

# Cbus Policy

## Conflicts Management Policy Summary

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Cbus' Trustee: United Super Pty Ltd  
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This document contains a summary of the Conflicts Management Policy ('the Policy') of United Super Pty Ltd (referred to hereafter as the 'Trustee' or the 'Board'), the Trustee of Cbus. The Policy sets out how the Trustee identifies and manages actual, potential and perceived conflicts and forms part of the Trustee's Conflict Management Framework (CMF).

### 1. Conflicts Management Culture

The Trustee promotes an open and transparent approach to the management of conflicts and works to ensure that there is an acute awareness of conflicts and conflict management processes operating from the Trustee Board down to all employees and Associates of the Trustee.

### 2. Conflicts Management Framework (CMF)

The Fund's conflicts management framework is a combination of systems, processes, policies and controls which enable the Trustee to identify, assess, mitigate, manage and monitor conflicts.

The Trustee's CMF includes:

- a) a conflicts management policy;
- b) clearly defined roles, responsibilities and resources for the oversight of conflicts management within the Trustee's business operations;
- c) a publicly available register of duties and interests for the Trustee, Responsible Persons and Associates;
- d) a register of duties and interests for all Cbus employees held and administered by each individual business unit;
- e) a conflicts notification and action register;

- f) a process for determining a duty or an interest to be relevant for the purposes of the Prudential Standard;
- g) conflicts management maps (used by Chairs at Board and Committee meetings);
- h) various training and governance procedures which the Board and all business units of the Trustee are made aware of, with processes and controls for complying with the Trustee's CMF and Policy.

### 3. Definitions

Cbus prescribes the following definitions to key terms in the Conflicts Management Policy:

**Associate** - an associate of the Trustee is its wholly owned subsidiary company Cbus Property Pty Ltd, as well as Cbus Property's directors, CEO and Company Secretary.

A **Conflict** refers to a situation where a person's external circumstances, contracts or connections are such that they intersect with and inappropriately influence the person's obligations to Cbus, its members and beneficiaries.

**Cbus recognises that conflicts can exist between:**

- a Relevant Duty owed by the Trustee, an Associate or a Responsible Person, to the Fund's beneficiaries and the duties owed by them to any other person (i.e. competing duties);
- a Relevant Duty owed by a Trustee, an Associate or a Responsible Person to any other person and the interests of the Fund's beneficiaries (duty versus interest);
- a Relevant Interest of the Trustee, an Associate, a Responsible Person or an employee of the Trustee and their duties owed to the Fund's beneficiaries (interest versus duty); and

- a Relevant Interest of the Trustee, an Associate, a Responsible Person or an employee of the Trustee and the interests of the Fund's beneficiaries (competing interests).

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 the Trustee, its Associates or the Responsible Person with the Relevant Duty or holding the Relevant Interest, to act in a manner that is consistent with the best interest of beneficiaries.

**Responsible Persons** of the Trustee are its directors, the CEO, Executive Managers, Company Secretaries and the External auditor of the Fund.

#### 4. Priority to beneficiaries

Cbus insists that where there is a conflict the Trustee, its Responsible Persons or Associates must:

- give priority to the duties to and interests of the beneficiaries over the duties to and interests of other persons; and
- ensure that the duties to the beneficiaries are met despite the Conflict; and
- ensure that the interests of the beneficiaries are not adversely affected by the Conflict; and
- comply with the APRA Prudential Standards in relation to Conflicts.

#### 5. Obligations

The Trustee, each of its Responsible Persons, its Associate and all employees must engage with the CMF by:

- a) determining how to manage a Conflict, either by disclosure, control or avoidance;
- b) disclosing information regarding Duties and Interests and collating this information for the development and maintenance of the Trustee's Registers;
- c) complying with procedures for the management and recording of conflicts at Board and Committee meetings;

- d) complying with procedures for the acceptance and declaration of gifts;
- e) monitoring the Policy;
- f) monitoring the management of conflicts;
- g) complying with complaints and breach reporting procedures, record keeping procedures;
- h) the Trustee and each of its Responsible Persons and Associates must comply with the Relevant Requirements, and have regard to Regulatory Guidance.

The Policy also includes detailed sections on:

- Examples of what can comprise a conflicted duty or interest
- Conflicts to always be avoided
- Responsibilities for each of Responsible Persons and employees
- The identification, evaluation, management, recording and monitoring of conflicts
- Options available to the Trustee in managing conflicts
- The relationship between Cbus Property and the Trustee in managing conflicts
- Service provider requirements
- Obligations of nominee directors
- Gifts: applicable to directors only (the Trustee holds a separate Gifts Policy for employees).

#### 6. Register of Duties and Interests ('The Register')

The Trustee maintains a Register of Duties and Interests for itself, its Responsible Persons and Associates. Duties and Interests disclosed on the Register will remain for as long as the Trustee, a Responsible Officer or Associate owes the Relevant Duty or has the Relevant Interest. Gifts received of \$500 or greater will be disclosed on the public Register of Interests and Duties.

#### 7. Board and Committee Meetings

All Directors, Responsible Persons and Associates must have the ability to recognise and disclose actual, perceived and potential material conflicts and ensure they are appropriately managed or avoided so as to ensure that priority is given to interests of the Fund's beneficiaries.

Where there is a conflict the Board or Committee must give priority to the duties to and interests of the beneficiaries of the Fund over the duties to and interests of other persons and ensure that the duties to the beneficiaries are met despite the conflict and that the interests of the beneficiaries are not adversely affected by the conflict.

Conflict procedures are included as a standard Board and Committee agenda item for every meeting (both at Cbus and Cbus Property), and also feature in the Board's Formalities pages and Chair documentation.

The Chair of the meeting reminds Responsible Persons at the beginning of every meeting of their obligation to disclose any conflict or potential conflict with regard to any agenda item for consideration at that meeting. The conflict is discussed relative to the nature of the matter, its materiality and whether it is an actual, perceived or potential conflict.

Any identified conflicts are recorded in the minutes of the meeting as well as the action taken to avoid or manage the conflict in accordance with the Trustee's Conflict Management Policy. All declared matters are entered into the Fund's notifications and actions register.

## 8. Materiality

Whether a conflict is 'material' will be determined on the facts of each case.

Relevant matters that may indicate that a Conflict or potential Conflict is material will include:

- the potential for Conflict is neither remote nor trivial, but of such significance that a reasonable person would or might perceive there to be potential for the Trustee, Responsible Person or Associate to be influenced in the performance of their responsibilities;
- the nature of the responsibilities of the relevant person or entity is such that the manner in which they are carried out would or might affect the whole or a substantial part of the Trustee's business operations; or its financial standing, either directly or indirectly (such effect being significant in terms of its potential impact on beneficiaries or on the reputation of the Fund);
- If the circumstances are such that there is potential for the Trustee, Responsible Person or Associate to stand to gain a benefit or advantage or suffer a loss or disadvantage; (in each case, pecuniary or non-pecuniary), directly or indirectly, in its own right, depending on the way in which relevant responsibilities are carried out.

## 9. Oversight

The Board, CEO and each Executive Manager are responsible for overseeing the operation and effectiveness of the Fund's Conflicts Management framework.