand values or business aims;
- are aligned to political parties and political campaigns;
- primarily serve religious purposes;
- are directly involved or implicated in the unethical treatment of animals;
- are for personal interests;
- support fundraising appeals e.g. fetes, trivia nights, auctions, undertaken by individuals, groups, clubs, societies, schools, churches, or community organisations;
- give donations to Foundations that aim to pass on the funding to other not-for-profit organisations;

- involve retrospective or deficit funding, e.g. funding of past activities, loan repayments, operational deficits;
- involve hazardous, dangerous or unsafe activities or pose a threat of any nature;
- gambling linked activities;
- activities that may be construed as racially prejudice or otherwise discriminatory;
- organisations that are financially unsound; and
- activities that may pose a risk to personal safety or could be harmful to the environment.

10. Definitions

Name	Definition
Donations	Monies or goods provided to a recipient through a formally recognised program for a specified purpose. A donation or grant is not a sponsorship and is normally understood as a form of financial assistance that supports an individual to develop a specific project, with little or no expectation of a commercial return or benefits.
In-Kind Sponsorship	Provision of goods and services (not cash) in return for negotiated sponsorship benefits.
Sole Purpose Test	As defined in section 4 of this Framework.
Sponsorship	The right to associate QSuper's name, products or services with a sponsored organisation's services, product or activity in return for negotiated and specific benefits for members or the organisation, such as promotional initiatives. It involves a negotiated contractual arrangement and results in tangible, material and mutual benefits for the parties to the arrangement. Sponsorship can take the form of cash and/or in-kind support.
Partnership	A mutually beneficial product distribution arrangement grounded by commercial contract with the purpose of driving growth for both parties. In context, QSuper executes innovative strategic partnerships to accelerate growth beyond direct and employer default arrangements.

Document history

Approval history

Version	Name of approver	Approval date
1	QSuper Board	24 April 2019