

Conflicts Management Summary

March 2018

Conflicts management

The Conflicts Management Framework put in place at AustralianSuper includes the following:

- > Conflicts Management Policy
- > Gifts and Entertainment Policy
- > Personal Trading Policy
- > Register of Relevant Interests and Relevant Duties

AustralianSuper's Conflicts Management Policy (Policy) covers the identification, disclosure, recording, and management of conflicts that may arise from other interests held, or from duties owed to other entities by the Trustee of AustralianSuper or Responsible Persons or employees of the Trustee.

Responsible Persons of the Trustee include its directors, Chief Executive, Chief Investment Officer/ Deputy Chief Executive, Group Executives, Company Secretaries, Head of Risk and the Fund's external auditor.

In managing conflicts of interests and duties, the Trustee seeks to ensure that if a conflict situation arises the duties to and interests of the Fund's beneficiaries receive priority over any duties to and interests of other persons.

AustralianSuper's Responsible Persons and employees are required to disclose all outside personal interests that they consider may conflict with their obligations to act in the best interests of the Fund's beneficiaries. Disclosure is required on an ongoing basis to enable the Trustee to take appropriate action to manage the conflict concerned.

Responsible Persons and staff of the Trustee are required to:

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

Relevant conflicts of interest or duty are disclosed as part of the appointment process for Responsible Persons and employees and changes to interests and duties must be notified as they occur. Where appropriate, a management process is agreed with the Responsible Person or the staff member concerned to manage any actual or potential conflicts. This may include for example abstaining from involvement in discussions or decision making in respect of a particular transaction where a conflict exists. If the conflict cannot be managed satisfactorily, it needs to be avoided.

Both employees and AustralianSuper's Responsible Persons are trained on their obligations under the Conflicts Management Policy including their obligations to disclose all actual or potential conflicts of interests.

The Compliance Team at AustralianSuper is responsible for assessing whether an interest or duty disclosed by an employee may represent a conflict or potential conflict of interests and for overseeing, reviewing and monitoring any conflicts management plans agreed with an individual and their manager where required. Issues identified may be escalated through to the Chief Executive if necessary.

Responsibility for managing conflicts at Board level rests with the Chair of the Board, the Chief Executive or Company Secretary as appropriate. A standard agenda item is included in all Board and Board Committee meetings at the outset of the meeting to remind Responsible Persons of their responsibility to declare any

conflicts that may exist in relation to any matter on the agenda or any changes to relevant personal interests or duties. The action taken to manage the conflict (or avoid it) is agreed and minuted.

The Conflicts Management Policy is reviewed annually and compliance with the Policy is reported to the Audit Compliance & Risk Management Committee and the Board. Material changes to the Policy are approved by the Board.

Conflicts Management Procedures approved by management set out the controls and processes in place to ensure that priority is always given to the duties owed to and interests of beneficiaries. These procedures are reviewed annually or more frequently if required.

The Trustee maintains a [Register of Relevant Interests and Relevant Duties](#) which records relevant interests and duties of the Trustee and its Responsible Persons and is disclosed on the AustralianSuper website. A separate record is kept of all relevant interests disclosed by employees.

AustralianSuper's position on what is acceptable behavior from its Responsible Persons and employees in relation to the giving and receiving of gifts and entertainment is set out in its Gifts and Entertainment Policy. A [Register of Gifts and Entertainment](#) recording gifts and entertainment received by Responsible Persons and valued at \$500 or more is maintained and disclosed on the AustralianSuper website. A separate internal Gifts and Entertainment Register is maintained for all employees.

Additionally there are employee obligations under AustralianSuper's Personal Trading Policy. The Trustee recognises that some employees may have access to information about securities or investment products or opportunities that is not generally publically available. Such staff are subject to additional disclosure requirements and management of any potential conflicts that may arise.

