

## 1 Introduction

- 1.1 The Brighter Super Group Conflicts Management Framework applies to each of LGIA Super Trustee and SPSL Limited as registrable superannuation entity licensees that are subject to the requirements of the *Superannuation Industry (Supervision) Act 1993 (Cth) (SIS Act)* and APRA's Prudential Standards (**SPS**). As trustees of superannuation funds, each has a fiduciary relationship with all members with a beneficial interest in the funds for which they act as trustee.
- 1.2 Each trustee has an overarching obligation to act in the best financial interest of the members of each of its trusts and to put the interests and duties of those members before its own and before the members of any other trust. These obligations are reflected within the covenants within the SIS Act.
- 1.3 Under Prudential Standard SPS 512 – 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 Identifying Conflicts

- 2.1 All Board members and other responsible persons are required to complete an annual declaration which discloses:
  - employment, directorships or other remunerated services with a stakeholder of the trustee (e.g. employers, industry bodies, unions, State Government and their associated bodies);
  - employment, directorships and other remunerated services with any organisation that has, or is seeking, a business relationship with a trustee or its related entities;
  - 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' interest;
  - whether they are a member of LGIA Super, SPSL Master Trust or SPSL Pooled Superannuation Trust; and
  - 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 fund's members including any financial benefit derived from an entity that provides services to the trustee; and
  - the declarations will be entered into the relevant interests and relevant duties register.
- 2.2 In accordance with regulatory requirements, a copy of the Relevant Interests and Relevant Duties Register will be disclosed on the fund's website for the information of members.
- 2.3 Any material changes to the Register of Relevant Interests and Relevant Duties shall be provided to the Trustee within 30 days of the change occurring.
- 2.4 All persons who wish to nominate for Director positions are provided with a copy of the Conflicts Management Framework and Policy and must submit a declaration form listing all relevant interests and duties with their nomination.

- 2.5 Upon appointment, each Responsible Person and Executive must disclose potential conflicts of interest and duty by submitting a declaration form listing all relevant interests and duties. This includes the nomination or appointment to additional roles or responsibilities.
- 2.6 The Conflicts Management Framework includes specific provisions for addressing the conflicts of duties that may arise as a result of there being two trustees in the Group, including the requirement for decisions which may involve conflicts to be recommended and approved by unconflicted responsible persons.
- 2.7 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 the Conflicts Management Policy.
- 2.8 All employees must declare any conflicts of interest prior to accepting employment with the Trustee or its related entity.
- 2.9 On an ongoing basis, Directors, Responsible Persons and employees must identify and notify the relevant Company Secretary of any new conflicts that may affect them personally. Any conflicts, whether personal or in relation to a trustee's business operation or a fund, should be raised as and when they become apparent and as soon as the person becomes aware of them.

### **3 Disclosure of Gifts, Benefits and Hospitality**

- 3.1 Each Trustee maintains a Gifts, Benefits and Hospitality register which records all gifts and hospitality disclosed by Responsible Persons or staff of the trustee.
- 3.2 Any gifts, benefits or hospitality received or offered by a Responsible Person or employee above \$1,000 will be disclosed in the Register of Interests and Duties as published on the fund's website.
- 3.3 Any offers of gifts, benefits or hospitality must be refused in the following circumstances:
  - 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;
  - where the gift is in the form of cash or cash equivalent gifts; and
  - where the gift, benefit or hospitality would enable a person to obtain an unfair advantage.

### **4 Review of Conflicts Management Framework**

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