

# **Summary of the ART Group Conflict Management Policy**

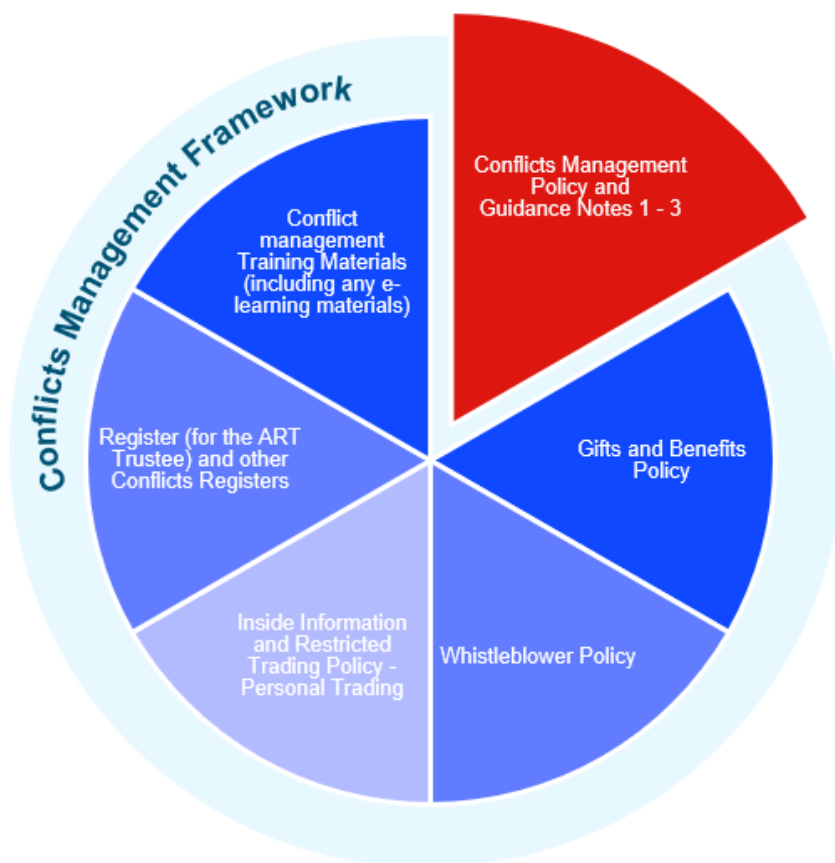
## Purpose

Within any corporation, legal entity and group structure, for both entities and individuals, there is the potential for conflicts of interests or duties. These Conflicts can be complex and can lead to harm to members and breaches of law when they are not properly addressed. A strong risk culture is essential for effectively managing Conflicts, often reflecting an entity or group's corporate values as well as the conduct and attitudes of people within the business.

The Australian Retirement Trust (ART) Group corporate structure includes the ART Trustee as Group parent and various wholly-owned entities. The Group operates for the financial benefit of members of the Fund and there are many duties and interests which align, however there are duties and interests which can sometimes compete. The Group is committed to acting with openness, fairness and integrity and in a way which is legally and prudentially compliant. This document is a summary of ART Group Conflict Management Policy.

## ART Conflict Management Framework

ART Conflict Management Policy is a part of the ART Group's wider Conflicts Management Framework:



## Policy Principles

The following principles form the foundation for the Group's approach to managing Conflicts:

- Conflicts (whether actual, potential or perceived) must be identified, disclosed, and avoided or managed in an open and honest way, acting with all care, skill and diligence;
- managing Conflicts risk is the duty of everyone within the Group;
- where a Conflict cannot be avoided, it must be effectively managed; and
- if there is doubt as to whether a Conflict exists, it will be escalated to Senior Management who may choose to obtain a legal opinion.

# What is a Conflict?

A Conflict arises when:

- some or all of the interests of one party are inconsistent with, or diverge from, some or all of the interests of another party or the duties that they owe to that other party; or
- one party owes duties to another party that are inconsistent with the duties that they owe to third party.

This is usually because it involves factors that could improperly influence, or be seen to improperly influence, that person's judgment when they carry out their duties or make decisions. Conflicts can arise between entities, people, or both. Conflicts of Interest and Conflicts of Duty are two different things but can be identified and managed in a similar way. In this Policy, references to Conflicts include both. A Conflict can be actual, potential or perceived. Importantly, a Conflict is not something that is hypothetical, imagined or abstract but is something which could reasonably present a real and sensible possibility.

## Conflict Management Process

### **Identifying and Declaring Conflicts**

Everyone within the ART Group is responsible for recognising a Conflict (either actual, potential or perceived). The Conflict may come about due to their individual circumstances, decisions or conduct, or because of business between entities within the Group. If a Conflict is identified, the employee must promptly report it. Immediate steps should be taken to avoid the Conflict. If it cannot be avoided, the Conflict must be managed. Simply declaring a Conflict is not enough to adequately deal with that Conflict.

### **Assessing Conflicts**

Once a Conflict has been identified, its possible impact must be assessed. The assessment should consider who and what entities are involved and evaluate the scope and significance of the Conflict.

### **Avoiding or Managing and Monitoring Conflicts**

Once a Conflict has been identified, declared and assessed, it should be avoided (if possible). If it cannot be avoided, a plan must be implemented to manage the Conflict. "Managing" a Conflict means putting in place effective controls to minimise the potential harm or negative impact of it. Such controls could include:

- Segregation of duties for certain key functions;
- Not participating in decision-making related to the subject of the conflict;
- Appointment of independent experts or advisers;
- Regular reporting to direct managers, Senior Management, Board-delegated Committees or the Board;
- Putting information barriers in place; and
- Additional monitoring and approvals.

Management and monitoring of a particular Conflict should be ongoing until it has resolved, or the matter is completed.

### **Recording and Approval of Conflicts**

Conflicts must be reported, and details of the Conflict and any actions taken to avoid or manage it must be recorded for approval by the employee's direct manager.

Conflicts that are declared at a board meeting, meeting of a board committee or other relevant meeting or relating to Responsible Persons must be recorded by Company Secretariat in the minutes of the meeting and included in a register of conflicts for the relevant Board, along with (if relevant) the action taken to avoid or manage the Conflict. In addition, Company Secretariat must maintain a register of relevant interests and a register of relevant duties for Responsible Persons for the ART Trustee, which must be disclosed on ART's website.

## **Reporting Conflicts**

Reports may be escalated to Senior Management, relevant board-delegated Committees, or the ART Trustee Board on an ad hoc basis for visibility where appropriate – for example, where there may be significant financial or reputational harm to ART if a Conflict is not avoided or managed appropriately, or which relates to a material interest of ART (such as a significant shareholding or material services provider).

## **Non-Compliance**

Non-compliance with the Policy could have serious consequences for Fund members, the Group and its Employees and Directors. Exceptions to the Policy may be agreed only by the Head of Company Secretariat, or the Trustee Board (after referral by Head of Company Secretariat), upon advice from Legal or Compliance where necessary.

When instances of non-compliance are identified the appropriate measures will be undertaken such as assessing breach/incident reporting, regulator notification, reviewing controls and procedures, requiring the completion of additional training and (where necessary) taking disciplinary action. Where potential breaches of the Policy are self-identified, they should be brought to the attention of ART's Compliance Team and managed in accordance with Group incident management policies and any specific legislative and regulatory requirements.

## **Related Documents**

- Gifts and Benefits Policy
- Whistleblower Policy
- Inside Information and Restricted Trading Policy – Personal Trading
- ART's Register of Conflicts of Interests & Duties

## **Approval & Review**

This Policy was approved by the Australian Retirement Trust Board on 14 December 2023, and will be reviewed prior to, or at the latest by, 1 December 2026.