

Insignia Financial Ltd Group Conflicts Management Policy Summary

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1. Overview

1.1 Purpose and Objectives

The Conflicts Management Policy (the **Policy**) sets out the principles, controls and processes that have been put in place to manage conflicts of interests and duties (each a **Conflict**) across the Insignia Financial Ltd (**IFL**) group (**Group**).

This Policy summary also outlines the mechanisms in place for identifying, reporting, avoiding, managing and monitoring Conflicts within the Group and outlines the relevant laws applicable to conflict management as it applies to entities and persons within the Group.

1.2 Scope and Application

This Policy applies to all entities in the Group which includes IFL and its subsidiaries and related bodies corporate, including Australian Financial Service Licensees (**AFSLs**) (such as Registrable Superannuation Entity Licensees (**RSEs**), Responsible Entities (**REs**), Investor Directed Portfolio Service (**IDPS**) Operators), Australian Credit Licensees and Service Providers.

The Policy also applies to all employees (including casual, temporary and contracted employees), executives and non-executive Directors, any independent Board Committee members, company officers, Responsible Persons (where applicable), Responsible Managers (where applicable), any delegates appointed by an entity in the Group, and any third parties acting on behalf of the Group such as authorised representatives, together (**Our People**).

1.3 Conflicts Management Policy Framework

The Group Conflicts Management Framework (the **Framework**) is the totality of the systems, structures, policies, processes and controls that identify, assess, mitigate, manage and monitor Conflicts. The Framework includes:

- (a) the Policy;
- (b) the Group Conflicts Management Procedure (**Procedure**);
- (c) the Conflicts of Interest Register (**Register**);
- (d) the Directors' Register of Interests and Duties;
- (e) Gifts and Entertainment Standard (**G&E Standard**);
- (f) resourcing, including but not limited to, staff in Line 2 Risk Management, Legal, Internal Audit and Company Secretariat;
- (g) the RSEs' Register of Relevant Duties and Relevant Interests; and
- (h) other relevant supporting policies and frameworks such the Risk Management Framework, the Compliance Framework, the Whistleblower Policy etc.

An independent review of the Framework is undertaken every three years to ensure the framework continues to be appropriate, effective and adequate for the size, business mix and complexity of business operations, particularly in respect to RSEs.

2. Policy Requirements

2.1. What is a Conflict of Interest or Duty?

A Conflict means anything that could influence or could be perceived to influence a person's decision making. There are different types of conflicts which may arise in the context of the Group and Our People, which broadly can be categorised as either a Conflict of Interest or a Conflict of Duty (each a **Conflict**). A Conflict can also exist between an interest and a duty.

For the purpose of this Policy, a Conflict is either an actual, a potential or a perceived conflict (as defined in the table below) that may influence the Group and Our People's actions or decisions.

Type of Conflict	When will it arise?
Actual Conflict	a Conflict that currently exists.
Potential Conflict	a Conflict that could occur at some stage in the future.
Perceived Conflict	a situation where it could be reasonably perceived, or give the appearance that, a competing interest or duty could improperly influence a decision by the Group or Our People.

2.1.1. Conflicts of Interest

Conflicts of interest are generally circumstances where the interests (any interest, gift, emolument or benefit, whether pecuniary or non-pecuniary, directly or indirectly held) of the Group, the RSEL or Our People, diverge from, or compete with, the interests owed to others including our members, beneficiaries, investors and policyholders, (collectively referred to as **Clients**), shareholders or another entity. Conflicts of interest may also exist between the interests of one Client and the interests of another Client.

2.1.2. Conflicts of Duty

A Conflict of Duty generally arises where an entity or person owes a duty in one capacity which is inconsistent with and/or is divergent from a duty owed in another capacity.

2.2. Identifying and Reporting Conflicts

2.2.1. Identifying Conflicts

Conflict situations may be straightforward in some circumstances. In others, however, they may be difficult to detect and involve more complex situations or divergent interests.

Conflicts are not always personal or arise between individuals; they can exist between entities or superannuation funds or in relation to a proposed transaction.

2.2.2. Conflicts of Interest Register

The Group's identified and reported Conflicts are recorded in the Register to ensure transparency and to manage Conflicts. The Register records that a Conflict has been:

- (a) identified;

- (b) assessed and evaluated; and
- (c) designated with an appropriate response, including avoiding, managing and/or disclosing the relevant Conflict.

The records in the Register are required to be maintained for at least seven (7) years after an identified Conflict ceases.

2.2.3. Material Conflicts

While all Conflicts need to be recorded in the Register, if the Conflict is assessed to be a Material Conflict, it needs to be classified as such in the Register, as Material Conflicts have more stringent monitoring and controls. Although 'Material Conflicts' is not defined in the acts or regulations, a Conflict may be considered material when it has the potential to influence the decision-making process of an individual or entity in a manner, that could have significant consequences if left unmanaged.

2.3. Assessing and Evaluating Conflicts

Once a Conflict has been identified, an assessment process will be undertaken which will evaluate which of the Conflicts management mechanisms will be appropriate. The evaluation and assessment of a Conflict will consider whether the legal duties of the parties have been effectively addressed, whether the management of the Conflict reduces the potential risk to a level considered acceptable according to the Board's risk appetite and what the potential impact of a Conflict could be.

2.4. Mechanisms to Manage Conflicts

The Group applies three main mechanisms to manage Conflicts including avoiding, disclosing and/or controlling.

Managing Conflicts involves identification of Conflicts relating to our business, assessing and evaluating those Conflicts and then devising an appropriate solution or management response to those Conflicts.

2.4.1. Avoiding Conflicts

Certain types of Conflicts are illegal and must always be avoided (e.g. insider trading). Where Conflicts cannot be adequately treated through disclosure or controls, the Conflict must be avoided altogether.

Our People are encouraged and expected to maintain the highest professional standards when fulfilling the duties associated with their position. They should also avoid placing themselves in a position where there is a Conflict between their own interests and those of the Group and Clients.

Further, where Conflicts involve a situation where the best financial interests of Clients or the fiduciary responsibilities to Clients will be compromised, they must be avoided or appropriately managed (e.g. where the Conflict between IFL and a Related Party cannot be managed by disclosure or implementing controls, then the Conflict must be avoided which may involve 'walking away' from a transaction).

Directors have additional fiduciary obligations under the Corporations Act 2001 including the obligation to avoid Conflicts in particular circumstances.

2.4.2. Disclosing Conflicts

Some Conflicts can be managed through clear and informative disclosure of the Conflict. Conflict disclosures include (but are not limited to) disclosures about Conflicts in contracts and agreements with Clients or Service Providers, in Board and Board Committee meetings and through recording Conflicts in the Register.

Disclosure alone will often not be effective enough to fully manage a Conflict. In these circumstances, additional management may be required.

2.4.3. Controlling Conflicts

Managing Conflicts can entail introducing specific controls to mitigate or remove the impact of the Conflict. Many Conflicts can be managed by a combination of internal controls and disclosures. Various methods may be used that are unique and tailored to each Conflict that can be used to control that Conflict. This may include (but is not limited to) appropriate recruitment, training and segregation of duties between Our People within the Group's Business Units.

Conflicts may also be controlled through adherence to Group policies, such as the Code of Conduct, G&E Standard, Personal Trading and Securities Policy, Responsible Manager Fit and Proper Policy and Responsible Person Fit and Proper Policy.

2.4.4. Conflict Treatment Plan

Across the Group, all Conflicts require a Conflict Treatment Plan that is recorded in the Register. Conflict Treatment Plans are assigned a manager and must have a review date, outline monitoring requirements and describe how the matter is to be managed to ensure the Conflict Treatment Plan is carried out. Conflict Treatment Plans must be reviewed at least annually (or more frequently as required).

2.5. Monitoring Conflicts

The Register is monitored and managed on a regular basis. A Conflict and its Conflict Treatment Plan will be monitored and reviewed to ensure adequate arrangements are in place and to ensure areas of non-compliance are identified. The review and any associated findings are recorded in the Register.

Additional testings and assurance are conducted by Line 2 Risk Management as well as internal and external audit as required.

2.6. Review and Approval

The Policy is reviewed annually; any material change(s) to the Policy is/are approved by the relevant Board(s). Non-material changes may be approved by the Board(s) delegated authority in accordance with the relevant Delegations Policy.

2.7. Policy Compliance

Our People must clearly understand:

- (a) and recognise their responsibilities and obligations with regards to Conflicts (both Conflicts of interests and duties) in accordance with this Policy; and
- (b) the content and purpose of the Policy and Framework.

Non-compliance with this Policy, including the requirement to have a Conflict Treatment Plan, may result in disciplinary action in line with the Code of Conduct and Consequence Management Framework.

A breach of the Policy may be a breach of legislation or regulatory obligation including prudential standards. All breaches will be managed in accordance with the Incidents and Breaches Policy.

If there are any concerns about how a Conflict is being managed, or whether someone is following the Policy, there are other channels to report including the Whistleblower process (refer to the Group [Whistleblower Policy](#) which explains how to report your concerns and the measures in place to protect eligible whistleblowers).