



# **CONFLICTS OF INTEREST MANAGEMENT FRAMEWORK AND POLICY**

## **SUMMARY**

May 2024

AUSCOAL Superannuation Pty Ltd: ABN 70 003 566 989

Mine Super Services Pty Ltd: ABN 49 051 315 014

Mine Superannuation Fund: ABN 16 457 520 308

## 1. Introduction

In this summary document, AUSCOAL Superannuation Pty Ltd (**Trustee**), the Mine Superannuation Fund (**Fund**) and Mine Super Services Pty Ltd (**Mine Services**) are referred to collectively as “the Group”.

The purpose of the Conflicts of Interest Management Framework and Policy (**Framework and Policy**) is to outline the elements including policies and procedures utilised to manage any conflicts of relevant interests and duties that arise:

- in the provision of financial services under any AFSL held by entities within the Group;
- when acting as Trustee under an RSE licence within the requirements of the Superannuation Industry (Supervision) (“SIS”) legislation and APRA Prudential Standards.

## 2. Context

The Framework and Policy has been written and reviewed with reference to the Group’s various legal and regulatory requirements including those specified in the Corporations Act 2001, SIS Act 1993 and respective Regulators’ guides and standards. It has also been written to comply with industry codes including ASIC’s Financial Planners and Advisers Code of Ethics 2019 and the Financial Planners Association (FPA) Code of Practice – Principle 4 and FPA Practice Standards.

Where there is misalignment between the Group’s Conflicts of Interest Framework and Policy and mandatory industry Codes (Codes) all staff subject to the Codes are required to adhere to those Codes.

## 3. Definitions

### 3.1 Defined Terms

**Relevant Duty** means any duty owed by the Trustee or a Responsible Person, to beneficiaries or to any other person, which is determined to be material in accordance with the Group’s conflicts management procedures.

**Relevant Interest** means any interest, gift, payment or benefit held directly or indirectly by the Trustee, an associate or Responsible Person which is determined to be material in accordance with the Group’s conflicts management procedures.

**Responsible Person** means:

- a) a director;
- b) the company secretary;
- c) a senior manager;
- d) the internal auditor;
- e) an external auditor;
- f) an actuary; or
- g) a person who performs activities for an entity within the Group where those activities could materially affect a substantial part of the Trustee’s business operations or financial standing, either directly or indirectly.

### 3.2 Conflicts of Interest

The Corporations Act prohibits employees and directors from improperly using their position of information obtained through their position in order to gain an advantage for themselves or someone else or to cause detriment to the Group.

A conflict of interest is a situation where a personal interest and professional duties as an employee or Director conflict. This creates a situation where a person has two or more competing lawful interests. An entity can also have a conflict of interest if it has two or more competing lawful interests.

The Framework and Policy addresses conflicts that may be:

- **actual** (currently exists);
- **potential** (may exist in future given current circumstances); or
- **perceived** (may appear to others that there is a conflict).

It addresses conflicts of interest that may arise as follows:

- **general duties v personal interests;**
  - between a Director and employee's duties/responsibilities to their employer and their personal interests and duties. This includes conflicts that may arise due to personal investment trading related activities of an employee, director and/or their close associates.
- **superannuation trustee conflicts;**
  - between the duties a Responsible Person owes to beneficiaries and to any other person or entity;
  - between the interests of beneficiaries and the duties owed to any other person or entity;
  - between a Relevant Interest and the Interests of the Trustee, associate or Responsible Person;
  - between a Relevant Interest and the duties of the Trustee, associate or Responsible Person.
- **AFSL related conflicts:**
  - between the Trustee and Mine Services relating to product offerings, fees and services;
  - between the client and the Trustee;
  - between the client and Mine Services or its Representative;
  - between a Representative under the AFSL and Mine Services as their employer;
  - between 2 or more Mine Services clients.

## 4. Controlling Conflicts

When controlling any actual, potential or perceived conflicts, in all circumstances priority will be given by:

- the Trustee when providing services under its RSE licence, to the interests of members and/or beneficiaries; and
- an AFSL holder or AFSL Representative when providing financial advice services, to the interests of clients.

The Framework and Policy identifies the roles and responsibilities of the following in the identification of conflicts of interest:

- Directors;
- Employee Responsible Persons;
- non-Employee Responsible Persons;
- employees;
- Mine Services Representatives (in respect of its AFSL).

Without restricting the ongoing identification process, the following structural matters have been identified in the Framework and Policy as having the potential to raise conflicts of interest:

- Board and Director related issues;
- financial product issues;
- financial advice services;
- insurance claims;
- insider trading;
- setting remuneration for Directors and staff.

Assessment of conflicts is undertaken to determine whether management of the conflict is required and, if so, how this is to be done. The materiality level of the conflict is assessed as part of this process according to the Group's processes for determining materiality.

For representatives providing personal advice services, before the representative provides advice, assessment includes the representative determining whether a conflict may impede their ability to advise, refer or act for the client.

After assessment and evaluation, a response to manage the conflict is decided upon, and implemented accordingly. The response depends on the type of conflict and individual circumstances and is tailored according to the most appropriate response to minimise any effects of the conflict.

Possible responses include:

- avoiding the conflict where required by law or codes relevant to the Group's operations or where a conflict of interest has been assessed as having the potential to have a serious impact on the entity or its clients; or
- controlling or ensuring the conflicts is controlled so as to give priority to the duties to and interests of members or clients (as applicable).

For a Representative, where a conflict is identified, a response is required which is able to demonstrate how the identified conflict has been managed (ie removed) if the Representative continues with the provision of advice services to the client. When assessing and determining an appropriate response, all representatives are required to adhere to ASIC's Financial Planners and Advisers Code of Ethics 2019.

Responses are recorded in the relevant register and recorded in the minutes at the relevant meeting if applicable.

### **Special Issues – Related Party Matters**

The Framework and Policy recognises that there may be special issues where conflicts of interest may arise and outlines the processes for identification, evaluation of and response to such issues. The special issues include:

- where related parties, including subsidiaries, provide services to an entity;
- where payment is made to Shareholders in respect of director fees;
- where payment is made to Shareholders to purchase a ticket to an event such as a seminar, conference or luncheon or for corporate sponsorship of an event;
- where the Responsible Person has a financial interest in the activities of the service provider or where the responsible Person has duties to two different entities including where they hold Directorships of both entities;
- Director liabilities arising from service provider defaults/breaches.

## 5. Disclosure of Conflicts

### 5.1 Conflicts at Board Level

Disclosure of material conflicts is made as follows:

- on appointment by Directors, new Responsible Persons and new employees.
- on commencement of each Board and Committee meeting;
- ongoing by Responsible Persons as conflicts arise or are identified including those included in a Responsible Person Standing Declaration of Interests;
- in entity specific and employee conflicts registers.

### 5.2 Disclosure for Financial Product Advice

Conflicts of interest related disclosure in relation to Financial Products and Financial Advice are required to be made to clients where a conflict has been assessed as being material. The disclosure must:

- a) be timely, prominent, specific and meaningful to the client;
- b) occur as to allow the client reasonable time to assess its effect; and
- c) relate to the specific service to which the conflict relates.

The following circumstances are considered to be a Material Conflict (Advice) under this Framework and Policy and therefore oblige the Representative to make appropriate disclosure to a client about the nature and extent of the matter:

- if the licensee (or any associated person) has a legal or beneficial interest in the financial products that is the subject of the financial product advice;
- if the licensee (or any associated person) is related to or associated with the issuer or provider of the financial products that are the subject of the financial product advice;
- if the licensee (or any associated person) is likely to receive financial or other benefits if the advice is followed;
- any commission or fee, or any other benefit or advantage, whether monetary or not, direct or indirect, that the Representative giving the advice or an associate has, will or may receive in connection with the advice; and
- any other monetary or other interest, whether direct or indirect, of the Representative giving the advice or an associate that may be capable of influencing the Representative.

This Framework and Policy applies equally to services provided to retail and wholesale clients however the type and extent of disclosure to a client will be assessed on a case by case basis taking into account factors such as the level of sophistication of the client, how much the client knows about the conflict and the complexity of the service being provided.

## 6. Reporting and Monitoring

The Framework and Policy outlines reporting requirements to advise clients including disclosure of conflicts through documents such as Financial Service Guides and Statements of Advice. It also outlines reporting and disclosure requirements to Management, the Audit Risk and Compliance Committee and Boards.

The Framework and Policy outlines the conflicts of interest management related corporate records and Registers maintained by the Group including:

- Standing Conflicts of Interest Declarations by Responsible Persons (Directors and employees);
- Gifts and Entertainment Registers maintained where relevant by Group Directors and employees;
- Alternative Remuneration (Soft Dollar) Registers maintained by each Mine Services Representative;
- Conflicts of Interest Registers maintained by each Group entity including in relation to familial and personal relationships between employees and with service providers;
- Register of Relevant Interests and Register of Relevant Duties maintained by the Trustee which are available to the public via the Fund's website
- Annual Attestation from all Employees relating to disclosure of relevant conflicts.

## **7. Training and Awareness**

The Policy and Framework requires that the Group has a comprehensive training and awareness program. This includes a requirement for staff to undertake an annual conflicts of interest management training program.

## **8. Breach of Framework and Policy**

Breaches of this Framework and Policy are assessed by Management and may be referred to the Audit Risk and Compliance Committee or Board for action if deemed serious. Consequences for breaches will be determined on a case-by-case basis and, depending on the number and severity of breaches, may include one or more of the following:

- Further training;
- Counselling;
- Disciplinary action.