

**Summary of**  
**CONFLICTS MANAGEMENT POLICY**

NULIS Nominees (Australia) Limited

June 2018

## 1. Background and Context

NULIS Nominees (Australia) Limited (the “RSE Licensee”) is committed to conducting its business activities in the best interests of its members.

The purpose of the Conflicts Management Policy is to set out the RSE Licensee’s requirements for the identification, assessment, mitigation, management and monitoring of conflicts of interest.

This Policy applies to the RSE Licensee, its Responsible Persons and employees. Certain provisions of the Policy also apply to the Responsible Persons of related party service and product providers. Where this is the case it has been specifically identified.

For the purposes of this Policy, a **conflict** occurs when there is a conflict between:

- the duties owed by an RSE Licensee or a Responsible Person of an RSE Licensee, to members and the duties owed by them to any other person;
- the interests of members and the duties owed by an RSE Licensee, or a Responsible Person of the RSE Licensee, to any other person;
- an interest of an RSE Licensee, an associate of an RSE Licensee or a Responsible Person or an employee of an RSE Licensee, and the RSE Licensee’s duties to members; or
- an interest of an RSE Licensee, an associate of an RSE Licensee or a Responsible Person or an RSE Licensee and the interests of members.

Conflicts can be potential, actual or perceived, and they may be business-related or personal.

- a **potential conflict** is one where existing circumstances could give rise to conflicts of interests or duties in the future, although there is no current incentive to act other than in the best interests of members;
- an **actual conflict** is one that is present and demonstrable which if no management measures are taken, could result in the Group or its employees having an incentive to act other than in the best interests of members; and
- a **perceived conflict** is one that may not be actual or potential but may be considered in the mind(s) of one party or parties to the arrangement or to external parties to represent a conflict.

## 2. Policy Principles

This Policy is based on the fiduciary and statutory duties that the RSE Licensee owes to its members.

The RSE Licensee requires:

- the identification of all potential and actual conflicts in the RSE Licensee’s business operation in a timely manner; and
- all reasonably practical actions are taken to ensure that the conflicts are avoided or prudently managed.

Conflicts must be managed so that the interests of members are given priority over the interests of National Australia Bank Limited, its subsidiaries and their directors and employees.

If a conflict cannot be managed in a manner that gives priority to the interests of members then the conflict must be avoided.

## **3. Policy Requirements**

### **3.1 Identification of conflicts**

Responsible Persons within the scope of this Policy must identify all relevant conflicts. Conflicts must include all relevant personal as well as commercial conflicts of interest.

### **3.2 Assessment of conflicts**

Responsible Persons must assess whether the interests or duties in conflict are 'relevant'. A relevant duty or interest is one that might reasonably be considered to have the potential to have a significant impact on the capacity of the RSE Licensee, an associate of the RSE Licensee 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 members.

### **3.3 Register of relevant interests and relevant duties**

A register of relevant duties and relevant interests must be maintained and updated in a timely manner.

### **3.4 Management and avoidance of conflicts of interest**

All conflicts (potential, actual and perceived) must be managed:

- effectively, efficiently and transparently; and
- to give priority to the duties to, and interest of, members.

Where a conflict of interest cannot be managed so that the duties to and the interests of members are given priority then the conflict must be avoided.

### **3.5 Boards and Committees**

The Board and Committees of the RSE Licensee will periodically review identified conflicts and the actions taken to manage or avoid the conflicts.

### **3.6 Service and Product Providers**

The RSE Licensee has outsourced its material business and operational activities to related and non-related party service and product providers. Each Responsible Person of a related party service provider are required to comply with section 3.4 of this Policy and must ensure that arrangements between the company of which they are a Responsible Person and the RSE Licensee complies with the requirements of the Policy.

### **3.7 Review of the Conflicts Management Framework**

The Conflicts Management Framework must be reviewed annually and the results reported to the Board of the RSE Licensee.

An independent review must be undertaken every three years to confirm if the framework continues to be appropriate, effective and adequate for the size, business mix and complexity of the RSE Licensee's business operations.

## **4. Policy Breaches**

All suspected breaches of the requirements of this Policy must be recorded, reported, escalated and appropriate disciplinary and remedial action taken. This will range from providing the employee with training, coaching and counseling through to formal warnings and possible termination of employment.

The failure to log, declare or manage potential or actual conflicts of interest in accordance with this Policy will be considered a breach of the same and the NAB Code of Conduct.

The adequacy of actions taken to manage potential, actual or perceived conflicts of interest must be reviewed if and when circumstances surrounding the conflict change.