



Qantas Superannuation Limited

Summary of Conflicts Management Framework and Policy

Table of Contents

Contents

1	About this document	2
2	Conflicts Management Policy	2
2.1	Background	2
2.2	Purpose of the Policy	2
2.3	The Conflict Rule	2
2.4	How to manage a conflict.....	3
2.5	Identifying conflicts	3
2.6	Determining whether a duty or interest is relevant	4
2.7	Disclosure guidelines.....	4
3	Continuing to Act	5
4	Breaches of this Policy.....	6
5	Record Keeping	6

1 About this document

Qantas Superannuation Limited (QSL or the Trustee) is the trustee of the Qantas Superannuation Plan (Plan). The Trustee has established a conflicts management framework (CMF) to ensure that all potential and actual conflicts in the Trustee's business operations are clearly identified and all reasonably practicable actions are taken to avoid such conflicts, or they are prudently managed.

The CMF comprises the following:

- the Conflicts Management Policy (Policy);
- the Register of Relevant Interests and Relevant Duties (RID);
- the Conflicts Procedures (Procedures); and
- other relevant QSL policies.

The board of directors of the Trustee (Board) is ultimately responsible for the:

- management of conflicts throughout the entirety of its business operations; and
- development and maintenance of the CMF.

This document is a summary of the Policy. It describes the scope and main provisions of the Policy but does not address all the terms of the Policy nor does it identify how the Policy may apply in every circumstance.

2 Conflicts Management Policy

2.1 Background

The Trustee wishes to adopt a high standard of conduct to ensure all actual and potential conflicts of interest are avoided or managed appropriately. This will prevent not only actual conflicts of interest affecting the decision making of the Trustee but also reduce any perception of conflicts of interest in relation to decision making.

2.2 Purpose of the Policy

The purpose of the Policy is to provide controls and processes applying to responsible persons of the Trustee (RPs) and employees of the Trustee (Employees) for:

- identifying and monitoring all potential or actual conflicts that may arise within the Trustee's business operations;
- avoiding conflicts where required to do so by general law;
- ensuring that any conflict is managed in accordance with legal obligations to members of the Plan (Members) and other beneficiaries;
- ensuring that appropriate action is taken in the event of an actual or potential conflict arising;
- recording in the minutes of Board, board committee and other relevant meetings the details of each conflict identified and the actions taken to avoid or manage this conflict; and
- developing and maintaining the RID.

2.3 The Conflict Rule

The rule about conflicts is generally expressed as an obligation for an RP or Employee to avoid situations where there is a real and sensible possibility that a conflict will arise between their duties to the company and their own personal interests or their duties to others.

Similarly, the Trustee must avoid situations where there is a real and sensible possibility that a conflict will arise between its duties to Members of the Plan and its own interests or its duties to others.

1 January 2023

2.4 How to manage a conflict

The primary duty of RPs is to ensure that the best financial interests of Members are served. Conflicts must be managed so that the best financial interests of Members are given priority over the interests of the RP, Employee, the Trustee or QAL and its associates. If a conflict cannot be managed in a manner that gives priority to the interests of Members, then the conflict should be avoided.

2.5 Identifying conflicts

The Trustee requires that all RPs and Employees identify all potential, actual and perceived conflicts in a timely manner. These may include conflicts that arise from:

- other duties (e.g. from other offices or roles);
- personal interests (e.g. assets); and/or
- giving or receiving gifts or entertainment.

Duties/Roles and Interests/Assets

Each RP and Employee must consider whether they:

- hold any office; or
- possess any property/assets, whereby, whether directly or indirectly, the duties or interests in relation to that office or property/assets may conflict with their duties as a RP or Employee.

Examples of potential conflicts are where the RP or Employee:

- holds shares in another company which transacts with the Trustee;
- is a trustee or beneficiary of a trust which, directly or indirectly, transacts with the Trustee;
- is a responsible person of another company that transacts with the Trustee;
- is employed by another company that transacts with the Trustee; or
- has a spouse or partner that holds an interest or office which could be regarded as having an impact on the RP's judgment when acting on behalf of the Trustee.

All RPs and Employees are required to disclose all interests and all duties in a Standing Notice of Interests and Duties (Standing Notice). The Company Secretary must review the Standing Notice (both provided initially or ongoing) to determine if there are any 'relevant' interests or duties that required public disclosure.

Gifts & Entertainment (G&E)

Each RP and Employee must also consider whether a conflict could arise by being offered or accepting or giving gifts or entertainment from or to a company which transacts with the Trustee.

An RP or an Employee must not give or receive the following under any circumstance irrespective of the value:

- (i) cash or personal cheques;
- (ii) product or service discounts that are not generally available to the public or other clients;
- (iii) personal use of accommodation or transportation; or
- (iv) any other gift, entertainment or other personal favour or assistance which goes beyond the common courtesies associated with accepted ethical and general commercial practice.

Otherwise, RPs and Employees must record all G&E greater than \$20 in value (irrespective of whether they are accepted or not) in relation to their role with the Trustee in their Personal G&E Register.

Any offers of an individual G&E greater than \$1000 from a single provider cannot be accepted without the approval of the CEO or the Board Chair.

2.6 Determining whether a duty or interest is relevant

A 'relevant' duty or a 'relevant' interest as one that might reasonably be considered to have the potential to have a significant impact on the capacity of the RSE licensee, the 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 financial interests of beneficiaries.

It is not always easy to determine if a duty or interest is relevant. To assist, the Trustee has set guidance and materiality thresholds to determine whether a duty or interest is relevant. Any interests below the materiality thresholds should still be disclosed if they could reasonably be expected to affect an RP's or Employee's judgement when acting on behalf of the Trustee.

The RID must be:

- updated quarterly to include all changes to relevant interests and relevant duties notified to the Company Secretary during the quarter, and the actions for managing the potential or actual conflict;
- G&E for all RPs and Employees above the agreed materiality thresholds; and
- made available on the public website within the required timeframes.

2.7 Disclosure guidelines

When to provide the Standing Notice

An up-to-date Standing Notice must be supplied to the Company Secretary:

- in the case of an RP, generally prior to appointment;
- in the case of an Employee, as soon as practicable after becoming an Employee; and
- ongoing for both RPs and Employees:
 - on a regular basis as requested by the Company Secretary; and
 - in writing (either via email or as an update to their Standing Notice) and as soon as practicable after there is a change to their interests and/or duties.

When to provide Personal G&E Registers

An up-to-date Personal G&E Register must be supplied to the Company Secretary on an ongoing basis by both RPs and Employees:

- as requested by the Company Secretary; and
- as soon as practicable after the materiality thresholds have been exceeded.

Other specific requirements

Situation	Action
Directors	Directors have a duty to notify other Directors of a material personal interest in a matter that relates to the affairs of the company. The notice must: <ul style="list-style-type: none">• give details of:<ul style="list-style-type: none">○ the nature and extent of the interest; and○ the relation of the interest to the affairs of the company; and• be given at a Directors' meeting as soon as practicable after the Director becomes aware of their interest in the matter. <p>The details must be recorded in the minutes of the meeting.</p>
At the time the matter is being considered (RPs only)	At the commencement of each Board and committee meeting, the Chair must request each Director (including the Chair) to affirm that, at that time, they are not aware of having a material personal interest or conflict of interest with any matter on the agenda. The Directors' responses are noted in the minutes.

	<p>Directors are also to declare whether they have any conflicts other than those already disclosed irrespective of whether such conflicts may arise in relation to any item on the agenda for the meeting.</p> <p>When any matter is being discussed at the Board or a committee, any Director may query another director as to whether they consider they have a possible material personal interest or conflict of interest with the matter under discussion. If the Board or committee considers that there may be a possibility that the Director has a material personal interest or a conflict of interest, then disclosure must be made, and the director treated, as if they have a material personal interest or a conflict of interest.</p> <p>If a Director is uncertain as to whether they have or may have a material personal interest or conflict of interest, they must disclose this at the Board meeting at which the matter is being discussed or with the Chair.</p>
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3 Continuing to Act

General

If an RP or an Employee has a material personal interest or conflict of interest, they must consider whether they can continue to act. They will need to decide whether to abstain from the relevant activity or, despite having a conflict of interest, to remain involved in the activity (e.g. by participating in discussions, shaping policy for the Plan, influencing decisions of the directors or voting on a proposal).

If the RP or Employee decides to continue to act, they should consider whether they are able to act (and whether they are able to demonstrate that they have acted): honestly; in good faith; for a proper purpose; and in the best financial interests of the Trustee and Members.

If an RP or Employee has any doubts regarding whether they can continue to act, they should abstain from:

- being present while the matter is being discussed;
- discussing the matter; and
- participating in the relevant activity or decision-making process (e.g. if they are a director, from being present at the Board meeting when the matter is discussed and voting on the proposal – see below).

Directors

Under the Trustee's Constitution, a director who has a material personal interest or conflict of interest in any matter that is to be considered at a Board meeting can only be present while the matter is being considered at the meeting, or vote on the matter, if the other directors who do not have a material personal interest pass a resolution that:

- identifies the director, the nature and extent of the director's interest in the matter and its relation to the affairs of the Trustee; and
- states that those directors are satisfied that the interest should not disqualify the interested director from voting or being present.

If it has been determined that the director will either be abstaining from the vote or not be present at the meeting, that director should return the relevant Board material provided to them to the Company Secretary immediately or arrange for any electronic version they possess to be deleted.

1 January 2023

If the Chair is the director who has a material personal interest or a conflict of interest, a temporary chair is appointed for the duration of the relevant discussion and vote or the meeting, as appropriate.

If a director has a conflict of duties, there may be extreme cases where it is not sufficient for them to abstain from voting on, or participating in, the Board meeting as they may have a positive duty to protect the interests of the Trustee by taking steps to prevent a decision or transaction occurring. An example of such a situation is where a director has a conflict between his or her duty of honesty to one company and his or her duty of confidentiality to another. If this is the case, a director should seek advice about whether they have an irreconcilable conflict which may oblige the director to resign.

Other RPs

Other RPs may need to abstain from participating in certain activities on behalf of the Trustee or, where the conflict relates to an office held with another company, abstain from participating in activities on behalf of that company.

4 Breaches of this Policy

Any breaches or potential breaches of this Policy must be recorded and investigated in line with the Incident and Breach Reporting Policy.

5 Record Keeping

The following records are maintained in respect of disclosures:

- the RID is maintained by the Company Secretary in accordance with the Procedure;
- a summary of the RID which is submitted to each Board and committee meeting; and
- minutes of Board and committee meetings.

Management will also keep records of:

- all compliance investigations and reports about conflicts of interest;
- all breach notifications that relate to conflicts of interest; and
- all action taken to rectify breaches that relate to conflicts of interest.