

1 Introduction

- 1.1 The Brighter Super *Conflicts Management Framework and Policy* applies to Brighter Super Trustee as a registrable superannuation entity licensee that is subject to the requirements of the *Superannuation Industry (Supervision) Act 1993 (Cth) (SIS Act)* and APRA's Prudential Standards (SPS). As trustee of a superannuation fund, it has a fiduciary relationship with all members with a beneficial interest in the fund for which it acts as trustee.
- 1.2 The trustee has an overarching obligation to act in the best financial interests of the members of the fund and to put the interests and duties of those members ahead of any other interests or duties to other parties. These obligations are reflected within the covenants within the SIS Act.
- 1.3 Under Prudential Standard SPS 521 – Conflicts of Interest (the **Standard**), a trustee must approve a conflicts management framework to ensure it identifies and takes all reasonably practicable actions to avoid, or prudently manage, all potential and actual conflicts in its operations. The key requirements of the Standard include that an RSE licensee must:
 - develop, implement, and review a conflicts management framework that is approved by the trustee.
 - identify all relevant duties and relevant interests; and
 - develop registers of relevant duties and relevant interests.

2 Identification of Conflicts

- 2.1 In order to appropriately identify, manage and monitor conflicts of relevant interests and duties, the trustee takes a proactive and coordinated approach. Disclosure of potential conflicts is required by Directors, Responsible Persons, and employees on their appointment and on an ongoing basis. In the management of a fund, Responsible Persons must actively consider conflicts in their dealings with service providers, entities, and stakeholders, employ appropriate controls and implement mitigating actions.
- 2.2 All persons who wish to nominate for Director positions and other Responsible Persons are required to submit, prior to their appointment, a statement disclosing any positions held with other entities, any other significant financial or non-financial interest which could impact on their duties, and any personal interests which could impact their duties (including interests of the person's partner and dependents) (**Conflicts Statement**). The purpose of the Conflicts Statement is to assist in assessing any actual, potential, or perceived conflicts that the person proposed for a position (**Candidate**) may have, so as to inform the Board's consideration of the appropriate tools for managing any identified actual, potential, or perceived conflicts that arise from the relationships disclosed.
- 2.3 All employees must declare any conflicts of interest prior to accepting employment with the trustee or its related entity.
- 2.4 The trustee keeps a register of interests and duties on an on-going basis. For Directors and Responsible Persons, the register of interests and duties is maintained by the Company Secretary and tabled at each Board meeting.
- 2.5 On an ongoing basis, Directors, Responsible Persons, and employees identify and notify the Company Secretary of any new conflicts that may affect them personally. Any conflicts, whether personal or in relation to the trustee's business operation or fund, should be raised as and when they become apparent and as soon as the person becomes aware of them.
- 2.6 As a standing agenda item in Board or Board Committee meetings, Directors and other Responsible Persons must declare any conflict relating to a matter to be considered at that meeting. The matter must be recorded in the minutes and appropriate register in accordance with this Policy. Where possible, the potential conflict should be raised before the meeting so that an appropriate strategy to manage the conflict (such as the conflicted

individual being excused from the particular agenda item) can be considered.

- 2.7 All Board members and other Responsible Persons complete an annual declaration which discloses:
- a) employment, Directorships, and other remunerated services with any stakeholder of the trustee (for example, employers, industry bodies, unions, State Government, and their associated bodies).
 - b) employment, Directorships, and other remunerated services with any organisation that has, or is seeking, a business relationship with the trustee or its related entities.
 - c) any other remunerated position they hold with another organisation, whether as an employee, contractor, or Director as it could impact their ability to give priority to members' financial interests.
 - d) whether they are a member or policy holder of Brighter Super, TAL Life Limited or Zurich Australia Limited; and
 - e) any other financial or non-financial interests that appear to raise or could foreseeably raise a conflict between the interest and the person's responsibilities to the funds' members including any financial benefit derived from an entity that provides services to the trustee.

These declarations will be entered into the *Relevant Interests and Relevant Duties Register*.

- 2.8 In accordance with regulatory requirements, a copy of the *Relevant Interests and Relevant Duties Register* must be disclosed on the fund's website for the information of members.
- 2.9 Upon request, the *Relevant Interests and Relevant Duties Register* must be provided to APRA.

3 Conflicts Management

- 3.1 The Brighter Super Group has developed tools including registers, policies, and internal procedures to assist in the identification, management and monitoring of conflicts that might arise in the course of business. Strategies to manage identified conflicts include disclosure, control monitoring and avoidance.

3.2 Conflicts Review – New Executives / Directors / Responsible Persons

- 3.2.1 The following conflicts review procedure will apply in respect of each Candidate prior to their appointment:
- 3.2.2 The Candidate's Conflicts Statement will be circulated to the Board and senior staff and submitted to the Conflicts Investigation Committee (**Committee**).

The Committee will consider:

- (A) the extent to which any relationship disclosed in the Conflicts Statement is an actual conflict, a potential conflict in foreseeable circumstances, or may be a perceived conflict, which may impact (or may be perceived to impact) on the Candidate's performance of their duties; and
- (B) if such a conflict is identified, any appropriate controls.

- 3.2.3 The conflicts review procedure will also be applied where:

- (i) a Director provides an updated Disclosure Statement which discloses an additional position, and the additional position gives rise to a conflict (actual, potential or perceived).
- (ii) there is a change to Brighter Super Group's arrangements (for example, appointment

of a new service provider) that gives rise to a conflict (actual, potential or perceived) for a Director having regard to that Director's Disclosure Statement.

4 Disclosure of Gifts, Benefits and Hospitality

- 4.1 The Trustee maintains a *Gifts, Benefits and Hospitality Register* which records all gifts and hospitality disclosed by Responsible Persons or staff of the trustee.
- 4.2 Any gifts, benefits or hospitality received or offered by a Responsible Person or employee above \$1,000 will be disclosed in the Register of relevant interests and duties as published on the fund's website.
- 4.3 Any offers of gifts, benefits or hospitality must be refused in the following circumstances:
 - 4.3.1 where the gift, benefit or hospitality is made by an organisation which, at the time of offer, was engaged in, or preparing to engage in, negotiations for the provision of products or services to the Trustee.
 - 4.3.2 where the gift is in the form of cash or cash equivalent gifts; and
 - 4.3.3 where the gift, benefit or hospitality would enable a person to obtain an unfair advantage.

5 Review of Conflicts Management Framework and Policy

- 5.1 The *Conflicts Management Framework and Policy* will be reviewed regularly.
- 5.2 At least once every three years, the *Conflicts Management Framework and Policy* will be comprehensively reviewed for appropriateness, effectiveness, and adequacy by operationally independent and competent persons.
- 5.3 This Comprehensive review will include, at a minimum, an assessment of the following:
 - 5.3.1 whether all relevant duties and relevant interests have been identified and addressed in accordance with the *Conflicts Management Framework and Policy*.
 - 5.3.2 the level of compliance with the *Conflicts Management Framework and Policy*, including reporting on the registers of relevant interests and relevant duties; and
 - 5.3.3 any non-compliance with the *Conflicts Management Framework and Policy*, including steps taken to restore and improve ongoing compliance.