



Conflicts Management Policy

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1 Purpose

- 1.1 The purpose of the Conflicts Management Policy ('the Policy') is to outline the requirements for the identification, avoidance and management of conflicts of duty and interest by the Trustee. It applies to all Responsible Persons and employees of the Trustee.

2 Definitions

- 2.1 As defined in Prudential Standard SPS 521 – a **Conflict of Interest** is:
- a) between the duties owed by [the Trustee], or a responsible person of [the Trustee], to beneficiaries and the duties owed by them to any other person;
 - b) between the interests of beneficiaries and the duties owed by [the Trustee], or a responsible person of the [Trustee], to any other person;
 - c) between an interest of [the Trustee], an associate of [the Trustee] or a responsible person or an employee of [the Trustee], and the [Trustee's] duties to beneficiaries; and
 - d) between an interest of [the Trustee], an associate of [the Trustee] or a responsible person or an employee of [the Trustee] and the interests of beneficiaries.
- 2.2 A **Responsible Person** is defined in SPS 520 Fit and Proper as:
- a) a Director of the Trustee
 - b) a Secretary of the Trustee
 - c) a Senior Manager of the Trustee
 - d) a Fund auditor who is appointed to conduct any audit of a Fund for which the RSE licensee is trustee, or of any connected entity of the RSE licensee;
 - e) a Fund actuary who is appointed to perform an actuarial function under RSE licensee law; and
 - f) 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.
- 2.3 A **relevant duty** refers to any duty owed by the Trustee, or a responsible person of the Trustee, to beneficiaries or to any other person.
- 2.4 A **relevant interest** of the Trustee, an associate of the Trustee or a responsible person of the Trustee refers to any interest, gift, emolument or benefit, whether pecuniary or non-pecuniary, directly or indirectly held by the Trustee, the associate or the responsible person.
- 2.5 A **material personal interest** arises where a Director's personal interests may be affected by a board's decision on the matter. Material personal interests are not limited to financial or pecuniary interest and can be an indirect or direct interest.

3 General framework and principles

- 3.1 The conflicts management framework is the totality of systems, structures, policies, processes and controls within the business operations of the Fund that identify, assess, mitigate, manage and monitor all conflicts.
- 3.2 The Board is responsible for the Conflict Management Policy and framework.
- 3.3 There are two key elements of the Policy:
- a) identifying conflicts of interest; and
 - b) managing conflicts of interest.

- 3.4 The Board also ensures that any new Responsible Person discloses all relevant interest and duties prior to taking up their appointment and, once appointed, keeps the Board informed of any potential changes.
- 3.5 The CEO ensures that all responsible business units and employees are aware of and understand:
 - a) the Policy and the procedures required for reporting a conflict;
 - b) the need to identify potential conflicts;
 - c) the circumstances that might give rise to a conflict;
 - d) the content and purpose of the Trustee's conflict management framework; and
 - e) their obligations, where applicable, as a Responsible Person of the Trustee.
- 3.6 Those engaged in the management of the Fund are required to consider the interests of the members and ensure that all the powers and duties they hold are discharged in the best interests of the members as a whole.
- 3.7 A conflict of interest occurs when a personal interest interferes in any way with, or impinges on a person's impartiality in respect of, the interests of the Fund or any of its members. A conflict of interest may also arise when a Responsible Person, or a member of his or her family or an associate, receives personal benefits as a result of his or her relationship with CareSuper.
- 3.8 Factors to consider when assessing the duties, interests and potential conflicts include:
 - a) whether commercial terms and arrangements exist;
 - b) the likelihood of dealings between the organisation and CareSuper;
 - c) the impact of the conflict on the beneficiaries;
 - d) the impact on CareSuper's compliance with its regulatory and other obligations;
 - e) the likelihood of, or extent which, the conflict may harm the quality or integrity of CareSuper's products or services; and
 - f) the risk to CareSuper's reputation if the conflict is not effectively managed.
- 3.9 The CARE Super Pty Ltd Constitution states:

20. Directors' interests

20.1 Directors' contracts

Subject to the Corporations Act and to this Constitution:

- a) *Directors are not disqualified from entering into a contract or arrangement with the Company or from becoming or remaining a director of another company which has contracts with the Company;*
- b) *contracts or arrangements involving the Company, cannot be avoided on the basis that a Director has an interest in the contract or arrangement;*
- c) *are not liable to account to the Company for any profits realised by them as a result of them being interested in any such contract or arrangement; and*
- d) *any Director may attest the affixing of the seal (if any) of the Company to a contract whether or not that Director is interested in that contract.*

20.2 Declaration of interest

Every Director who has a direct or indirect interest in a contract or arrangement, and every Director who holds any office or possesses any property which may directly or indirectly create a conflict with that Directors' duties or interest, must, before voting, declare the fact and the nature, character and extent of the conflict or potential conflict as required by the Corporations Act.

20.3 Secretary to record declarations

The Secretary must record in the minutes any declaration made by a Director in accordance with this clause.

- 3.10 In relation to clause 20.1(c) of the Constitution, Directors are still required to disclose all relevant interests in the Register of Interests and act in accordance with section 52(2)(d) of the SIS Act.
- 3.11 In accordance with the Constitution, Directors must disclose any related interests and must not engage in any activity or employment which may result in, or create the perception of:
- a) using their position, or status, for personal financial gain, or the gain or advantage of another person, or the disadvantage of the Fund;
 - b) using Fund time, resources or facilities for personal financial gain or advantage, or the gain or advantage of another, or the disadvantage of the Fund;
 - c) using information acquired as a consequence of the Director's position with CARE Super Pty Ltd for the Director's or employee's personal financial gain, or the gain or advantage of another, or the disadvantage of the Fund;
 - d) receiving/accepting money or any other consideration from any person other than CARE Super Pty Ltd, for undertaking activities which it would reasonably be expected a Director would undertake in the regular course of his/her duties; or
 - e) a Director having a conflict between their interest as a Director and any non-CARE Super Pty Ltd interest.
- 3.12 The disclosure requirements in clause 3.11 of this Policy apply to all Responsible Persons.

4 Identification of conflicts of interest

- 4.1 The person who has, or is perceived to have, a conflict of interest has the primary responsibility for identifying the conflict.
- 4.2 Personal interests from which a conflict or potential conflict may arise should be disclosed in the annual attestation document. However, Responsible Persons must declare conflicts either directly to the Chair (CEO in the case of Senior Managers) as soon as possible after the conflict is identified or at Board meetings.
- 4.3 A Responsible Person must disclose:
- a) any interest in an investment (actual or potential) being considered by the Fund, or a business the Fund is considering contracting with.
 - b) any offer of an investment made by an investment manager, prior to the offer being available to the market, arising out of the Responsible Person's duties. (A Responsible Person should not take up any such offer prior to the offer being available to the market as whole).
 - c) any other relationship with or directorship of a company or companies. In particular, disclosure of any relationship with another superannuation fund or company engaged in financial services, or service providers to those industries must be made.
 - d) Any remuneration or like benefit of positions to which Directors and Senior Managers are appointed by CARE Super Pty Ltd. This remuneration or benefit shall accrue to the Fund. However the Board may agree that the remuneration or benefits payable in respect of the appointment of a Director to such a position may be retained by the Director.
- 4.4 CARE Super Pty Ltd Directors, Senior Managers and appointees to other bodies must not personally accept any options or shares offered to them on account of their position in, or relationship with the Fund. They must either:
- a) refuse the offer; or
 - b) accept the offer directly on behalf of the Fund.

5 Register of Duties and Interests

- 5.1 The Trustee maintains a Register of Interests and Duties of Responsible Persons which records:
 - a) Employment;
 - b) Other Directorships (including whether remunerated);
 - c) Shareholdings greater than 5% of issued capital; and
 - d) Potential/Reported interests.
 - e) an assessment of how the declared position/interest may give rise to a conflict and how the Trustee has dealt with the conflict.
- 5.2 The Register of Interests and Duties is included in each Board Meeting agenda and Directors are requested to provide any updates during the meeting. The Company Secretary maintains the Register of Duties and Interests.
- 5.3 Other Responsible Persons reconfirm their interests and duties annually.

6 Gifts and entertainment

- 6.1 Responsible Persons and employees must disclose entertainment, travel or other benefits or gifts that they or their spouse, partner or other immediate family receive from parties which provide services to CARE Super Pty Ltd or seek to provide services to it.
- 6.2 Individual gifts over \$100 (or cumulative gifts from the same person or company which would total \$100 in value) must be disclosed and recorded in the CareSuper Gift and Entertainment Register. Gifts under \$100 are not considered to be material. Any gift of more than \$100 will be declared to the CEO, who (after reference to the Chair, if necessary), will determine whether it is held by the Fund, distributed to employees or kept by the recipient.
- 6.3 All entertainment (subject to the caveats below) must be disclosed and recorded in the CareSuper Gift and Entertainment Register ('the Gift Register') All entertainment, such as meals or sporting or cultural events paid by another party, is to be recorded in the Gift Register, irrespective of the value. However, the following are not required to be recorded in the Gift Register:
 - a) attendance at a conference, unless the attendance fee has been paid or waived by another party. However, if separate entertainment is provided by a service provider at/during a conference, this should be disclosed;
 - b) attendance at a presentation, seminar or professional event where the food and beverages provided are incidental to the presentation, even if there is no charge to attend; or
 - c) where the food and beverages supplied are limited to tea/coffee and cakes/light savouries.
- 6.4 Directors and Senior Managers are required to record a 'Nil' return report if they have nothing to declare for the month.
- 6.5 The Compliance Manager will maintain the Gift Register and table it at each meeting of the Compliance, Audit and Risk Management Committee.

7 Managing conflicts of interest

DIRECTORS

- 7.1 If a Director is or becomes aware of any information, facts or circumstances which impair a Director's ability to discharge their responsibilities on the Board then the Director must immediately disclose all relevant details in writing to the Chair and Company Secretary.
- 7.2 Each Director is required to declare any change to their previously submitted position with respect to the Register of Interests and Duties.
- 7.3 Each Director must confirm at the commencement of every Board meeting whether there is anything that could make them ineligible to remain a director or to participate in a discussion on a specified Board agenda item.
- 7.4 Where a Director has a material personal interest in a matter that relates to the affairs of the Trustee which could create a potential conflict of interest then:
- a) the Director must fully disclose and give details of the nature and extent of the material personal interest that raises the potential conflict of interest with respect to a Director's duties and the relationship of the interest to the affairs of the Trustee at a board meeting as soon as practicable after the Director becomes aware of their interest in the matter;
The obligation for Directors to disclose an interest is predicated on their honesty and ethics to present all relevant information to the Board so that an informed decision can be made by the Board on the matter;
 - b) the Director must not be present at a meeting of the Board or a Committee of the Board while the matter is being considered, or be present and vote on the matter unless the Directors, who do not have material personal interest in the matter, have resolved that the Board is satisfied that the interest specified in the resolution should not disqualify the Director from being present or being present and voting. In these circumstances, the Trustee may proceed with any transaction that relates to the interest and the Director may participate in the execution of any relevant document by or on behalf of the Trustee;
- 7.5 Should a Director disclose a conflict of interest, non-conflicted Directors will, by simple majority vote, assess the level of conflict and based on that assessment, determine if the director should do one or more of the following, as appropriate:
- a) not receive information about the matter
 - b) leave the room during the discussion
 - c) remain, but not participate in the discussion
 - d) remain, participate in discussion, but not vote; or
 - e) remain, participate in discussion and vote.
- 7.6 Should the Chair disclose a conflict of interest, non-conflicted Directors will, by simple majority vote, elect a Director as Acting Chair for the period of the discussion, assess the level of conflict and based on that assessment, determine if the Chair should do one or more of the following, as appropriate:
- a) not receive information about the matter;
 - b) leave the room during the discussion;
 - c) remain, but not participate in the discussion;
 - d) remain, participate in discussion, but not vote; or
 - e) remain, participate in the discussion and vote.
- 7.7 The minutes of the relevant meeting must document the conflict identified and action taken to avoid or manage the conflict.

8 Management and employees

- 8.1 On notification of a conflict of interest with management or another employee, the Chair and CEO will review the matter and determine an appropriate course of action, including whether consideration or action by the full Board is necessary. Where the conflict is deemed complex, the issue may be escalated to the Trustee's legal advisor.
- 8.2 The actions that may be considered to mitigate the conflict are:
 - a) setting and monitoring performance benchmarks in relation to a particular contract or service;
 - b) the commissioning of external advice to confirm the appropriateness of a particular course of action; or
 - c) the conflicted individual's exclusion from receipt of information pertaining to and/or participation in relevant discussions and decisions.
- 8.3 The Compliance and Risk team and Compliance, Audit and Risk Management Committee have the responsibility for monitoring compliance with agreed actions of each conflict and ensuring that all conflicts are accurately recorded, kept up-to-date and records maintained.
- 8.4 The Compliance and Risk team maintain a Conflict Register of employee conflict notifications.
- 8.5 New employees (Managers, investment team and compliance team members) are required to complete a register of interests upon joining CareSuper.
- 8.6 Managers and staff in the Compliance and Investment teams will be required to provide an annual attestation of conflict notification.

9 Insider Trading

- 9.1 There may be instances where knowledge is acquired about CareSuper by Directors and employees that is not generally available to all members and may allow for personal financial gain. Examples include:
 - a) being aware of a future reserve distribution;
 - b) learning of a major new opportunity or significant problem which is not known to the public yet (eg. merger); or
 - c) actual or proposed acquisition or disposal of assets by the Fund.
- 9.2 Where a Director or employee is in possession of inside information then they must:
 - a) not switch investment options, roll-in money (other than normal employer/salary sacrifice contributions) or redeem their interest in the Fund during the blackout period;
 - b) not disclose any relevant information to any third party; and
 - c) not use the inside information for personal gain in relation to investments outside the Fund.

- 9.3 All relevant Directors and employees will be notified of a blackout period by the Chief Executive Officer (or delegate). The blackout period will generally come into effect as soon as confidential information is known that could reasonably influence someone in deciding whether or not to acquire/dispose/switch products. The blackout period will be determined on a case by case basis.
- 9.4 Exceptions to the blackout period may be granted by the Chair/CEO in the following circumstances:
- a) where a switch form, roll-in request or benefit payment request was lodged prior to the announcement of the blackout period; and
 - b) where an individual can demonstrate that the decision to switch, roll-in or redeem a benefit is not influenced by any option-specific inside information.
- 9.5 Directors, Senior Management, all employees in the Investment Team and Compliance Team are required to confirm compliance with this Policy as part of the annual attestations. Additional employees may also be required to confirm compliance with the Policy.
- 9.6 The Compliance Team may from time to time ask for verification of trades occurring during a blackout period from the Administrator. Any unauthorised trades may lead to disciplinary action including dismissal.
- 9.7 The Compliance Team performs annual ASIC searches on all Directors to ensure consistency between roles and responsibilities disclosed on the Register of Interests and Duties and the records held by ASIC.

10 Avoiding conflicts of interest

- 10.1 If a conflict cannot be adequately managed, the conflict may need to be avoided.
- 10.2 The Board will determine on a case by case basis how a declared conflict of interest and/or duty should be avoided depending upon the situation. For example, the Fund may need to exclude certain service providers from tender processes or from providing any type of service to the Fund or request a service provider to ensure a different partner is in charge of the engagement etc.
- 10.3 To ensure that a declared conflicting interest and/or duty is avoided into the future, the service provider will be added to the list of related parties in this policy and highlighted in the staff conflicts register or Board Register of Interests and Duties. This will be monitored as part of the normal conflict monitoring process.

11 Advisers and consultants

- 11.1 Material Advisers and Consultants to the Trustee or the Fund must confirm that they have a Conflict Management Policy in place. An annual confirmation is obtained of compliance with their internal Conflict Management Policy for material outsourcing contracts.
- 11.2 When Advisers and Consultants conduct tenders for the Fund where they are shareholders or holders of other interests in the proposals, they shall declare their interests.

12 Contracting with a related party

- 12.1 CARE Super Pty Ltd may enter into contracts with related parties where the Board considers that there will be enhanced benefits for CARE Super members in so doing. Any Board decisions on related-party transactions will be made at arm's length and the resolution regarding the decision along with the means by which the relevant director or directors managed any conflict during the Board's consideration will be disclosed in the minutes.
- 12.2 For the purposes of this Policy, related parties include:
- Industry Super Holdings Pty Ltd (ISH)
 - IFM Holdings Pty Ltd
 - Industry Super Australia Pty Ltd
 - Industry Fund Services Ltd (IFS) and associated companies, including Industry Funds Investments Ltd, Super Members Investments Ltd, IFS Insurance Solutions Pty Ltd, Industry Fund Credit Control, Industry Fund Financial Planning
 - Industry Superannuation Property Trust (ISPT Pty Ltd)
 - IGIPT Pty Ltd
 - AUSfund
 - The New Daily Pty Ltd
 - A Director's spouse, de facto spouse, parent, child or a spouse or de facto spouse of that person
 - An entity controlled by one or more of the above persons
 - An entity that the Director controls
 - A standard employer sponsor or an associate of a standard employer sponsor
 - A person who acts in concert with anyone referred to above
 - A person who was a related party in the previous six months.
- 12.3 Where CARE Super Pty Ltd has invested in, or contracted with, either individually or with other funds, any entity designed to undertake investments on its or their behalf, the Trustee must:
- a) be satisfied with the ownership and control structure of that entity;
 - b) where any contractual link exists between that entity and any other related party, be satisfied as to its transparency, that the rewards to the third parties are commensurate with the intended benefit to the Fund and reflect a fair market price, and that the contract confers no benefits on any person other than those apparent to and acceptable to the Trustee.
 - c) periodically review the investment to ensure that the investment in that entity is made solely in the best interests of CARE Super. This review may include benchmarking or obtaining independent advice.
 - d) if that entity brings forward a specific proposal, the Board must be satisfied that:
 - i. the nature and extent of any interest of the Officers, Directors or employees of the entity have been fully disclosed to and approved by the Board;
 - ii. the proposal is in the best interests of CARE Super, that it has been assessed against external benchmarks and, where appropriate, independent advice has been sought; and
 - iii. a regular assessment of the benefits of the services or product provided by that entity is completed. The assessment must have regard to the cost of similar benefits available from alternative service providers, in accordance with the Outsourcing Policy on Provider Selection.

13 Soft dollar gifts

13.1 The Trustee does not pay or receive any soft dollar ('in kind') benefits.

14 Training requirements

14.1 All Directors and employees must attend training on the Policy and framework on an annual basis.

15 Roles and responsibilities

The roles and responsibilities of each party involved are outlined in the table below:

Role	Responsibilities
Board	Approves the Policy and conflicts framework Ensures that all reasonable steps are taken so that all responsible persons clearly understand and comply with the requirements of the Policy Ensures accurate records of Board decisions are maintained, including, minutes of Board (which include details of each conflict identified and the action taken to avoid or manage the conflict), board committee and other relevant meeting papers, Ensures any new responsible person is required to disclose all relevant interests and duties prior to taking up the appointment Reviews the Register of Interests and Duties at each Board Meeting
CEO	Ensures all employees are aware of and comply with the Policy and the procedures for reporting a conflict
Governance & Remuneration Committee	Performs annual review of Policy for recommendation to the Board Reviews the Register of Interests and Duties at each Committee Meeting
Compliance, Audit & Risk Management Committee	Reviews the Gift Register at each meeting (with the exception of the meeting to approve the annual accounts)
Compliance & Risk Team	Ongoing monitoring of compliance with Policy Responsible for monitoring compliance with agreed actions of each conflict and ensuring that all conflicts are accurately recorded, kept up-to-date and records maintained Provide training for the employees of the Fund on the Policy and framework
Compliance Manager	Maintains the Gift Register
Company Secretary	Maintains Register of Interests and Duties Ensures any conflict declaration made by a Responsible Person is recorded in the minutes Organises training on the Policy and framework for the Directors
Other Responsible Persons	Report potential or actual conflicts to Chair of Board or CEO
Advisers or Consultants	Provide confirmation that a Conflict Management Policy is in place for their organisation and, if a material outsourced provider, confirm on an annual basis compliance with the Policy..

16 Review of Conflicts Management Policy

- 16.1 The Policy and framework is reviewed annually by the Governance & Remuneration Committee and any changes will be recommended to the Board. The Policy is approved by the Board.
- 16.2 The Policy may also be reviewed more frequently if there are major changes to business operations of the Fund, the structure of the Trustee, major changes to service providers or responsible person changes.
- 16.3 A comprehensive review of the Policy and framework will be undertaken by an operationally independent, appropriately trained and competent person at least every three years.
- 16.4 The review will include 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 Duties and Interests; and
 - c) any non-compliance with the Policy, including steps taken to return to, and improve, ongoing compliance.