

Conflicts of Interest Policy



IS Industry Fund Pty Ltd ATF Intrust Super

Document owner: Executive Manager – Risk and Company Secretary

Document approver: Board

1. Introduction

The Trustee is committed to taking all reasonable actions to avoid, or prudently manage, potential and actual conflicts to give priority to the duties to, and interests of, the beneficiaries of Intrust Super over the duties to, and interest of, other persons or organisations, and to meet the Trustee's legislative provisions.

This Conflict of Interest Policy forms part of the Trustee's governance framework. In addition to this Policy, the other conflict management related elements of the framework include:

- a) Register of Relevant Duties for Responsible Persons;
- b) Register of Relevant Interests for Responsible Persons;
- c) Board Charter;
- d) Fit and Proper Policy;
- e) Gift Register; and
- f) Employee Code of Conduct
- g) Whistleblower Policy.

2. Who does this policy apply to?

This policy applies to Responsible Persons of the Trustee. and applies to all of the Trustee's employees to the extent stated in the Policy.

As per Prudential Standard SPS 520 Fit and Proper, the Responsible Persons of the Trustee are those persons whose conduct is most likely to have a significant impact on its sound and prudent management and comprise:

- a director of the Trustee;
- a secretary of the Trustee;
- a senior manager of the Trustee;
- an auditor who is appointed to conduct any audit of the Trustee or Fund, or any connected entity of the Trustee; and
- a person who performs activities for a connected entity of the Trustee 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.

3. What does this policy cover?

This policy sets out the principles and minimum standards for the management of conflicts of interest and covers the following areas:

- identification,
- obligations,
- reporting, and
- assessment.

4. Identification - what is a conflict of interest?

A reference to a “conflict” is a reference to a conflict:

- a) between the duties owed by the Trustee, its Responsible Persons and employees, to beneficiaries and to any other person;
- b) between the interests of beneficiaries and the duties owed by the Trustee, its Responsible Persons and employees, to any other person;
- c) between an interest of the Trustee, its Responsible Persons and employees, and the Trustee’s duties to beneficiaries; and
- d) between an interest of the Trustee, its Responsible Persons and employees and the interests of beneficiaries.

A “Relevant duty” refers to any duty owed by the Trustee or its Responsible Persons.

A “Relevant Interest” refers to any interest, gift, emolument or benefit, whether pecuniary or non-pecuniary, directly or indirectly received by the Trustee, its Responsible Persons and employees that the Trustee has determined might reasonably be considered to have the potential to have a significant impact on the capacity of the Trustee, its Responsible Persons and employees to act in a manner that is consistent with the best interests of beneficiaries. Any gift or benefit received from a single entity (individual or corporate) which exceeds \$2000 either as a one-off, or over a 12-month period, will be considered a “Relevant Interest”.

The test of whether a conflict of interest exists is objective – whether an individual could be influenced, or has the potential to be influenced, by a private interest in carrying out their duties.

In determining the relevance of a duty, the Trustee will consider the extent to which the role giving rise to the duty could influence the duties owed by the Trustee, or a Responsible Person or employee of the Trustee, to beneficiaries.

Examples of scenarios that might arise in relation to Responsible Persons include, but are not limited to:

- a) where a Responsible Person is a director or other officer of another entity, and that other entity:

- (i) provides a service or financial product to, or operates as an investment vehicle for, the Trustee;
- (ii) is being considered by the Trustee as a possible provider of such a service, financial product or investment vehicle;
- (iii) is being considered by the Trustee as the transferring fund or successor fund in a successor fund transfer, or
- (iv) operates in the same market as the Trustee, potentially in competition;
- b) where a Responsible Person has a material ownership interest in an entity referred to in a) above. For clarity, a “material” interest is one which consists of holding more than 5% of the issued shares.
- c) where an entity currently provides a service or financial product to, or operates as an investment vehicle for, the Trustee, and the entity offers gifts or hospitality; and
- d) where a Responsible Person is also a member of the Fund and may be personally affected, in a material way, by a decision of the Trustee.

5. Conflicts of Interest – Employees

- 5.1 The CEO shall ensure that the Employee Code of Conduct includes relevant provisions around the management of conflicts of interest (actual or potential) by all employees which is consistent with, and aligned to, the principles of this Policy and the sound management of conflicts by the Fund.

6. Reporting – procedures for Responsible Persons and employees

Prior to appointment, and on annual basis, training will be provided by the Executive Manager, Risk & Company Secretary to all Responsible Persons and employees on:

- a) the need to identify all potential conflicts;
- b) the circumstances that might give rise to a conflict;
- c) the content and purpose of the Trustee’s conflict management framework; and
- d) their obligations as a Responsible Person and/or employee of the Trustee.

At each Board meeting, the disclosure of any Relevant Interests or Relevant Duties by Responsible Persons and employees is a standing Agenda item. The Registers of Relevant Duties and Relevant Interests will include appropriate details, including the date the duty or interest commenced, organisation or person involved, relationship to the Trustee or its operations, and whether the duty or interest is a one-off occurrence or has an ongoing, recurring or cumulative nature. The Registers will also include the definition of Relevant Interest and Relevant Duty.

If there is a doubt as to whether a conflict of interest or duty exists, it should be disclosed to the Board.

Wherever possible, disclosure should be made in writing prior to a Board meeting. If it is not possible for this disclosure to be made in writing prior to the Board meeting, the disclosure may be made verbally to the Executive Manager – Risk and Company Secretary, who will disclose the conflict at the Board meeting, and ensure that it is recorded in the Minutes accordingly.

If a Responsible Person believes that another Responsible Person has or may have a conflict of interest or duty which has not been reported to the Board, the first Responsible Person must bring the matter to the attention of the Board and explain why he or she holds that belief. Where possible, disclosure should be made in writing prior to a Board meeting.

If the Responsible Person does not report to the Board or circumstances are such that it is not practicable to wait until the next Board meeting, a conflict of interest is to be reported to the Executive Manager – Risk and Company Secretary. The conflict will be addressed by the Executive Manager – Risk and Company Secretary in consultation with the Chairperson or other available Director. The conflict will then be reported to the Board at the next meeting for assessment and determination of relevant action.

Where the person disclosing the conflict is the Chairperson, it is to be reported in the first instance to the Executive Manager – Risk and Company Secretary or Deputy Chairperson.

Where the person disclosing the conflict is the Executive Manager – Risk and Company Secretary, it is to be reported in the first instance to the Chairperson.

Responsible Persons and employees must not accept gifts or financial benefits from third parties relating to Trustee matters except in accordance with the requirements set out in Table 1 below:

Table 1

	Gift or Financial Benefit Value*			
	All gifts or benefits >\$100 MUST be placed on the Gift Register within 30 days of receipt			
	<\$150	≥\$150 and <\$500	≥\$500 and <\$2000	≥\$2000
Acceptance of gift/benefit by Employees (excluding the CEO & other Responsible Persons)	Permitted	Permitted only by obtaining prior approval from CEO	Permitted only by obtaining prior approval from Board Chair	Not permitted without prior approval from the Board
Acceptance of gift/benefit by any Responsible Person (excluding Board Chair)	Permitted	Permitted	Permitted only by obtaining prior approval from Board Chair	
Acceptance of gift/benefit by Board Chair	Permitted	Permitted	Permitted only by obtaining prior approval from Deputy Chair	

A gift or financial benefit includes:

- meals, drinks, entertainment, invitations to hosted hospitality events;
- invitations and tickets to sporting events;
- promotional items including sporting goods and clothing;
- wine and food hampers;
- travel costs and accommodation; and
- conference and training related invitations, except when provided in conjunction with a contract with an existing provider.

The following would generally not be considered a gift:

- prizes won at conferences or events;
- travel costs if they form part of the overall contractual arrangement with the third party; and
- cost of attendance at an event or forum as a speaker or panel member.

Gifts or financial benefit of more than \$100 (one-off or cumulative from the same person/entity in a financial year) must be recorded in the Gift Register within 30 days of receipt of the gift or financial benefit. The Gift Register is provided and reviewed at each Board meeting along with the Register of Interests and Register of Duties.

Employees must not solicit any third party for any gift or benefit irrespective of the value of the gift/benefit. The purpose or objective of the solicitation is not relevant.

Meals, travel, gifts or entertainment are not to be accepted from any third party currently participating in a tender to provide services to the Fund.

When a conflict of interest or a potential conflict of interest has been declared by or in respect of a Responsible Person, or an employee, the Responsible Person or employee must:

- a) provide additional relevant information as requested by the CEO for employees and the Board for directors and the CEO;
- b) if the Responsible Person is a Director, offer to leave the Board meeting to allow the remainder of the Board to discuss the matter;
- c) if the Responsible Person is a director, abstain from voting on questions of whether there is a conflict of interest and, if so, whether the conflict is material;
- d) if a Responsible Person is a director, abstain from voting on any matters where there is a conflict of interest, unless the Board determines that the conflict (or potential conflict) is not material and should not prevent the Director from voting.

When a conflict of interest has been declared by or in respect of a Responsible Person or employee, the Board may:

- a) seek legal advice;
- b) request additional relevant information from the person involved;
- c) request the officeholder prepare and sign a Statutory Declaration in respect of the nature of the conflict and any associated benefits received;
- d) allow the officeholder involved to remain in the meeting while the matter is being discussed;
- e) require the officeholder to abstain from voting on or being involved in any matter where there is a material conflict of interest.

7. Assessment

In assessing matters involving an actual or potential conflict of interest, the Board will consider the nature and circumstances of the matter and a determination will be made and minuted. The Minutes should record details of the determination including whether the conflict is actual or potential, materiality and potential impact.

The Board will consider the following factors in assessing a disclosure:

- a) the impact on the Responsible Person's or employee's ability, or apparent ability, to discharge his/her duties as a Responsible Person or employee of the Fund; and
- b) the degree to which the proposed action will be inconsistent with the Responsible Person's, or employee's, obligations to the beneficiaries of the Fund.

In determining what action to take in respect of reported conflicts of interests, the primary consideration of the Board is its obligations under section 52(2)(d) and 52A(2)(d) of the Superannuation Industry (Supervision) Act. That is:

- a) to give priority to the duties to and interests of the beneficiaries over the duties to and interests of other persons;
- b) to ensure that the duties to the beneficiaries are met despite the conflict; and
- c) to ensure that the interests of the beneficiaries are not adversely affected by the conflict; and
- d) To comply with the prudential standards in relation to conflicts of interests.

Following an assessment that any disclosure is relevant, the Board in determining what action to take will consider the following matters:

- a) whether the interest or duty is ongoing;
- b) whether the interest or duty is capable of being removed;
- c) whether the interest/duty is consistent with the duties owed by the Responsible Person or employees to the beneficiaries of the Fund.

After considering the matters referred to above, the Board may determine that the conflict of interest is to be avoided or is able to be prudently managed. If the duty or interest is to be avoided, any change to these duties or interests is to be reflected in the Register of Duties and Register of Interests.

Where the Board has determined that the conflict is able to be managed, the actual or potential conflict and how it should be managed – including the rationale for that decision - are to be recorded in the minutes, and must be reviewed at each relevant Board meeting to ensure the conflict is monitored and the management plan remains appropriate.

Actions that the Trustee may require a Responsible Person or employee to take to avoid or manage a conflict of interest include:

- a) require the Responsible Person or employee to dispose of a Relevant Interest or relinquish the duty to another person;
- b) require the Responsible Person or employee to resign;
- c) where a director with a Relevant Interest or duty that conflicts with the duty to or interests of beneficiaries and relates to a matter being considered at a directors' meeting that director is to absent himself/herself from the meeting and shall not vote on the matter under consideration.

The Board considers that it is untenable for a Responsible Person to hold a directorship with a competing superannuation fund without the fully informed consent of the Trustee.

The Board considers that is untenable for a Director to hold a management position in a service provider engaged by the Trustee and such positions must not be held by a director while they are engaged by the Trustee.

In dealing with a conflict of interest or potential conflict of interest matter, the Board shall be the determining body.

The outcome in relation to each conflict of interest is also to be recorded and monitored in the Register of Relevant Interests of Register of Relevant Duties.

8. Responsibilities

The **Board** is responsible for:

- a) assessing disclosed potential and actual conflicts of interest, including the Gift Register and registers of Relevant Duties and Relevant Interests and determining and implementing the appropriate response; and
- b) oversight of the conflicts of interest framework, including compliance with this policy.

The **Executive Manager – Risk and Company Secretary** is responsible for:

- a) providing training to Responsible Persons and employees on the Policy, including the content and purpose of the Trustee’s conflict management framework and the obligations as a Responsible Person and/or employee of the Trustee;
- b) obtaining an annual declaration from each Responsible Person that all Relevant Duties and Relevant Interests have been disclosed in accordance with this Policy;
- c) maintaining and publishing, in accordance with legislative requirements, registers of Relevant Duties and Interests;
- d) maintaining the Gift Register;
- e) informing the Board of disclosed conflicts of interest;
- f) recording in the Minutes of Board or Committee meetings details of disclosed conflicts and how they are managed by the Board/Committee.

All **Responsible Persons** are responsible for:

- a) disclosing any Relevant Duties and Relevant Interests prior to appointment and at any time they may change;
- b) informing the Board as soon as he or she becomes aware of any actual or potential conflict of interest or duty involving him or herself; and
- c) only accepting gifts in accordance with this Policy.

All **employees** are responsible for:

- a) complying with the provisions of this Policy to the extent they apply to employees;
- b) complying with the Code of Conduct Policy set out in the Employee Handbook;
- c) informing the Executive Manager – Risk and Company Secretary as soon as he or she becomes aware of any actual or potential conflict of interest or duty involving himself or herself; and
- d) only accepting gifts in accordance with this Policy.

9. Review

This Policy will be reviewed annually or as required by changes in legislation or regulatory expectations or considered appropriate due to changes in the characteristics of the Trustee’s business or risk management framework.

The review will take into consideration the effectiveness of the policy and procedures since its last review.

This Policy and associated documents will be reviewed for its appropriateness, effectiveness and adequacy at least every three years by an operationally independent, appropriately trained and competent person.

The scope of this review must have regard to the size, business mix and complexity of the Trustee’s business operations, the extent of any change to those operations and any changes to the external environment in which the Trustee operates.

The review must consider at a minimum:

- a) Whether all Relevant Duties and all Relevant Interests have been identified and are being addressed in accordance with the Trustee’s conflicts management framework;
- b) The level of compliance with the conflicts management policy, including reporting on the Registers of Relevant Duties and Relevant Interests; and
- c) Any non-compliance with the conflicts management policy, including steps taken to return to, and improve, ongoing compliance.

Revision History

The table below sets out the history of this document.

Version	Reasons for amendment	Date approved by Board
1	New Policy	20 December 2012
2	Incorporates APRA Feedback	25 January 2013
3	Annual Review	29 May 2014
4	Management Review	23 October 2014
5	Internal Review	22 October 2015
6	Internal Audit Recommendations	16 December 2015
7	APRA Review	25 May 2017
8	Annual Review	31 May 2018
9	Annual Review and Internal Audit Recommendations	5 March 2019