

Conflicts of Interest Policy – Summary

Challenger Retirement and Investment Services Limited (“**Trustee**”), the trustee of the Challenger Retirement Fund (“**Fund**”) is required to, among other things, identify, avoid and manage conflicts of duty and interest. As part of the Trustee’s conflicts management framework, the Trustee has approved the use of the Challenger Group Conflicts of Interest Policy (“**Policy**”).

A summary of the Policy is set out below. If you would like a copy of the Policy, please call 133 566.

1. Introduction

The purpose of the Policy is to provide guidance to ensure that Challenger companies provide financial services in a manner consistent with the interests of clients, which is not compromised by any “conflicts” of interest.

A “conflict”, in relation to the Trustee, means a conflict between:

- the duties owed by the Trustee, or a responsible person, to beneficiaries of the Fund and the duties owed by the Trustee or responsible person to another person;
- the interest of beneficiaries of the Fund and the duties owed by the Trustee or responsible person to another person;
- the interest of the Trustee, or an associate/responsible person/employee, and the Trustee’s duties to beneficiaries of the Fund; and
- the interest of the Trustee, or an associate/responsible person/employee, and the interests of beneficiaries of the Fund.

For example, a director or employee of the Trustee may be a director of another company. That person has a duty to that company which may conflict with the duty owed to the Trustee or beneficiaries of the Fund (or the interests of beneficiaries).

The Policy has been developed to ensure that any actual and potential conflicts between Challenger companies and clients are managed effectively and in accordance with the relevant legislation and licensing requirements, including the *Superannuation Industry (Supervision) Act 1993* and APRA Prudential Standard SPS 521 Conflicts of Interest.

2. Application and overview

The Policy applies to all Challenger companies and employees, agents and contractors that act for or on behalf of the Challenger Group. This includes the Trustee, which is part of the Challenger Group.

The Policy sets out:

- the controls and processes in place to:
 - identify and monitor conflicts (and potential conflicts);
 - avoid conflicts (where required);
 - manage conflicts in accordance with relevant legislation; and
 - disclose, record and monitor conflicts (and potential conflicts); and
- the roles and responsibilities for the oversight of conflicts management within the Challenger Group.

3. Identifying and monitoring conflicts

All new activities proposed to be undertaken by Challenger companies are required to be assessed for conflicts of interest. Where a conflict of interest is identified, it is assessed and evaluated to enable the implementation of an appropriate response.

Employees must be mindful of the potential for conflicts to arise between their duty owed to Challenger as an employee and their personal interests or duties owed to another entity. Employees must disclose potential conflicts to the executive team or Compliance and Operational Risk.

Directors of a Challenger company board (including the Trustee board) must disclose all relevant duties and relevant interests that may result in a conflict or potential conflict in relation to that company (or to the beneficiaries of the Fund) prior to joining the board, and in relation to any matter being considered (or about to be considered) by the board.

All relevant conflicts in relation to the Trustee and responsible persons, and the action taken to avoid or manage the conflict, are recorded in the Trustee's Register of relevant duties and relevant interests. Conflicts identified during a Board meeting are recorded in the minutes of the board meeting.

4. Responsibilities and Reporting

The Challenger Group Board bears the ultimate responsibility for the management and reporting of conflict of interest throughout the Group.

The Boards of subsidiary companies (including the Trustee) are responsible for the management and reporting of conflict of interests regarding these entities.

All identified conflicts should be tracked by the business and reported to Compliance and Operational Risk. After a conflict has been identified, it must be assessed and evaluated to ensure the appropriate conflicts management strategy is implemented (e.g. avoid, control/manage, disclose). The details of the conflict and the conflict management strategy must be listed on the Group Conflicts of Interest Register.

On a six monthly basis, the Group Chief Risk Officer will review the Group Conflicts of Interest Register and provide a copy to the Executive Risk Management Committee. The Trustee Board receives a report on the results of the review.