

Conflicts Management Policy

Policy owner: Head of Group Governance & Compliance
Governing authority: Risk & Compliance Committee | Board
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Revision history

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3.0	Approved by ACRMC minor changes following business restructure	07/05/2014
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8.0	Approved by ACRMC Approved by AustralianSuper BOARD To include changes recommended by the internal auditor as part of the independent triennial review	23/11/2018 12/12/2018
9.0	Approved by ACRMC – minor changes including definition of Employee, escalation and consequence management provisions and further conflict scenarios have been included	18/11/2019

Conflicts Management Policy

1 Purpose

The purpose of this Policy is to set out the Conflicts Management Policy of AustralianSuper. The Policy covers the identification, disclosure, recording, management and avoidance of conflicts that may arise from other interests held, or from duties owed to other entities by AustralianSuper or Responsible Persons or Employees of AustralianSuper. These conflicts may be actual or potential or even perceived in nature.

The overriding principle as set out in section 52(2)(d) of the Superannuation Industry (Supervision) Act 1993 is that in managing conflicts of interests and duties AustralianSuper should ensure that if a conflict situation arises and has not been avoided, the duties to and interests of beneficiaries receive priority over any duties to and interests of any other persons. A further purpose is to ensure compliance with Prudential Standard SPS 521 – Conflicts of Interest.

2 Application

If you work at AustralianSuper, you are required to comply with this Policy. This applies whether you are a permanent, part time or casual Employee, a Contractor, a Seconded or an Intern (as defined in Section 3). Directors and Board Committee Members are also required to comply with this Policy.

3 Definitions

Term	Definition
Associate	is a reference to “associate” within the meaning of section 12 of the SIS Act.
AustralianSuper	means each of the following entities as the context requires: <ul style="list-style-type: none">• AustralianSuper Pty Ltd as trustee of the Fund• AustralianSuper (UK) Ltd• AustralianSuper (US) LLC• Other domestic or International subsidiary companies of the Trustee, as and when they are established
Board	means the Board of AustralianSuper Pty Ltd, unless otherwise stated.
Conflict or Conflicts	refers to a conflict between: <ol style="list-style-type: none">a duties owed by AustralianSuper, or a Responsible Person of AustralianSuper, to the Fund's beneficiaries and the duties owed by them to any other person (i.e. competing duties)b interests of the Fund's beneficiaries and the duties owed by AustralianSuper, or a Responsible Person of AustralianSuper, to any other person (i.e. interests of beneficiaries conflict with duties to any other person)c an interest of AustralianSuper, an associate of AustralianSuper or a Responsible Person or an Employee of AustralianSuper, and AustralianSuper's duties to the Fund's beneficiaries (i.e. interests conflict with the duties to beneficiaries)d an interest of AustralianSuper, an associate of AustralianSuper or a Responsible Person or an Employee of AustralianSuper, and the interests of the Fund's beneficiaries (i.e. competing interests).
Board Committee Member	means a person other than a Director or Alternate Director who has been appointed by the Board to be a member on one of the Board's Committees.
Connected entity	means: <ol style="list-style-type: none">a a subsidiary of AustralianSuper Pty Ltd as RSE Licenseeb any other entity of a kind prescribed by the Superannuation Industry (Supervision) Regulations 1993.
Contractors	for purposes of this Policy includes day rate contractors employed through our dedicated partner for our contractor workforce (currently Oncore).

Director	means a Director, Alternate Director or Independent Director of the Board.
Employee	for purposes of this Policy includes all permanent, part time and casual employees, Seconddees, Contractors and Interns.
Fund	means the AustralianSuper superannuation fund constituted under Australian law by a declaration of trust dated 13 December 1985, as amended from time to time.
Interns	means students or trainees who work at AustralianSuper in order to gain work experience of satisfy requirements for a qualification.
Relevant	<p>an interest or duty is “relevant” if it might reasonably be considered to have the potential to have a significant impact on the capacity of AustralianSuper, the associate of AustralianSuper, the Responsible Person or an employee of AustralianSuper with the relevant duty or holding the relevant interest, to act in a manner that is consistent with the best interests of the Fund’s beneficiaries.</p> <p>In addition to the above, AustralianSuper considers that factors to be taken into account in determining whether an interest or duty is “relevant” may include but are not limited to:</p> <p>a Quantitative Elements:</p> <ul style="list-style-type: none"> i Controlling interests (more than 50%) in any entity ii Holdings of more than 5% of the total assets or shares of a public or private company iii any gifts to the value of \$500 AUD or more (or foreign currency equivalent), noting that the frequency of gifts may be a factor in determining whether gifts are considered to be ‘relevant’ (i.e. a single gift for \$500 AUD or multiple gifts in a financial year from the same organisation that in total are valued at \$500 AUD or more). <p>b Qualitative elements</p> <ul style="list-style-type: none"> i Interests that could adversely affect the reputation of AustralianSuper or the Fund ii Interests that relate to AustralianSuper’s or the Fund’s involvement in a new and potentially important market iii Interests that are held in a service provider or potential service provider to AustralianSuper or the Fund iv Duties owed to third parties that may potentially or actually conflict with those of AustralianSuper, the Fund or beneficiaries v The frequency of gifts or benefits received from the same giving organisation noting that the frequency of gifts may be a factor in determining whether gifts are considered to be “relevant” vi whether the duty or interest is a one-off or recurring (ongoing) in nature.
Relevant Duty	refers to any duty owed by AustralianSuper, or a Responsible Person of AustralianSuper or employee of AustralianSuper to the Fund’s beneficiaries or to any other person that AustralianSuper has determined to be “Relevant”.
Relevant Interest	a Relevant Interest of AustralianSuper, an associate of AustralianSuper, or a Responsible Person of AustralianSuper, refers to any interest, gift, emolument or benefit, whether pecuniary or non-pecuniary, directly or indirectly held or received by AustralianSuper, or the associate of AustralianSuper, or the Responsible Person, or employee of AustralianSuper, that AustralianSuper has determined to be “Relevant”.
Responsible Person	<p>includes:</p> <ul style="list-style-type: none"> a a director of AustralianSuper Pty Ltd b a secretary of AustralianSuper Pty Ltd c a Senior Manager of AustralianSuper Pty Ltd d an auditor who is appointed to conduct any audit of an RSE for which AustralianSuper Pty Ltd is trustee, or of any connected entity of AustralianSuper Pty Ltd e an actuary who is appointed to perform an actuarial function under RSE licensee law f a person who performs activities for a connected entity of AustralianSuper Pty Ltd where those activities could materially affect the whole, or a substantial part, of AustralianSuper Pty Ltd’s business operations, or its financial standing, either directly or indirectly.
RSE Licensee	means a constitutional corporation that holds a Registrable Superannuation Licence which has been granted under section 29D of the SIS Act. The RSE Licensee for the Fund is AustralianSuper Pty Ltd.
Seconddees	means people working at AustralianSuper on secondment from firms who, by virtue of their length of tenure and/or the type of work that they’ve been commissioned to undertake, would come into contact with information that could be considered “inside information”. (Inside information is information on securities or financial products which is not publically available and

if it were a reasonable person would expect it to have a material effect on the price or value of the security or financial product.)

Senior Manager

Senior Manager means a person (other than a director or alternate director) who:

- a makes, or participates in making decisions that affect the whole or a substantial part of the RSE licensee's business operations;
- b has the capacity to affect significantly the RSE licensee's business operations or its financial standing;
- c may materially affect the whole or a substantial part of the 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 Licensee's business operations; or
 - iii monitoring the appropriateness, adequacy and effectiveness of risk management frameworks; or
- d is otherwise an executive officer of the RSE Licensee.

The Trustee considers that the term 'Senior Manager' for purposes of this Policy encompasses the following for AustralianSuper:

- Chief Executive
- Deputy Chief Executive/ Chief Investment Officer
- Group Executives and above who directly report to the Chief Executive
- Head of Group Risk
- Chief Risk Officer

4 Related Documents

This Policy forms part of AustralianSuper's Conflicts Management Framework and should be read in conjunction with the following:

- Conflicts Management Procedures
- Code of Conduct
- Gifts, Entertainment & Corporate Hospitality Policy
- Personal Trading Policy
- Related Party Policy
- Information Barriers Standard

5 Key Principles

All Responsible Persons and Employees have an obligation to recognise and disclose all relevant outside personal interests on appointment and on an ongoing basis to enable AustralianSuper to identify actual or potential conflicts that may exist and to take appropriate action to either avoid or manage the conflict. When conflicts of interest arise it is critical to ensure that priority is given to the interests of the Fund's beneficiaries over any other interests or duties that the Responsible Person or Employee may hold elsewhere. Responsible Persons and Employees are required to consider both the conflict and the duty to act in the best interests of the Fund's beneficiaries in deciding how to act in relation to a matter.

For the obligation to apply, the conflicting interest or duty must be "relevant" (as that term is defined in the Definitions section). If there is doubt as to whether the interest is material and relevant, it should be disclosed.

Responsible Persons and Employees are required to:

- a disclose any relevant outside personal interests or duties that they hold
- b identify and disclose any potential or actual conflicts of interests or duties
- c follow AustralianSuper's procedures for managing any actual or potential conflicts that are identified from this disclosure
- d avoid the conflict if it cannot be managed in accordance with the requirements of this Policy.

6 Responsibilities and processes for identifying and monitoring conflicts

6.1 Responsible Person and Employee responsibilities

We are all responsible for taking appropriate action to identify and manage any potential, actual or perceived conflicts of interests in all our business activities at AustralianSuper. Responsible Persons and Employees are expected to comply with this Policy and all relevant policies and processes to address conflicts that arise in the normal course of business including the following requirements:

- follow AustralianSuper's appointment procedures and promptly disclose all relevant outside personal interests, including circumstances that they consider may give rise to an actual or potential conflict of interests
- for Employees, disclose all relevant outside personal interests and maintain up to date records of outside personal interests in the online Conflicts Management System (currently this is the Protogent PTA - Fidelity Information System (FIS))
- disclose changes to positions and interests held that may give rise to a conflict (for Employees, disclosure should be made to the Governance & Compliance Team as soon as possible, and then updated in FIS at the next review opportunity; for Directors and Board Committee Members disclosure should be made to the Chair of the Board, Chair of the Committee, the Company Secretary or the Chief Executive as soon as possible)
- be alert for situations of a conflict, including any potential conflict with an existing or prospective service provider or adviser
- in any recruitment or tender process, be alert for situations of conflict, declare any conflict and take appropriate action to remove yourself from the process if an actual or potential conflict exists
- do not enter into personal transactions if it involves the misuse or improper disclosure of confidential information
- adhere to switching and trading bans as notified (if applicable) and comply with any information barriers that you may be subject to from time to time
- follow requirements that may apply in relation to the disclosure of regulated portfolios, pre-clearance to trade requirements and any other compliance requirements set out in the Personal Trading Policy
- complete appropriate declarations and certifications of compliance as required under relevant conflicts related Policies and Procedures
- disclose any direct or indirect Relevant Interest or Relevant Duty that may pose a conflict (actual or potential) at the outset of a Board/Committee meeting
- for Employees, seek approval via FIS for any new relevant outside personal interests that you are considering prior to accepting them
- adhere to the requirements set out in the Gifts, Entertainment & Corporate Hospitality Policy in relation to accepting or offering gifts, entertainment or corporate hospitality and disclose the receipt of these as required
- not accept any other inducements that may be offered for purposes of doing business with AustralianSuper including any fees, commissions or other monetary benefits offered
- comply with relevant anti-bribery and corruption laws that apply in Australia and in overseas jurisdictions as this would not only pose a conflict but also be unlawful
- follow any directions given by the Chair of the Board, Board Committee Chair or Chief Executive (or the Head of Governance for Employees) in relation to the management of any actual or potential conflict.

6.2 Compliance & Governance Team responsibilities and Chair Responsibilities

The Governance & Compliance Team is responsible for assessing whether an interest or duty disclosed by an Employee could represent a conflict or potential conflict of interests and for overseeing, reviewing and ongoing evaluation and monitoring of any conflicts management plans agreed with an individual, their manager and Compliance where required. Issues identified may be escalated to the Chief Risk Officer and/ or the Chief Executive if necessary. The Head of

Governance is responsible for assessing declared interests to determine relevance for purposes of the Register of Relevant Interests and Duties.

Responsibility for assessing and managing conflicts at Board and Committee level rests with the Chair of the Board, the Chair of the Committee, the Chief Executive or the Company Secretary as appropriate.

7 Breaches of Policy

Non-adherence with this Policy by a Director or Board Committee Member must be reported to the Chair of the Board or relevant Board Committee Chair, the Chief Executive or Company Secretary. A breach of Policy by an Employee must be reported to the Governance & Compliance Team.

AustralianSuper will review and determine consequences in response to all Policy breaches. All outcomes will be aligned to the AustralianSuper Consequence Management Framework.

AustralianSuper encourages Employees to report matters of improper conduct including any suspected breaches of any AustralianSuper policy or values to their People Leader and the Governance & Compliance Team in the first instance or to the Chair of the Board or the relevant Committee Chair in the case of Directors and Board Committee Members. AustralianSuper recognises that some people may feel uncomfortable in taking this action. A Whistleblower process provides an alternative means of reporting for people in this situation. Further details on how to use the whistleblowing process is provided in the Whistleblower Policy.

8 Documentation and Record Keeping

AustralianSuper will keep for at least ten years, records of:

- Any disclosures made by Employees about a conflict of interest or duty matter, including outside personal interest declarations made in FIS; and
- The Register of Relevant Interests and Relevant Duties.

Minutes of Board and Board Committee meetings are kept indefinitely. These minutes include details of any actual or potential conflicts identified in relation to any agenda item for that meeting and any action taken to avoid or manage an actual or potential conflict.

9 Policy Exemptions

Exemptions from the Policy may be considered in circumstances where there is an acceptable reason for not adhering to all or part of the Policy. Employees should submit an exemption request to the Governance & Compliance Team. An exemption request by a Director or Board Committee Member should be made to the Chair of the Board who will consult with the Chief Executive. Requests for exemptions should be submitted in writing and any decision made confirmed in writing. The Governance & Compliance Team will record decisions in an Exemption Register.

10 Procedures

The Conflicts Management Procedures outline the controls and processes that AustralianSuper employs in the identification, control and management of conflicts (including conflicts with service providers or related parties). The Procedures are approved by management.

11 Policy Review

This Policy will be reviewed on an annual basis by the Risk & Compliance Committee (RCC). Any material changes to this Policy must be referred to the Board for approval. Immaterial changes can be approved by the RCC.