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Review Period	Annually

## Conflict Charter

### Purpose

This Policy sets out the basis of the Group Board's role and responsibilities for Millinium Capital Managers Limited ("MCML") which is endorsed for use.

### 1. Background and purpose

- 1.1 This Policy on conflicts management arrangements for MCML, has been designed given the scope of its businesses, operations, personnel and the issue in conflict. MCML is aware that some conflicts can lead to a breach of law and other conflicts do not lead to this outcome but conflicts can lead to other material consequences. MCML recognises the diversity and complexity of potential conflicts and how they can make it difficult to state overall encompassing rules and anticipates it cannot address every possible situation, involving a potential conflict of interest. However, this Policy is designed to implement a program that seeks to identify the conflict in a transparent manner for deliberation and outcome.

### 2. Scope

- 2.1 This Policy applies to all officers of MCML, its personnel including all temporary staff, contractors, and consultants who, as part of their engagement, are required to carry out their duties within legislative requirements for MCML. The Policy is part of MCML's internal operating procedures and for effectively managing conflicts of interest that arise. This Policy is designed to:
- ✓ Provide a framework for resolving situations where conflicts of interest exist, or might be perceived to exist.
  - ✓ Support the right of MCML and its businesses, appropriate freedoms provided by common and statutory law to undertake business through standards of ethical behaviour and avoid any activity or interest that might reflect unfavorably upon the integrity and brand name of MCML.
  - ✓ Embed the obligation to avoid unacceptable ethical, legal, financial or other conflicts of interest and to ensure that their activities and interests do not conflict with their obligations to, or the welfare of, MCML.
  - ✓ Define responsibility of MCML's officers and personnel to identify any conflicts of interest and to take action to address situations in which a conflict of interest arises by implementing the procedures in this Policy.
  - ✓ Undertake appropriate disclosure and communication requirements of this Policy to staff on an ongoing basis.
- 2.2 This conflicts management obligation is on-going and is interconnected with the obligation to operate efficiently, honestly and fairly. It applies to all services provided to both retail and wholesale clients and will seek to accord with relevant law. This Policy does not override the internal policy for its Australian Financial Services Licensee but works in conjunction.

### 3. Definition of conflict of interest

- 3.1 The term "conflict of interest" means for the Policy, any financial or other interest, which conflicts with the service of an individual because it:
- ✓ could significantly impair the individual's objectivity; or
  - ✓ could create an unfair competitive, pecuniary or intangible advantage for a person or organisation.

3.2 For the purposes of this Policy:

**benefit** - means anything which provides the staff member with a direct or indirect personal gain or the potential for personal gain or gain to a third party. Such a gain need not be financial, it could be a personal or a non financial gain. It includes the provision of material or facilities, support of individuals through the provision of benefits (e.g. travel, gifts (i.e. \$x over (time), entertainment, accommodation expenses etc), or a financial benefit.

**financial interest** - means a benefit in the form of remuneration, payment or gift received by a staff member that is in addition to salary paid. Financial benefits might also include investments, ownership or directorship of any companies, consultancies, provision of goods or services, receipt of royalties or other consideration, etc.

**personnel** - means employees, agents or contractors within or engaged by MCML or its related companies.

**register** - means an internal register used to record all giving and receiving of reportable gifts by or to individuals.

**reportable gifts** - refers to any gift of property, travel, entertainment, hospitality or any other benefit with a value of \$300 or more from a third party. This includes valuable items of property, whether of a personal nature or otherwise, such as ornate or precision display items including clocks, furniture, figurines, works of art and so on) or other items of enduring value such as jewellery, precious metals or stones or fine art work.

### 4. Assessment of conflict

- 4.1 In assessing a potential conflict of interest, MCML must consider the issue in conflict and parties involved. An assessment must also be made in an objective manner on the actual conduct, including any action or omission in light of the matter. This Policy will not prohibit conflicts of interest but rather seek to use a mechanism for management and deliberation by appropriate parties.
- 4.2 If there is a conflict of interest (that is material to an activity, business or person) it is to be reported to Legal and

Compliance and will be managed by a combination of internal controls and disclosures and potentially seeking advice or mediation (if required). This will require a review to be undertaken, including in some cases legal advice being sought.

4.3 All staff and MCML must not be placed in a situation where others could reasonably question, any part of the operation of our financial services business simply because of the existence of conflicting interests.

## 5. Financial interests

5.1 In assessing potential conflicts of interest in connection with personnel, particular attention must be given to the following kinds of financial interests or reportable gifts, if they are relevant to the function or duties to be performed. Generally, MCML will seek to have all agreements and understandings with third parties on arms length terms but will have to consider conflicts (amongst others):

- ✓ engagement terms;
- ✓ soft dollar arrangements;
- ✓ direct or vested interests of a party;
- ✓ related party or associations with MCML;
- ✓ quality, skill, costs and experience for the service or products; and

other matters a reasonable person, in possession of the relevant facts, would conclude potential interests may arise and may interfere with the proper performance of their duties (whether perceived to be actual or implied potential conflicts of interest that can be material). Other conflicts that arise that are less obvious, may include:

- ✓ decisions regarding the appointment, promotion or other personnel decisions relating to staff members;
- ✓ decisions and dealings with potential staff members;
- ✓ close personal relationships between staff members or another person in dealings;
- ✓ any affiliation with or financial involvement in any entity with a direct interest in the research or the provision of materials for research;
- ✓ acceptance of benefits (gifts, entertainment, travel, accommodation, hospitality, expenses etc);
- ✓ access to documents and information obtained in the course of employment;
- ✓ ownership and use of intellectual property;
- ✓ requests for public comment including public speaking, comments on radio or television, opinions expressed in letters to newspapers or in books, journals or notices;

## 6. Personal relationships

6.1 A conflict of interest could involve an involvement or relationship with another person which conflicts with their duties or responsibilities to MCML. For example, where an officer makes or participates in decisions (for example approving an application for a loan) affecting another person with whom the staff member has a personal relationship, such as a spouse or partner, relative or family member, friend or personal associate. This conflict will not be accepted and the person involved will have to excuse themselves from involvement and report the issue to Legal and Compliance, to ensure their involvement ceases and MCML's services are provided fairly and in an impartial manner.

## 7. Interest involving another staff member

7.1 Staff members must disclose any close personal relationship with another current staff member or an applicant for any vacant position relevant to the staff member. Where such a close personal relationship exists it should be disclosed to the relevant supervisor, head of department or other appropriate officer or Legal and Compliance (on a confidential basis), to ensure steps are taken to ensure that the parties concerned are not involved and that they could not be perceived to confer an undue benefit or result in a disadvantage for the person involved.

## 8. Dealings with suppliers, customers & other persons

8.1 Authorised officers or personnel shall select and deal with suppliers, customers and other persons doing or seeking to do business with MCML in a completely impartial manner based always on the best interests of MCML. A staff member shall not conduct business on behalf of MCML with a member of their family, near relatives or a business entity with which the staff member or a member of their family is associated except where such dealings have been disclosed and specific approval and written authorisation have previously been obtained.

8.2 Personnel shall not generally accept benefits for themselves or anyone else from any organisation, person or entity which does or seeks to do business with MCML, any gift, entertainment benefit, travel benefit, accommodation benefit or other favours of a character which go beyond common courtesies consistent with ethical and accepted business practices or industry guidelines. Generally, it is acceptable for staff to give or receive small token gifts of a personal nature. Where a benefit goes beyond common courtesies consistent with ethical and accepted business practices there is a duty to disclose it to a relevant Director for the business unit or Legal and Compliance for consideration in a prompt and timely manner, prior to acceptance. It is not acceptable for a staff member to give or receive a gift or favour that may:

- ✓ Compromise his or her judgment; or
- ✓ Create a conflict of interest; or
- ✓ Damage relationships with others.

## 9. Committees & decision making forums

9.1 At the start of any working party or committee, personnel must declare the nature, character and extent of any conflict of interest. In case of doubt, it is best to acknowledge any possible conflict of interest. When such a conflicts of interest is disclosed, the Chair (subject to the views of the meeting) may additionally or alternatively:

- ✓ ask the staff member to leave while the item of business is discussed;

- ✓ ask the staff member to abstain from voting and or discussion;
- ✓ allow the staff member to participate in the discussion but withdraw from the meeting before the vote or abstain from voting;
- ✓ allow the staff member to stay but not participate in the debate; or
- ✓ allow the staff member to stay with full rights to debate and vote.

## 10. Research

- 10.1 If MCML has an affiliation with or financial involvement in any organisation or entity with a direct interest in research or the provision of materials for research of its financial products this may result in a conflict of interest. MCML must consider any potential conflict of interest in research. Potential conflicts of interest include, but are not limited to any affiliation with, or financial involvement in, any organisation or entity:
- ✓ with a direct interest in the subject matter or materials of the researcher;
  - ✓ providing direct financial support, such as sponsorship, for a project involving the researcher; or
  - ✓ providing indirect benefits such as the provision of materials or facilities for a project involving the researcher or the support of the researcher such as by provision of travel or accommodation expenses to attend conferences.
- 10.2 Any disclosure must cover the situation in which the potential conflict of interest may, or may be perceived to, affect any decision regarding other people.

## 11. Treating stakeholders fairly

- 11.1 MCML and its personnel understand that they must ensure that they treat our stakeholders in an open and fair manner and as is required by law. In providing our financial services, we must ensure that we do not unfairly prejudice one party's interests ahead of the interests of another, which is of course subject to any legal duties, obligations or rights we owe to all our stakeholders.

## 12. Remuneration

- 12.1 MCML has considered its remuneration practices (including non-monetary benefits) as part of ensuring adequate conflict management arrangements. Personnel that are permanent employees, contractors or temporary staff receive no commission-based remuneration for work but may receive a salary and/or bonus for work performed. No staff member is allowed to accept or seek any cash payment from any person in connection with MCML's business. All personnel are required to report to Legal and Compliance to be maintained on the Conflict Register for all reportable gifts.

## 13. Financial transactions

- 13.1 Personnel are not allowed to approve payments to themselves, or to a spouse or near relative or another party (if applicable). All payment claims must be signed by a more senior officer or delegate independent of the transaction. MCML transactions that are material in nature for MCML require appropriate Board and/or Executive Management approval under delegation.

## 14. Ensuring arrangements are implemented, maintained & remain adequate

- 14.1 MCML will undertake in its monitoring program to ensure that material conflicts of MCML are identified and appropriate action is taken, potentially before a conflict arises or after, where non-compliance is identified under this Policy. Any conflict that has not been identified and causes a breach of this Policy will be investigated, including being reported to the relevant Board along with any remedial action taken by MCML.
- 14.2 Victimisation of any person as a result of disclosure of an actual or potential perceived conflict of interest is not permitted and may lead to an allegation of misconduct for a party undertaking such conduct. This is to be reported on a confidential basis to the Managing Director and/or Legal and Compliance.
- 14.3 The Head of Compliance will also conduct an annual review of the Policy to assess its adequacy to identify, assess, evaluate and successfully control conflicts of interest.

## 15. Directors obligations

- 15.1 Directors shall avoid conflict in accordance within the terms of relevant law and upon appointment notify the Company Secretary for entry in the Company Register of all interests and relationships that the Director reasonably believes could potentially be a conflict of interest.
- 15.2 At all relevant times during a Director's term of office, they must notify the Company Secretary of interests or relationships they have that arise or becomes aware of that may reasonably be expected to be, or result in, a conflict of interest; and identify when they have a conflict of interest with regard to any item on the Agenda of any Director's Meeting and disclose the conflict (either orally or in writing) at the meeting as soon as practicable after the Director becomes aware of the conflict. It may also require disclosure to the market and regulators under law or regulation.
- 15.3 In the event a conflict has been disclosed during a meeting of Directors or shareholders, the Director shall, if required by the other Directors or law, leave the meeting for the duration of the discussion and/or disclose the matter and not take part in the debate on the relevant issues. In any event, the Director must abstain from voting on such items. All disclosures of conflict of interest shall also be recorded in the Board Minutes. Additionally, there may be an instance, where legal or expert advice is sought for dealing with the conflict in issue.

## 16. Complications

- 16.1 It must be acknowledged that there are some situations where the disclosure of a particular conflict can cause difficulty. For example, there may be situations, in which conflicts of interest arise, that are confidential. In such situations, the matter will be reported to Legal and Compliance, who will consider the implications and report to the relevant Board on the matter, including any assessment on whether any disclosures can be given and whether the conflict can be adequately managed through other mechanisms.

17. Conflicts Register

- 17.1 The Conflict Register shall be open for inspection by any Director but any personal information it contains shall be treated as highly confidential and shall not be disclosed except to the extent required by the law or as deemed necessary to implement this Policy.

18. Documents

- 18.1 Where staff members have access to documents and information obtained in the course of their employment, they need to be aware of and maintain confidentiality and privacy of that information in order to protect the individuals concerned and to ensure the efficient operation of MCML. In general, staff members should only disclose such information when required to do so by law, when the need arises as part of their normal duties or where the information has been officially approved for release. This restriction does not apply to information which has been published and is in the public domain.

19. Use of MCML facilities & equipment

- 19.1 All personnel are expected to use the facilities of MCML efficiently, carefully and honestly. Such resources should not be used for personal benefit. Personal use should be kept to a minimum.