Conflict Management Framework

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<th>Version</th>
<th>Revision Date</th>
<th>Current State</th>
<th>Author(s)</th>
<th>Revision Notes</th>
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<tr>
<td>1.0</td>
<td>December 2012</td>
<td>Approved</td>
<td>Manager Risk &amp; Compliance</td>
<td>Incorporated APRA comments</td>
</tr>
<tr>
<td>2.0</td>
<td>March 2013</td>
<td>Approved</td>
<td>General Counsel</td>
<td>Incorporated APRA comments</td>
</tr>
<tr>
<td>3.0</td>
<td>May 2013</td>
<td>Approved</td>
<td>General Counsel</td>
<td>Minor changes</td>
</tr>
<tr>
<td>4.0</td>
<td>January 2014</td>
<td>Approved</td>
<td>General Counsel</td>
<td>• Minor Changes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Updated Register</td>
</tr>
<tr>
<td>5.0</td>
<td>June 2014</td>
<td>Approved</td>
<td>General Counsel</td>
<td>• Comprehensive</td>
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1. Introduction

Vision Super Pty Ltd (RSE L0000239 ABN 5008292456) (“VSPL”) is currently trustee and administrator of the Local Authorities Superannuation Fund (the “Fund”), and is holding company of Pooled Super Pty Ltd which is trustee of the Vision Pooled Superannuation Trust (“PST”). VSPL is a Registrable Superannuation Entity (RSE) Licensee.

Use of Group Policies

Based on footnote 4 of SPS 530, an RSE licensee is part of a corporate group where the RSE licensee is part of a “group” comprising of the RSE licensee and all connected entities and all related bodies corporate of the RSE licensee where “connected entity” has the meaning given in section 10(1) of the SIS Act and “related body corporate” has the meaning given in section 50 of the Corporations Act 2001.

Under section 10(1) of the SIS Act, a “connected entity”, in relation to an RSE licensee of a registrable superannuation entity, means:

(a) a subsidiary of the RSE licensee (where the RSE licensee is a body corporate); and
(b) any other entity of a kind prescribed by the regulations. Currently there does not appear to be any prescribed entities listed in the SIS regulations.

Under section 50 of the Corporations Act 2001, where a body corporate is:

(a) a holding company of another body corporate; or
(b) a subsidiary of another body corporate; or
(c) a subsidiary of a holding company of another body corporate;

the first mentioned body and the other body are related to each other.

Based on the above, PSPL is a subsidiary of VSPL and is therefore a connected entity of VSPL under the SIS legislation. In addition, PSPL is a subsidiary of VSPL under the Corporations Act and therefore the two companies are related bodies corporate of each other. On this basis, VSPL and PSPL are part of a group for the purposes of paragraph 7 of the SPS 530.

As VSPL and PSPL are part of a corporate group, group policies and functions can be used provided the respective boards have agreed to this having regard to their respective RSE licensee business operations.

VSPL and PSPL acknowledge that their boards are ultimately responsible for this policy applying to their RSEs. VSPL and PSPL will review on a regular basis (at least annually) whether the continued use of group policies is appropriate.

2. Objectives of the Framework

The overall objective of this framework is to document how the Vision Super group will provide an effective structure to ensure that:

- Relevant duties and relevant interests are identified
- Conflicts of interest or duty (including potential and perceived conflicts) that may affect the trustees, the Boards of Directors of the trustees, other responsible officers of the trustee and staff are identified; and
- Identified conflicts are managed in an appropriate, effective and consistent manner.

Specifically, the objectives of the framework are to:
• Address the requirements of section 912A of the Corporations Act 2001 (Cth) and ASIC Regulatory Guide 181 Licensing: Managing Conflicts of interest;
• Address the requirements of section 52A, section 52(2)(d) and section 52(2)(e) of the Superannuation Industry (Supervision) Act 1993 (Cth) and APRA SPS 521 Conflicts of Interest;
• Ensure that the importance of recognition and proper management of conflicts is understood by all Responsible Persons. A Responsible Person is:
  – A director of VSPL;
  – A secretary of the VSPL;
  – A senior manager of VSPL;
  – An auditor who is appointed to conduct an audit of the Fund and/or the PST;
  – An actuary who is appointed to perform an actuarial function; and
  – A person who performs activities for a connected entity of the trustees where those activities could materially affect the whole, or a substantial part, of the trustees’ business operations, or financial standing, either directly or indirectly;
• Provide guidance on the matters or circumstances that will or may give rise to conflicts of interest or duty;
• Detail the strategies that have been identified as being generally appropriate for the management of conflicts;
• Detail the framework for determining how specific conflicts that are identified will be managed
• Provide examples of how conflicts that may arise in certain circumstances may be managed; and
• Describe processes for the ongoing monitoring and management of conflicts and this framework.

3. What is a Relevant Duty and Relevant Interest?

A “Relevant Duty” refers to any duty owed by the trustees, or a Responsible Person of the trustees, to beneficiaries or to any other person that the trustees have determined to be relevant.

A “Relevant Interest” of the trustees, an associate of the trustees or a Responsible Person of the trustees refers to any interest, gift, emolument or benefit, whether pecuniary or non-pecuniary, directly or indirectly held by the trustees, the associate or the responsible person that the trustees has determined to be relevant.

4. What is a Conflict?

For the purposes of this Conflict Management Framework, a reference to a “conflict” is a reference to a conflict:
• Between the duties owed by a trustee, or a Responsible Person of a trustee, to beneficiaries and the duties owed by them to any other person;
• Between the interests of beneficiaries and the duties owed by a trustee, or a Responsible Person of a trustee, to any other person;
• Between an interest of a trustee, an associate of a trustee or a Responsible Person or an employee of a trustee, and that trustee’s duties to beneficiaries; and
• Between an interest of a trustee, an associate of a trustee or a Responsible Person or an employee of a trustee and the interests of beneficiaries.

5. Importance of Managing Conflicts

Conflicts of interest or duty for a company or person can interfere with the proper and unbiased exercise of judgement. If not managed appropriately, conflicts of interest or duty can affect the integrity of decisions made. For a trustee this can mean a breach of fiduciary obligations to members, breach of relevant laws and significant adverse effects on its reputation and, consequently, its business.

All Responsible Persons must remember that each trustee has a fundamental duty to act in the interests of members of the Fund or the PST, as the case may be. Further, Responsible Persons are required to avoid conflicts between their own interests and those of their beneficiaries. In the event that any conflict arises, Responsible Persons are required to place the interests of their beneficiaries first.

This Framework has, therefore, been adopted by the Boards to provide guidelines for all Responsible Persons on the management of conflicts of interest. It is essential that all Responsible Persons are familiar with this Framework and vigilant to ensure that each trustee adopts the highest standards of corporate governance in the effective management of conflicts.

Conflicts can be of two main types.

Conflicts of interest: A conflict of interest arises when the interests of one party to a relationship or transaction diverge from, or are in conflict with, the interests of another party to that relationship or transaction.

For example, the personal interests of a company which is a trustee may diverge from those of the fund members. A simplistic example of this may be that the trustee company may have a personal interest in increasing the fees paid by fund members, which may conflict with members' interests in paying lower fees.

For Responsible Persons making decisions for a trustee, the potential for conflicts of interest include situations where the person has a direct and personal interest in a matter, which may or may not actually conflict with members' interests, but which prejudices their ability to exercise independent and objective judgement on the matter. This can arise, for example, if a person is a member of the Fund and has to make decisions that affect members generally. In this case their own interest as a member may limit their ability to consider the matter objectively having regard to the interests of all members.

Conflicts of duty: A conflict of duty arises when a duty owed to one entity or group of persons diverges or may diverge from a duty owed to another entity or group of persons, or when a person has competing loyalties. Examples can include:

• Where a company director who is appointed to that position by a particular company or organisation has an allegiance to the appointed body which conflicts with their duty to act in the interests of the company. This can be particularly relevant for Employer and Member Directors, and is discussed in detail below; and

• A person is a Responsible Person of two companies and is making a decision for each on a transaction between them. A specific example of this that often arises in financial institutions which include a number of separate entities is where there are outsourcing arrangements or cross investments between various entities within the group, or where assets may be transferred from one entity to another.

Conflicts may be actual, potential or perceived.
**Actual** conflicts (where the conflict already exists) must clearly be managed appropriately. However, where possible it is preferable to identify and manage **potential** conflicts appropriately before the actual conflict becomes an issue – it will often be much easier and more effective to put procedures in place on a matter to avoid the conflict arising, than it is to try to deal with it once the conflict has arisen.

**Perceived** conflicts are matters where, technically, no conflict may exist if the matter is analysed thoroughly, but there is a perception in the minds of others that there is a conflict. Given that one of the consequences of a failure to manage conflicts well is reputational damage, it is important that perceived conflicts are recognised and dealt with in a manner that gives members of the Fund and the world at large confidence that the decision is not tainted by matters that may be perceived as conflicts.

For example, there could be a perception of, but not an actual, conflict if a company within a group proposed to appoint an outsourced provider with whom a Responsible Person had some association. If the Responsible Person was in no position to influence the provider’s decision making, and had no personal interest in or benefit from the appointment, there would be no actual conflict. However, it would be prudent for the Responsible Person to manage the perceived conflict that arises from the fact of his or her association with potential provider in the same way as if a conflict actually existed.

### 6. Policy Statement

The Vision Super group is committed to ensuring that relevant duties and interest are identified and that conflicts are properly managed in order to comply with the fiduciary responsibilities of companies within the group and the law, and to meet best practice standards of corporate governance. **Appendix A** provides a summary of the legal duties relating to conflicts of interest or duty.

A relevant duty or a relevant interest is one that might reasonably be considered to have the potential to have a significant impact on the capacity of a trustee, the associate of a trustee or the Responsible Person with the relevant duty or holding the relevant interest, to act in a manner that is consistent with the best interests of beneficiaries.

Proper management of conflicts is regarded as the early identification of potential, actual and perceived conflicts, and the use of strategies to avoid or manage the conflict, so as to effectively eliminate or minimise the risk that a conflict might adversely affect the interests of the members of the Fund or the PST, as the case may be, and the quality and integrity of trustee decisions and the financial services we provide.

This policy has been adopted by the Boards and is to be applied to the management of conflicts across all companies and entities within the Vision Super group.

The policy is to ensure the effective management of conflicts through:

- Identification of the conflict;
- Employing a recognised range of strategies for managing conflicts that can be used as required for the relevant circumstances;
- Implementing a clear and consistent framework for determining the management strategies to be applied to a given conflict;
- Reviewing the effectiveness of the management controls implemented; and
- Requiring incoming personnel to disclose all relevant duties and interests prior to or upon taking up an appointment.
6.1 Identification of Conflicts

It is critical to the effective management of conflicts that:

- The circumstances and types of issues that may give rise to conflicts are understood by all Responsible Persons; and
- Relevant conflicts (whether actual, potential or perceived) are identified as early as possible, and, preferably, before they actually arise.

Essentially identification of conflicts must rely on the vigilance of all Responsible Persons who must be sufficiently aware of the circumstances of the group’s business, the roles and responsibilities of each company, their personal role and their personal circumstances to be able to recognise when a conflict may arise. Appendix B provides a list of situations which have been identified as a potential source of conflicts, as well as indicating the management strategies that are, generally, likely to be appropriate in these instances.

It is the obligation of all Responsible Persons to advise the person responsible for the oversight of conflicts management (Conflicts Officer) as soon as they become aware of any circumstance which gives rise to a conflict or potential or perceived conflict, either for them personally, or for any entity within the group.

In addition, all Responsible Persons will need to consider whether any conflicts exist through regular declarations, which may include:

- Declarations of interest to be made at the commencement of each Board and Board Committee meeting;
- Declarations in relation to gifts and entertainment;
- Regular compliance sign offs; and
- Regular declarations regarding personal investments and trading by staff involved in the Fund’s investments, including members of the Investment Committee.

It is important that conflicts (including potential and perceived conflicts) are identified as early as possible. If any Responsible Person is in doubt as to whether they or an entity within the group faces a conflict on a particular matter, they should consult the Conflicts Officer, their manager, the Company Secretary or the Chief Executive Officer. Where necessary, the Conflicts Officer will arrange for appropriate external advice to be obtained to assist in determining whether there is a conflict or potential conflict, and appropriate management strategies.

6.2 Strategies for Managing Conflicts

Various strategies may be used to manage conflicts, and the appropriate approach in each case needs to be determined having regard to the specific circumstances. As a general rule, the three main strategies used are disclosure, control and avoidance. These approaches may be used individually or in combination, depending on what is appropriate for the particular circumstances.

In summary, these approaches involve the following:

- Disclosure

Certain conflicts can be managed through the clear concise and effective disclosure of the conflict. This involves informing the relevant parties (including, where applicable, Fund members or unit holders, other Board members or other parties to, or persons affected by, a transaction or matter giving rise to the conflict) about the nature of the conflict, with enough detail to indicate how the conflict might affect them. It is preferable that the disclosure should be in writing, it must be given in a timely and effective manner having regard to the
recipients and it must not be vague or confusing. Disclosed conflicts are to be captured within the register of duties and interests. Appendix C contains this register. Where disclosure of a conflict is required to Fund members or unit holders, it may be provided through the product disclosure statement, member annual statement or any other form of written communication.

Practical issues may arise where the conflict is in relation to a matter which is commercially sensitive, and this will need to be taken into account in determining the nature, extent and timing of disclosure.

- **Control**

Some business structures or transactions are such that they inherently give rise to the potential for a conflict of interest. For example, this will generally be the case where there are commercial dealings between related parties.

Depending on the nature of such conflicts, it may be possible to control them so that they do not compromise the quality or integrity of decision making, compliance with relevant laws or the services provided to Fund members and unit holders. For example, this is often done through the use of effective information barriers (“Chinese Walls”), which ensure that the interests of each party are considered by separate staff members, and that relevant information is appropriately quarantined.

- **Avoidance**

Avoidance of the conflict will be necessary where there are no available means of managing it appropriately. Avoidance simply means that the circumstances giving rise to conflict must not be allowed to occur. For example, the transaction cannot be entered into, or a person with several conflicting roles or offices might need to resign from some of them to prevent the conflict occurring.

### 6.3 Assessing the Approach to be Applied

The approaches for managing conflicts listed above are not mutually exclusive and may often be used in combination to manage a particular conflict.

To determine which of these approaches (or which combination of approaches) will be most effective and appropriate in relation to a given conflict the following factors will be taken into account:

- The seriousness of the conflict
- The likelihood of the conflict impairing the quality or integrity of the decision or service or resulting in Fund members or unit holders being disadvantaged;
- The extent to which the conflict may impair the quality or integrity of the decision or service or resulting in Fund members or unit holders being disadvantaged;
- The impact on Fund members or unit holders if the conflict does impair the quality or integrity of the decision or service or result in Fund members or unit holders being disadvantaged;
- The risk to the reputation of the Vision Super group or the Fund if the conflict is not managed effectively and appropriately;
- Whether there are any options for the effective management of the conflict which may, as a matter of practice, be implemented; and
- The cost, administrative issues and commercial implications of implementing effective management approaches, relative to the risk created by the conflict.
To ensure consistency with the risk assessment procedures under the Risk Management Framework, the following “impact” approach will be applied in assessing conflicts.

<table>
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<th>Ranking</th>
<th>Impact on members</th>
<th>Compliance</th>
<th>Reputation</th>
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<tr>
<td>One</td>
<td>The conflict(s) put the interest of the licensee (or its representatives) ahead of members and cannot be mitigated.</td>
<td>The conflict(s) poses a serious breach of regulation, law or policy that may result in a restriction on the business by the regulator.</td>
<td>The conflict(s) poses a serious threat to reputation if publicly disclosed.</td>
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<tr>
<td>Two</td>
<td>Some of the conflict’s impact on members can be mitigated or controlled, but some impact will remain.</td>
<td>The conflict(s) poses a breach of regulation, law or policy that may result in a sanction or penalty.</td>
<td>The conflict(s) poses a possibility of negative press coverage if publicly disclosed.</td>
</tr>
<tr>
<td>Three</td>
<td>The conflict(s)’s impact on the interests of members is minimal.</td>
<td>The conflict(s) poses a minor breach of regulation, law or policy that is unlikely to result in a sanction or penalty.</td>
<td>No damage to reputation is likely.</td>
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Ranking conflicts on these criteria will assist in determining the potential impacts and risks of the conflict for the purposes of determining the appropriate management approaches.

6.4 Materiality

VSPL will determine a dollar amount to be applied in ascertaining whether conflicts of interest are considered to be material. VSPL will consider whether a personal interest of that dollar amount is likely to have a significant impact on the capacity of the person holding the interest to act in the best interests of Fund members.

VSPL will periodically review the dollar amount having regard to the Vision Super group operations and the Fund’s circumstances from time to time.

Until further review, the dollar amount determined by the Boards is $500 or where the interest is a private or public shareholding, 10% of shares on issue (whether direct or indirect).

7. Roles and Responsibilities

7.1 Conflicts Officer

The person designated as the Conflicts Officer will have primary responsibility, in consultation with the Chief Executive Officer, for formulating effective arrangements for managing conflicts and reviewing those arrangements to ensure their ongoing adequacy.

The Conflicts Officer will also provide guidance on conflicts management generally.

Note that the Conflicts Officer role will form part of the General Counsel’s responsibilities with additional coverage, where appropriate, from the Manager Compliance and Risk.

7.2 Audit, Risk and Compliance Committee (ARCC)

The ARCC is responsible for reviewing the policy and any changes to the framework or processes around managing conflicts that are recommended by the Conflicts Officer. The ARCC will also have oversight of the implementation and framework.
7.3 Board

The Boards are responsible for approving the framework and any changes made to the policy pursuant to any recommendations by the ARCC.

7.4 All Responsible Persons

All Responsible Persons, including consultants appointed to any Board Committee (if any), have direct personal responsibility to identify and report conflicts, including potential and perceived conflicts, that affect them, to comply with this Framework and ensure that controls and management practices determined under this Framework are adhered to and implemented to the best of the person's ability.

8. Framework for Conflicts Management

8.1 Identification of Operational Conflicts

- Individual Responsibility on an Ongoing Basis

Each Responsible Person (including external consultants on Board Committees, if any) is required to identify and report conflicts or potential conflicts that affect them personally, or that they become aware of in relation to the Vision Super group's activities on an ongoing basis as and when they occur.

For example, this may include conflicts arising from personal interest which the person has in the matter, such as where a company within the group may be contracting with a company with which a close relative of the Responsible Person is associated, or where an investment is proposed by the Fund or the PST in an entity with which the person has an association or is personally interested.

- Regular Reporting Opportunities

In addition, all Responsible Persons will be provided with regular opportunities to consider and report matters that do or may give rise to conflicts. These opportunities will include the matters listed in item 4.1 above.

8.2 Reporting Conflicts

Any person who has, or is aware of, a conflict or potential conflict or suspects that they have or are aware of something that may be a conflict, is required to report the matter to the Conflicts Officer.

The Conflicts Officer will develop and maintain a Register of Duties and Interests which will be a standing item at each Board and ARCC meeting.

8.3 Formulating Conflicts Management Arrangements

The Conflicts Officer will assess all identified and reported conflicts and potential conflicts, including conflicts identified from regular reporting opportunities for all staff.

It is the responsibility of the Conflicts Officer to assess every reported conflict and potential conflict to consider an appropriate management strategy, having regard to the factors listed in item 4.2 above and an evaluation of the adequacy of any measures currently in place for management of that conflict or potential conflict.

After reviewing a reported conflict or potential conflict, the Conflicts Officer will determine, in consultation with either or both the Chief Executive Officer and the Chairman, how the conflict or potential conflict should be managed. The Conflicts Officer will be responsible for
advising relevant staff of the management strategies determined in relation to that conflict or potential conflict, monitoring their implementation and reporting to the ARCC.

**Appendix B** provides examples of circumstances that have been identified as having the potential to give rise to conflicts of interest, and the management strategies that may be appropriate for them. This should not, however, be regarded as providing a definitive list of all the potential conflicts, or of necessarily describing the most appropriate management strategy. Appendix B is a guide only to how the general principles outlined in this Framework may be applied, and each conflict or potential conflict that is identified must be considered and managed having regard to its own particular circumstances.

**8.4 Management of Conflicts**

Where it is identified that a Responsible Person has a conflict in relation to a particular matter, or a conflict that affects the overall performance of their duties, the Conflicts Officer is responsible for assessing the potential impact of the matter and ways in which it may be managed appropriately. The Conflicts Officer will manage the ongoing evaluation of the conflict and escalate it, where appropriate, to the Chief Executive Officer and/or Chairman.

The Chief Executive Officer (in the case of conflicts affecting employees and Responsible Persons, other than the Chief Executive Officer themselves) and the Chairman (in the case of conflicts affecting Directors and the Chief Executive Officer) will be responsible for determining the appropriate management strategies to be adopted in relation to conflicts, having regard to the circumstances of the matter, this Framework and the recommendations of the Conflicts Officer and other external advisors (if applicable). For conflicts involving the Chairman the Chair of the ARCC will be responsible.

Nothing in this policy limits the obligations of Directors to disclose conflicts in accordance with the Corporations Act or restricts each Board’s prerogative to establish specific procedures (consistent with this policy) for regulating Directors’ conflicts.

**8.5 Conflicts with Service Providers**

The Vision Super group monitors all potential and actual conflicts of interest and conflicts of duty of its existing or prospective service providers or advisers by ensuring that Responsible Persons assess:

- Whether a material relevant interest exists or is likely to exist; and
- If they do identify a material relevant interest, whether a conflict on the part of the service provider exists or is likely to exist.

Where the Conflicts Officer considers that a conflict exists or is likely to exist, they arrange for the conflict to be managed in accordance with this Conflict Management Framework.

**8.6 Employer and Member Directors**

The Board of VSPL is structured to comply with the equal representation requirements of SIS, and so include an equal number of “Employer Directors” being Directors nominated by employers whose employees participate in the superannuation fund, or are nominated by employer representative bodies, and “Member Directors” being Directors who must themselves be members of the Fund or who are appointed by the Australian Services Union (ASU).

These Directors may, therefore, face conflicts, including potential and perceived conflicts, of interest or duty in dealing with the many matters that are determined by the Boards, the Board Committees which affect members generally, or employers.
This Framework recognises the fact that a Director being a Fund member, or an Employer Director or Member Director, does not necessarily, and of itself, mean that the Director has a conflict of interest and should be disqualified from participating in Board decisions on all such matters.

Rather, a Director will be regarded as conflicted where he or she has a direct and personal interest in the relevant matter.

Where a Director has a direct and personal interest in a matter before the Boards or a Board Committee, full details of the matter must be disclosed by the Director. Where possible, disclosure should be made to the Company Secretary prior to the relevant meeting, and in all cases it should be made to the relevant meeting. As a general principle, it would be appropriate in these circumstances for the Director to request that he or she is not provided with any information in relation to the matter, absent themselves from the meeting and abstain from participating in any consideration or decision on the matter. It is, however, the primary responsibility of the Director concerned to consider whether he or she believes that the matter is one on which they cannot exercise independent judgement. If, after proper consideration, the Director considers that the conflict does not affect their ability to give the matter proper and independent consideration, they should disclose this fact to the meeting, and, with the agreement of the meeting, it may be appropriate for the relevant Director to remain in the meeting and, possibly, participate in the discussion or voting on the matter.

In any case where the Chairman of the Board or a relevant Committee, or any other Director, considers that a Director may have a direct and personal interest in a matter, the Chairman of the Board or Committee should discuss the issue with the relevant Director, having regard to any advice from the Conflicts Officer or independent legal or other advice which the Chairman may consider it necessary to obtain. In any circumstances where, after discussion, there is disagreement as to whether or not a Director has direct and personal interest which gives rise to a conflict, the manner in which the conflict is to be managed including the ongoing participation of that Director in the consideration and determination of that matter, will be determined by the relevant Board or the relevant Committee.

By way of illustration, circumstances where a Director might be considered to have a conflict or potential conflict of interest which should be managed in accordance with these principles include where a Board or Committee decision is to be made that:

- Specifically affects the Director as a member of a Fund (either individually or as one of a class of members);
- Affects an entity that is an employer in relation to a Fund, where the Director is in a management position within the employer which could or might be relevant or result in the Director having information regarding the employer's decisions in relation to superannuation;
- Concerns any third party with which the Director is associated, for example where the entity might be engaged as a service provider or professional advisor; or
- Concerns a third party in relation to which the Director, in another capacity, has some association and, accordingly, has knowledge which may give rise to a conflict of interest.

9. Reporting

Responsible Persons must report any breaches of this policy or the approved conflicts management arrangements to the Conflicts Officer. Responsible Persons should also report any apparent and unmanaged conflicts to the Conflicts Officer.

The Manager, Risk and Compliance will advise the Conflicts Officer of any complaints or breaches which raise conflicts management issues. The Conflicts Officer will review these
complaints or breaches and make recommendations for rectifying the matter. Rectification may include:

- Further or targeted training;
- Modification or upgrading of conflicts management arrangements; and/or
- In extreme cases, disciplinary action or termination of offending personnel.

If during the course of investigation of any potential conflict, the Conflicts Officer believes there has been a breach of law, relevant trust deeds or regulatory licences, the Conflicts Officer will report the issue to the Manager, Compliance and Risk for independent determination of a breach.

10. Training

This framework will be provided to all Responsible Persons, and discussed during induction training.

An overview, and a discussion of the effects of any amendments to the framework will also be provided to all Responsible Persons at least annually.

11. Review

This Conflicts Management Framework will be subject to comprehensive review at least every 3 years. This review must be conducted by a person who is operationally independent, appropriately trained and competent. It will also be reviewed periodically but at least once every year. The Conflicts Officer is responsible for conducting the review and submitting recommendations to the ARCC. The ARCC will consider the Conflicts Officer’s recommendations and report the results of this review to the Boards.

At a minimum, the comprehensive review of the Conflicts Management Framework must consider:

- Whether all relevant duties and all relevant interests have been identified and are being addressed in accordance with the Conflicts Management Framework;
- The level of compliance with the conflicts management policy, including reporting on the registers of relevant duties and relevant interests; and
- Any non-compliance with the conflicts management policy, including steps taken to return to, and improve, ongoing compliance.

12. Effective Date

This Framework is effective from date of Board approval and remains in force until it is revised or superseded.

By Resolution of the Boards at the meetings held on 27 June 2014
Appendix A

Legal Duties Relating to Conflicts

This schedule summarises the sources of legal duties relating to conflicts of interest or duty.

Fiduciary Duties

Under the general law and SIS:

- Each trustee owes fiduciary duties to the members or unit holders of the relevant fund and any other beneficiaries; and
- A trustee has fiduciary obligations to the members or unit holders of the relevant funds.

A fiduciary is in a position of trust and confidence and must act with utmost good faith in the sole interests of those to whom the obligation of absolute loyalty and honesty is owed.

Specific fiduciary duties include:

- To act in the best interests of beneficiaries (i.e. Fund members and unit holders)
- To act for a proper purpose (and not with any ulterior motive)
- Not to profit from fiduciary office except as expressly authorised
- To avoid being in a position where there is a conflict of interest or conflict of duty.

SIS

SIS imposes statutory duties on trustees and their directors:

- To act honestly in all matters concerning the Fund and the PST;
- To exercise in all matters affecting the Fund and the PST, the same degree of care, skill and diligence as an ordinary prudent person would exercise in dealing with the property of another for whom the person felt morally bound to provide;
- To ensure that the trustee’s duties and powers are performed and exercised in the best interests of the beneficiaries;
- Not to enter into any contact, or do anything else, that would prevent the trustee from, or hinder the trustee in, properly performing or exercising the trustee’s functions and powers.

Corporations Act Duties

Under the general law and the Corporations Act directors and officers owe duties to each company:

- To exercise the degree of care and diligence that a reasonable person in those circumstances and with the same responsibilities would exercise;
- To act in good faith and in the best interest of the relevant company and for a proper purpose;
- To avoid conflicts of interest (defined as any real or sensible conflicts the Directors may have with their other duties or personal interests) and disclose any material personal interest;
- Not to improperly use their position or any information that comes into their possession in the course of holding office for their own advantage or to cause detriment to the company.
Appendix B

Examples of circumstances that may give rise to conflicts and potential management strategies

<table>
<thead>
<tr>
<th>Conflict</th>
<th>Management Mechanism</th>
<th>Management Process</th>
</tr>
</thead>
</table>
| Misuse of Information | Control | • Reports of employee investment switches may be obtained for review by the CEO option.  
• Any evidence of misuse of information would be dealt with by disciplinary action in the absence of a reasonable explanation.  
• Staff can only complete manual switches and have a 48 hour delay before the switch is actioned.  
• Staff switches can only be processed by authorised officers. |
| Investment Management | Control | • Internal guidelines stipulate that the Vision Super group will not allow the use of “soft dollar” arrangements by investment managers.  
• PSPL’s standard form of Investment Management Agreement does not permit the use of “soft dollar” arrangements. |
| Service Providers | Avoid | • Different audit firms are used for internal and external audit function.  
• External audit firms are used only for non-audit services in limited circumstances. |
| Competing Interests | Avoid | • Personal interests must be declared and the person must not take any part in the decision making process and/or transaction.  
• Decisions must only be made in the best interests of Fund members and unit holders as a whole. If a decision maker is unable to comply with this requirement, he or she must abstain from participation in the particular decision. |
<table>
<thead>
<tr>
<th>Conflict</th>
<th>Management Mechanism</th>
<th>Management Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee or adviser to another organisation with which Vision Super Group companies may transact or in which they may invest.</td>
<td>Control</td>
<td>• Where it is necessary for the two companies to deal at arms length, Directors / officers who have participated in a decision on behalf of one company must not participate in that decision on behalf of the other company. Alternate Directors may need to be appointed in this instance.</td>
</tr>
</tbody>
</table>
| **Joint directorships / management positions** Certain directors or executive officers may have roles with various Vision Super Group companies. This creates a potential conflict of duty between the obligations owed to both entities. | Control | • The Risk and Compliance team is separate and independent from the operational aspects of the business.  
• The General Counsel and the Risk and Compliance Manager have direct access to the CEO and to the Chair of the ARCC. |
| **Independence of the Risk and Compliance function** The judgement of the employees in the Risk and Compliance function may be compromised if they are also involved in the operation of the business. | Disclose and Control | • VSPL and the planner clearly disclose the fee arrangements between them in their disclosure documents.  
• VSPL planners are authorised representatives of external licensees and must comply with obligations to the licensee. |
| **Financial Planning** This creates a conflict between VSPL’s Trustee’s interest in retaining and maximising funds under management by having an affiliated financial planner to promote the superannuation Fund and Fund members’ interests in receiving appropriate advice for their circumstances. | Disclose and Control |  |
Appendix C

Register of Duties and Interests.

**Relevant Duties**

All Responsible Officers have a duty to record any actual or potential conflict of duties at the commencement of their service with the Vision Super group and on an annual basis. Where an actual or potential conflict of duty is identified it will be managed according to the Conflict Management Framework (i.e. disclosure, control or avoidance).

### Duties of Responsible officers - June 2014

<table>
<thead>
<tr>
<th>Name:</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephen Rowe – CEO</td>
<td>The CEO is directly accountable to the Boards for the on-going leadership and executive management of the organisation, particularly operational, financial, and investment performance, strategic planning, risk management, products and services, marketing, communications, regulatory compliance, human resources, and industrial relations.</td>
</tr>
<tr>
<td>Peter Rowe – COO</td>
<td>To be responsible for the superannuation administration, insurance, Information Technology, superannuation administration systems and providing strategic advice and assistance to the Chief Executive Officer in all superannuation matters including policy and legislation and product design.</td>
</tr>
<tr>
<td>Noelle Kelleher – CFO</td>
<td>To be responsible for financial matters and compliance responsibilities of the Vision Super group, and to provide strategic advice and assistance on all related matters pertaining to the Fund. To lead all staff reporting to this role so that they form an effective and cohesive team that achieves their own objectives, and the goals of the organisation. To meet organisational aims of providing quality service to clients of the Vision Super group in compliance with business rules and related laws. To be a Director of Quadrant First Pty Ltd. As part of the Conflict Management Framework, this has been identified as a potential conflict of duty. This is being managed by disclosure of actual or potential conflict of duty at the commencement of all Quadrant First Board Pty Ltd meetings. This position is not a Director of Vision Super Pty Ltd.</td>
</tr>
<tr>
<td>Julia Pryor – General Counsel and Company Secretary</td>
<td>To be responsible for all legal, compliance and governance functions of the Vision Super group, and to provide strategic advice and assistance on all related matters relating to the Fund and the PST. To lead all staff reporting to this role so that they form an effective and cohesive team that achieves their own objectives, and the goals of the organisation. To meet organisational aims of providing quality service to clients of the Vision Super group in compliance with business rules and related laws.</td>
</tr>
<tr>
<td>Michael Wyrsch – CIO</td>
<td>To be responsible for providing strategic investment advice to the trustees, and be responsible for operational investment matters, providing investment advice and assistance to the CEO and trustees as required. To lead all staff reporting to this role so that they form an effective and cohesive team that achieves their own objectives, and the goals of the organisation. To meet organisational aims of providing quality service to clients of the Vision Super group in compliance with business rules and related laws.</td>
</tr>
</tbody>
</table>
and related laws.

**Relevant Interests**

All Responsible Officers have a duty to record any actual or potential conflict of interests at the commencement of their service with the Vision Super group and at the commencement of each Board Meeting. Where an actual or potential conflict of interest is identified it will be managed according to the Conflict Management Framework (i.e. disclosure, control or avoidance).

In addition there is a gifts register which is maintained by the Compliance and Risk department independent to the business units. All gifts received to the value of greater than $500 must be approved by the recipients’ Executive Manager and in the case of the Acting CEO, Directors and Alternate Directors, by the Chairman of the Boards or a delegated person.

Except as disclosed, there are no conflict of interests in relation to the directorships and shareholdings quoted below relating to the Vision Super group.