



Group register of relevant duties

FEBRUARY 2019

Group register of relevant duties

FEBRUARY 2019

Scope of Register

In accordance with the **Conflicts Management Policy**, this **Register of Relevant Duties** captures all duties owed by AEI or AES, or a Responsible Person of AEI or AES, to members, investors and/or shareholders of the Group, or to any other person (including organisations), that the Group has determined to be relevant because it might reasonably have the potential to have a significant impact on the Group or the Responsible Person's ability to act in the best interests of members, investors and/or shareholders.

The Register below captures current relevant duties in respect of:

- Australian Ethical Investment Limited (AEI)(ABN 47 003 188 930), the Responsible Entity of the Australian Ethical Balanced Fund (ARSN 089 919 255), the Australian Ethical Australian Shares Fund (ARSN 089 919 175), the Australian Ethical Diversified Shares Fund (ARSN 089 919 166), the Australian Ethical International Equities Fund (ARSN 124 861 338), the Australian Ethical Advocacy Fund (ARSN 140 444 211), the Australian Ethical Income Fund (ARSN 089 919 120), the Australian Ethical Fixed Interest Fund (ARSN 166 048 184), the Australian Ethical Emerging Companies Fund (ARSN 606 254 157), the Australian Ethical Property Trust (closed), and its Responsible Persons. For the purposes of this Register, the individual managed funds, when considered together, are referred to as the Australian Ethical Managed Funds.
- Australian Ethical Superannuation Pty Ltd (AES)(ABN 43 079 259 733), the RSE Licensee of the Australian Ethical Retail Superannuation Fund (Super Fund)(ABN 49 633 667 743) and its Responsible Persons.

Description of the Conflict

An 'actual conflict' is a conflict which exists. A 'potential conflict' is a conflict which has the potential to arise in certain circumstances. A 'perceived conflict' is a situation where a third party, who may not be privy to all relevant information in relation to the situation at hand, may perceive that a conflict exists.

The determinations made in Column 3 of the Register have been made with reference to these definitions.

Materiality of the conflict

The **Conflicts Management Framework** (section 5.3) defines a 'conflict of relevant duty' as any situation that might reasonably be considered to have the potential to have a material impact on the capacity of the Group, or a Responsible Person or employee of the Group, to act in a manner that is consistent with the best interests of members, investors and shareholders.

The **Register of Relevant Duties** captures all conflicts of relevant duty which have been identified, and rates each conflict as "material" or "not material" (Column 5 of the Register) based on the Board's opinion of the capacity of the conflict of relevant duty to impact the ability of the Group, or a Responsible Person or employee of the Group, to act in a manner that is consistent with the best interests of members, investors and shareholders.

| Duties Owed to Members, Investors and Shareholders of the AEI Group | Duties Owed to any other Person or Organization | Description of the Conflict <i>Actual</i> <i>Potential</i> <i>Perceived</i> <i>No Conflict</i> | Materiality of the Conflict <i>Material</i> <i>Not Material</i> <i>Not Applicable</i> | Action Taken and/or Planned to Address the Conflict |
|---|--|--|--|--|
| Australian Ethical Investment Limited | | | | |
| <p>Listed Entity</p> <p>Responsible Entity, Australian Ethical Managed Investment Funds</p> | <p>AEI provides investment management and trustee office services (compliance, risk management, marketing, and client services) to Australian Ethical Superannuation Pty Ltd (ABN 43 079 259 733) under two service provider agreements.</p> | <p>Perceived</p> | <p>Material</p> | <p>Appointment Process</p> <ol style="list-style-type: none"> 1. The appointment process must be conducted on arms' length terms in line with the procedures for the appointment of material service providers as contained in the Group's Outsourcing Policy. 2. AEI must be able to demonstrate that it is in a position to perform the services at a standard equal to or better than external providers operating within a similar industry. 3. The cost for performing the services and value of services received must be competitive. 4. The AES Board may, at its sole discretion and AEI's cost, commission independent legal advice in relation to the content and scope of the agreements at the time of their negotiation. <p>Review Process</p> <ol style="list-style-type: none"> 1. The AES Board may, at its sole discretion, engage an independent consultant, or its Internal Auditor, to review the operations of, and/or services provided by, AEI, on a regular (at least annual) basis. <p>Benchmarking Process</p> <ol style="list-style-type: none"> 1. All services outsourced within the Group must be benchmarked prior to entering a contract and at the time of a relevant contract negotiation. 2. The AES Board may determine to benchmark services at other times if it is of the belief that a benchmarking exercise would be warranted, such as where service clauses within the agreement are triggered or because of issues in the external market |

| Duties Owed to Members, Investors and Shareholders of the AEI Group | Duties Owed to any other Person or Organization | Description of the Conflict <i>Actual</i> <i>Potential</i> <i>Perceived</i> <i>No Conflict</i> | Materiality of the Conflict <i>Material</i> <i>Not Material</i> <i>Not Applicable</i> | Action Taken and/or Planned to Address the Conflict |
|---|--|--|--|--|
| | | | | place. 3. If the results of a benchmarking exercise indicate that the services being provided by the associated entity are materially outside the market in terms of value, the AES Board may seek an opinion from an external group as to whether or not a market tender would be likely to identify any appropriate alternative providers. |
| | AEI is a full member of the Financial Services Council (FSC) (ABN 82 080 744 163). | No Conflict | Not Applicable | Membership of FSC is publicly disclosed on FSC website. |
| | AEI is a member of the Responsible Investment Association Australasia (RIAA) (ABN 98 824 831 560). | No Conflict | Not Applicable | Membership of the RIAA is publicly disclosed on the RIAA website. |
| | AEI sponsored the development of the RIAA Responsible Investment Benchmark Report 2017 Australia through a cash donation of \$7,500. (AEI also sponsored the 2015 version of this Report.) AEI's individual Managed Funds are referenced and rated in the Report. | Perceived | Not Material | The Report was prepared by RIAA based on survey data gathered and collated by Ernst & Young. For our sponsorship AEI received a one paragraph statement in the Report, and the inclusion of our logo in the Report. |
| | AEI rents its Sydney offices from Investa Nominees Pty Limited (ABN 71 096 412 770) at an annual fee of approximately \$600,000. AEI also directly owns shares in the Investa Office Fund (an unlisted property fund). | Perceived | Not Material | Segregation of duties – persons responsible for the negotiation of rental premises and the payment of rent and persons responsible for the making of investment decisions are different. Investment disclosed on our website at https://www.australianethical.com.au/managed-funds/#overlay-278 |

GROUP REGISTER OF RELEVANT DUTIES

| Duties Owed to Members, Investors and Shareholders of the AEI Group | Duties Owed to any other Person or Organization | Description of the Conflict <i>Actual Potential Perceived No Conflict</i> | Materiality of the Conflict <i>Material Not Material Not Applicable</i> | Action Taken and/or Planned to Address the Conflict |
|---|---|--|--|---|
| | AEI arranges its business insurance through QBE Insurance, for an annual fee of approximately \$80,000. AEI also directly owns shares in QBE. | Perceived | Not Material | Segregation of duties – persons responsible for the arrangement of business insurance and persons responsible for the making of investment decisions are different. Investment disclosed on our website at https://www.australianethical.com.au/manage-d-funds/#overlay-278 |
| | AEI uses Telstra to provide telephony and internet services. Annual fees paid to Telstra are approximately \$50,000. AEI also directly holds shares in Telstra. | Perceived | Not Material | Segregation of duties – persons responsible for the relationship with Telstra as a service provider and persons responsible for the making of investment decisions are different. Investment disclosed on our website at https://www.australianethical.com.au/manage-d-funds/#overlay-278 |
| Australian Ethical Superannuation Pty Ltd | | | | |
| Trustee, Australian Ethical Superannuation Pty Ltd | AES is a wholly owned subsidiary of Australian Ethical Investment Ltd (ABN 47 003 188 930)(ASFL 229949). | Potential | Material | Employees who perform roles related to AES and the Super Fund are directed to speak to their Line Manager, the HR Manager or the Managing Director if they feel they are unable to balance any actual or potential conflict between their duties to AES and the Super Fund, and their employment by AEI. |
| | AES is a member of the Association of Superannuation Funds of Australia Limited (ASFA) (ABN 29 002 786 290). | No Conflict | Not Applicable | Membership of ASFA is publicly disclosed on the ASFA website. |
| Stephen Gibbs | | | | |
| Australian Ethical Investment Ltd (ABN 47 003 188 930)(ASFL 229949) | Director, Ecosystems Investment Management (Australia) Pty Ltd (ABN 46 142 263 938) | No Conflict | Not Applicable | The Group does not have any connection with Ecosystems Investment Management (Australia) Pty Ltd |

| Duties Owed to Members, Investors and Shareholders of the AEI Group | Duties Owed to any other Person or Organization | Description of the Conflict <i>Actual</i> <i>Potential</i> <i>Perceived</i> <i>No Conflict</i> | Materiality of the Conflict <i>Material</i> <i>Not Material</i> <i>Not Applicable</i> | Action Taken and/or Planned to Address the Conflict |
|---|--|---|---|--|
| <ul style="list-style-type: none"> Chair, Board Chair, People, Remuneration and Nominations Committee Member, Audit, Compliance and Risk Committee <p>Australian Ethical Superannuation Pty Ltd (ABN 43 079 259 733)</p> <ul style="list-style-type: none"> Chair, Board Member, Audit, Compliance and Risk Committee Member, Insurance Benefits Committee <p>Australian Ethical Foundation Limited (ABN 14 607 166 530)</p> <ul style="list-style-type: none"> Chair, Board | <p>Expert Panel Member, Fair Work Commission (ABN 93 614 579 199).</p> | <p>Potential</p> | <p>Not Material</p> | <p>No current conflict as the work of the Fair Work Commission’s superannuation and the modern award review is on hold.</p> <p>In the event that an actual, perceived or potential conflict is flagged in relation to an item on a meeting agenda, the relevant Board or Committee to determine whether the flagged conflict of relevant duty or interest is an actual, perceived or potential conflict, and then whether it is material.</p> <p>Depending upon the outcome of these initial determinations, the Board as a whole may decide to, in relation to a conflict identified by a Director in relation to an item on a meeting agenda:</p> <ol style="list-style-type: none"> Allow the Director to remain in the Board/Committee meeting while the matter is being discussed. Require the Director to leave the Board/Committee meeting temporarily while the matter is being discussed. Require the Director to abstain from voting on, or having any involvement in discussion of, the matter. Take no action because the Board/Committee considers that the conflict should not disqualify the Director from voting on, or from being present during discussions relating to, the matter. <p>In all circumstances, the conflict will be identified in the Declaration of Conflicts paper and the Register of Relevant Duties. Where appropriate, it will be recorded in the minutes of the meeting.</p> |
| | <p>Senior Adviser, Allen Partners</p> | <p>Potential Conflict</p> | <p>Not Material</p> | <p>Allen Partners are aligned with Financial Recovery Technologies (FRT) and act as FRT’s representatives in Australia. The AEI Group have engaged FRT to provide alerts and analysis in relation to potential class actions brought in respect of investments in Australia and offshore.</p> <p>In the event that an actual, perceived or potential conflict is flagged in relation to an item on a meeting agenda, the relevant Board or</p> |

| Duties Owed to Members, Investors and Shareholders of the AEI Group | Duties Owed to any other Person or Organization | Description of the Conflict <i>Actual</i> <i>Potential</i> <i>Perceived</i> <i>No Conflict</i> | Materiality of the Conflict <i>Material</i> <i>Not Material</i> <i>Not Applicable</i> | Action Taken and/or Planned to Address the Conflict |
|--|--|--|--|--|
| <p>Committee to determine whether the flagged conflict of relevant duty or interest is an actual, perceived or potential conflict, and then whether it is material.</p> <p>Depending upon the outcome of these initial determinations, the Board as a whole may decide to, in relation to a conflict identified by a Director in relation to an item on a meeting agenda:</p> <ol style="list-style-type: none"> a. Allow the Director to remain in the Board/Committee meeting while the matter is being discussed. b. Require the Director to leave the Board/Committee meeting temporarily while the matter is being discussed. c. Require the Director to abstain from voting on, or having any involvement in discussion of, the matter. d. Take no action because the Board/Committee considers that the conflict should not disqualify the Director from voting on, or from being present during discussions relating to, the matter. <p>In all circumstances, the conflict will be identified in the Declaration of Conflicts paper and the Register of Relevant Duties. Where appropriate, it will be recorded in the minutes of the meeting.</p> | | | | |
| Katherine Greenhill | | | | |
| Australian Ethical Investment Ltd (ABN 47 003 188 930)(ASFL 229949) <ul style="list-style-type: none"> • Director • Chair, Audit, Compliance and Risk Committee | Director, and Chair of the Finance Committee, Loreto Kirribilli Limited (ABN 68 474 202 939) | No Conflict | Not Applicable | The Group does not have any connection with Loreto Kirribilli Limited. |

| Duties Owed to Members, Investors and Shareholders of the AEI Group | Duties Owed to any other Person or Organization | Description of the Conflict <i>Actual</i> <i>Potential</i> <i>Perceived</i> <i>No Conflict</i> | Materiality of the Conflict <i>Material</i> <i>Not</i> <i>Material</i> <i>Not</i> <i>Applicable</i> | Action Taken and/or Planned to Address the Conflict |
|---|---|--|--|--|
| <ul style="list-style-type: none"> Member, People, Remuneration and Nominations Committee <p>Australian Ethical Superannuation Pty Ltd (ABN 43 079 259 733)</p> <ul style="list-style-type: none"> Director Chair, Audit, Compliance and Risk Committee <p>Australian Ethical Foundation Limited (ABN 14 607 166 530)</p> <ul style="list-style-type: none"> Director | | | | |
| Mara Bun | | | | |
| <p>Australian Ethical Investment Ltd (ABN 47 003 188 930)(ASFL 229949)</p> <ul style="list-style-type: none"> Director Member, Audit, Compliance and Risk Committee <p>Australian Ethical Superannuation Pty Ltd (ABN 43 079 259 733)</p> <ul style="list-style-type: none"> Director Member, Audit, Compliance and Risk Committee Member, Insurance Benefits Committee <p>Australian Ethical Foundation Limited</p> | <p>Chair, Gold Coast Waterways Authority (ABN 31 675 234 044)</p> <p>Director, Enova Community Energy Ltd (ABN 53 606 006 731)</p> <p>Industry Fellow, Griffith Business School's Centre for Sustainable Enterprise</p> <p>Consultant, Food Agility CRC</p> | <p>No Conflict</p> <p>No Conflict</p> <p>No Conflict</p> <p>Potential Conflict</p> | <p>Not Applicable</p> <p>Not Applicable</p> <p>Not Applicable</p> <p>Not Material</p> | <p>The Group does not have any connection with the Gold Coast Waterways Authority.</p> <p>The Group does not have any connection with Enova Community Energy.</p> <p>The Group does not have any connection with Griffith Business School's Centre for Sustainable Enterprise.</p> <p>In this role it is possible that Mara will be speaking with companies that Australian Ethical invests in.</p> <p>In the event that an actual, perceived or potential conflict is flagged in relation to an item on a meeting agenda, the Board must determine whether the flagged conflict of relevant duty or interest is an actual, perceived or potential conflict, and then whether it is material. Depending upon the outcome of these initial determinations, the Board as a whole may</p> |

| Duties Owed to Members, Investors and Shareholders of the AEI Group | Duties Owed to any other Person or Organization | Description of the Conflict <i>Actual Potential Perceived No Conflict</i> | Materiality of the Conflict <i>Material Not Material Not Applicable</i> | Action Taken and/or Planned to Address the Conflict |
|--|--|--|--|---|
| (ABN 14 607 166 530) <ul style="list-style-type: none"> Director | | | | decide to: <ol style="list-style-type: none"> Allow the Director to remain in the Board meeting while the matter is being discussed. Require the Director to leave the Board meeting temporarily while the matter is being discussed. Require the Director to abstain from voting on, or having any involvement in discussion of, the matter. Take no action because the Board considers that the conflict should not disqualify the Director from voting on, or from being present during discussions relating to, the matter. <p>In all circumstances, the conflict will be identified in the Declaration of Conflicts paper and the Register of Relevant Duties. Where appropriate, it will be recorded in the minutes of the meeting.</p> |
| | Consultant, Business Adaptation Network, Green Cross Australia | Potential Conflict | Not Material | <p>The Business Adaptation Network is a place where best adaptation practice can be shared to mainstream responses and to lift Australia's resilience to the impacts of climate change.</p> <p>In this role, it is possible that Mara will be mediating events attended by corporate entities (some of whom Australian Ethical may invest in) and other superannuation funds.</p> <p>In the event that an actual, perceived or potential conflict is flagged in relation to an item on a meeting agenda, the Board must determine whether the flagged conflict of relevant duty or interest is an actual, perceived or potential conflict, and then whether it is material. Depending upon the outcome of these initial determinations, the Board as a whole may decide to:</p> <ol style="list-style-type: none"> Allow the Director to remain in the Board meeting while the matter is being discussed. Require the Director to leave the Board meeting temporarily while |

| Duties Owed to Members, Investors and Shareholders of the AEI Group | Duties Owed to any other Person or Organization | Description of the Conflict <i>Actual</i> <i>Potential</i> <i>Perceived</i> <i>No Conflict</i> | Materiality of the Conflict <i>Material</i> <i>Not Material</i> <i>Not Applicable</i> | Action Taken and/or Planned to Address the Conflict |
|---|---|--|--|---|
| | | | | <p>the matter is being discussed.</p> <ul style="list-style-type: none"> c. Require the Director to abstain from voting on, or having any involvement in discussion of, the matter. d. Take no action because the Board considers that the conflict should not disqualify the Director from voting on, or from being present during discussions relating to, the matter. <p>In all circumstances, the conflict will be identified in the Declaration of Conflicts paper and the Register of Relevant Duties. Where appropriate, it will be recorded in the minutes of the meeting.</p> |
| | President, Australian Conservation Foundation | Potential Conflict | Not Material | <p>The Australian Conservation Foundation ('ACF') is regarded as aligned with the Ethical Charter in relation to the environment and conservation. In this role it is possible that Mara will be speaking with companies that Australia Ethical invests in or that the ACF may take a position that differs from that taken by Australian Ethical on certain issues.</p> <p>In the event that an actual, perceived or potential conflict is flagged in relation to an item on a meeting agenda, the Board must determine whether the flagged conflict of relevant duty or interest is an actual, perceived or potential conflict, and then whether it is material. Depending upon the outcome of these initial determinations, the Board as a whole may decide to:</p> <ul style="list-style-type: none"> a. Allow the Director to remain in the Board meeting while the matter is being discussed. b. Require the Director to leave the Board meeting temporarily while the matter is being discussed. c. Require the Director to abstain from voting on, or having any involvement in discussion of, the matter. |

| Duties Owed to Members, Investors and Shareholders of the AEI Group | Duties Owed to any other Person or Organization | Description of the Conflict <i>Actual</i> <i>Potential</i> <i>Perceived</i> <i>No Conflict</i> | Materiality of the Conflict <i>Material</i> <i>Not</i> <i>Material</i> <i>Not</i> <i>Applicable</i> | Action Taken and/or Planned to Address the Conflict |
|--|--|--|--|--|
| d. Take no action because the Board considers that the conflict should not disqualify the Director from voting on, or from being present during discussions relating to, the matter. In all circumstances, the conflict will be identified in the Declaration of Conflicts paper and the Register of Relevant Duties. Where appropriate, it will be recorded in the minutes of the meeting. | | | | |
| Michael Monaghan | | | | |
| Australian Ethical Investment Ltd (ABN 47 003 188 930)(ASFL 229949) | Director, HammondCare Limited (ABN 48 000 026 219) | No Conflict | Not Applicable | The Group does not have any connection with HammondCare Limited |
| <ul style="list-style-type: none"> • Director • Member, Audit, Compliance and Risk Committee | Director, Alpha Vista Financial Services Holdings Pty Limited (ABN 70 616 406 403) | No Conflict | Not Applicable | The Group does not have any connection with Alpha Vista Financial Services Holdings Pty Limited. |
| Australian Ethical Superannuation Pty Ltd (ABN 43 079 259 733) | | | | |
| <ul style="list-style-type: none"> • Director • Member, Audit, Compliance and Risk Committee | | | | |
| Australian Ethical Foundation Limited (ABN 14 607 166 530) | | | | |
| <ul style="list-style-type: none"> • Director | | | | |
| | Principal, Professional Financial Solutions | No Conflict | Not Applicable | The Group does not have any connection with Professional Financial Solutions. |
| | Chairman, Flag Income Notes No. 3 Pty Limited | Potential | Not Material | The Group does not invest in Flag Income Notes. If Flag is considered for, or appointed as, a fixed income product provider to Australian Ethical the conflict must be declared and Mr Monaghan will not be able to view any board papers regarding Flag and will recuse himself |

| Duties Owed to Members, Investors and Shareholders of the AEI Group | Duties Owed to any other Person or Organization | Description of the Conflict <i>Actual</i> <i>Potential</i> <i>Perceived</i> <i>No Conflict</i> | Materiality of the Conflict <i>Material</i> <i>Not</i> <i>Material</i> <i>Not</i> <i>Applicable</i> | Action Taken and/or Planned to Address the Conflict |
|---|---|--|--|---|
| from relevant discussions. | | | | |
| Julie Orr | | | | |
| <p>Australian Ethical Investment Ltd (ABN 47 003 188 930) (AFSL 229949)</p> <ul style="list-style-type: none"> Director <p>Australian Ethical Foundation Limited (ABN 14 607 166 530)</p> <ul style="list-style-type: none"> Director | <p>Group General Manager Corporate Development & shareholder, IOOF Group; IOOF Investment Management Limited ('IIML')</p> | <p>Potential Conflict</p> | <p>Material</p> | <p>IIML utilise managed funds offered by Australian Ethical Investment Ltd on its platforms. It is possible that from time to time matters may be discussed at Board meetings which are of commercial or strategic interest to IIML.</p> <p>In the event that an actual, perceived or potential conflict is flagged in relation to an item on a meeting agenda, the Board must determine whether the flagged conflict of relevant duty or interest is an actual, perceived or potential conflict, and then whether it is material. Depending upon the outcome of these initial determinations, the Board as a whole may decide to:</p> <ol style="list-style-type: none"> Allow the Director to remain in the Board meeting while the matter is being discussed. Require the Director to leave the Board meeting temporarily while the matter is being discussed. Require the Director to abstain from voting on, or having any involvement in discussion of, the matter. Take no action because the Board considers that the conflict should not disqualify the Director from voting on, or from being present during discussions relating to, the matter. <p>In all circumstances, the conflict will be identified in the Declaration of Conflicts paper and the Register of Relevant Duties. Where appropriate, it will be recorded in the minutes of the meeting.</p> |
| | <p>Group General Manager Corporate Development & shareholder, IOOF Group; IOOF Holdings Limited</p> | <p>Potential Conflict</p> | <p>Material</p> | <p>IHL is a substantial security holder in Australian Ethical Investment Ltd (as at 7 February 2018, Select Managed Funds Pty Ltd, a wholly owned subsidiary of IHL, owns 17.53% of the issued</p> |

| Duties Owed to Members, Investors and Shareholders of the AEI Group | Duties Owed to any other Person or Organization | Description of the Conflict <i>Actual</i> <i>Potential</i> <i>Perceived</i> <i>No Conflict</i> | Materiality of the Conflict <i>Material</i> <i>Not Material</i> <i>Not Applicable</i> | Action Taken and/or Planned to Address the Conflict |
|---|---|--|--|--|
| | ('IHL') | | | <p>share capital of Australian Ethical Investment Ltd.) It is possible that from time to time matters may be discussed at Board meetings which are of:</p> <ul style="list-style-type: none"> • Commercial or strategic interest to IHL; or • In relation to which IHL's interest may differ from that of Australian Ethical Investment Ltd; or • Relate to a proposal which may prefer the interests of unitholders, beneficiaries or other parties to those of shareholders. <p>In the event that an actual, perceived or potential conflict is flagged in relation to an item on a meeting agenda, the Board must determine whether the flagged conflict of relevant duty or interest is an actual, perceived or potential conflict, and then whether it is material. Depending upon the outcome of these initial determinations, the Board as a whole may decide to:</p> <ol style="list-style-type: none"> a. Allow the Director to remain in the Board meeting while the matter is being discussed. b. Require the Director to leave the Board meeting temporarily while the matter is being discussed. c. Require the Director to abstain from voting on, or having any involvement in discussion of, the matter. d. Take no action because the Board considers that the conflict should not disqualify the Director from voting on, or from being present during discussions relating to, the matter. <p>In all circumstances, the conflict will be identified in the Declaration of Conflicts paper and the Register of Relevant Duties. Where appropriate, it will be recorded in the minutes of the meeting.</p> |

| Duties Owed to Members, Investors and Shareholders of the AEI Group | Duties Owed to any other Person or Organization | Description of the Conflict <i>Actual</i> <i>Potential</i> <i>Perceived</i> <i>No Conflict</i> | Materiality of the Conflict <i>Material</i> <i>Not Material</i> <i>Not Applicable</i> | Action Taken and/or Planned to Address the Conflict |
|---|---|--|--|---|
| | Group General Manager Corporate Development & shareholder, IOOF Group | Potential Conflict | Material | <p>The IOOF Group has announced a strategic partnership in Grow Super, a digital superannuation provider, and taken a minority stake in the business. Grow Super is regarded as a competitor of the Australian Ethical Retail Superannuation Fund. It is possible that from time to time matters may be discussed at Board meetings which are of commercial or strategic interest to Grow Super.</p> <p>In the event that an actual, perceived or potential conflict is flagged in relation to an item on a meeting agenda, the Board must determine whether the flagged conflict of relevant duty or interest is an actual, perceived or potential conflict, and then whether it is material. Depending upon the outcome of these initial determinations, the Board as a whole may decide to:</p> <ol style="list-style-type: none"> a. Allow the Director to remain in the Board meeting while the matter is being discussed. b. Require the Director to leave the Board meeting temporarily while the matter is being discussed. c. Require the Director to abstain from voting on, or having any involvement in discussion of, the matter. d. Take no action because the Board considers that the conflict should not disqualify the Director from voting on, or from being present during discussions relating to, the matter. <p>In all circumstances, the conflict will be identified in the Declaration of Conflicts paper and the Register of Relevant Duties. Where appropriate, it will be recorded in the minutes of the meeting.</p> |
| | Group General Manager Corporate Development & Shareholder, IOOF Group, Australian Executor Trustees Limited | Potential Conflict | Material | <p>Australian Executor Trustees Limited ('AETL'), a wholly owned subsidiary of the IOOF Group, is in the business of acting as the trustee and administrator of charitable trusts. In the event that the Australian Ethical Foundation Limited was contemplating investment in a trust of</p> |

| Duties Owed to Members, Investors and Shareholders of the AEI Group | Duties Owed to any other Person or Organization | Description of the Conflict <i>Actual</i> <i>Potential</i> <i>Perceived</i> <i>No Conflict</i> | Materiality of the Conflict <i>Material</i> <i>Not Material</i> <i>Not Applicable</i> | Action Taken and/or Planned to Address the Conflict |
|---|---|--|--|---|
| | | | | <p>which AETL was trustee and/or administrator a conflict may arise.</p> <p>In the event that an actual, perceived or potential conflict is flagged in relation to an item on a meeting agenda, the Board must determine whether the flagged conflict of relevant duty or interest is an actual, perceived or potential conflict, and then whether it is material. Depending upon the outcome of these initial determinations, the Board as a whole may decide to:</p> <ul style="list-style-type: none"> e. Allow the Director to remain in the Board meeting while the matter is being discussed. f. Require the Director to leave the Board meeting temporarily while the matter is being discussed. g. Require the Director to abstain from voting on, or having any involvement in discussion of, the matter. h. Take no action because the Board considers that the conflict should not disqualify the Director from voting on, or from being present during discussions relating to, the matter. <p>In all circumstances, the conflict will be identified in the Declaration of Conflicts paper and the Register of Relevant Duties. Where appropriate, it will be recorded in the minutes of the meeting.</p> |
| | Director, Ord Minnett Limited ('OM') | Potential Conflict | Material | <p>OM is a provider of broking and related services. Australian Ethical Investment Ltd is a consumer of broking services and uses Ord Minnett from time to time. It is possible that from time to time matters may be discussed at Board meetings which are of commercial or strategic interest to OM or which relate to the performance or continued engagement of OM or competing service providers.</p> |

| Duties Owed to Members, Investors and Shareholders of the AEI Group | Duties Owed to any other Person or Organization | Description of the Conflict <i>Actual</i> <i>Potential</i> <i>Perceived</i> <i>No Conflict</i> | Materiality of the Conflict <i>Material</i> <i>Not Material</i> <i>Not Applicable</i> | Action Taken and/or Planned to Address the Conflict |
|---|---|--|--|--|
| | | | | <p>In the event that an actual, perceived or potential conflict is flagged in relation to an item on a meeting agenda, the Board must determine whether the flagged conflict of relevant duty or interest is an actual, perceived or potential conflict, and then whether it is material. Depending upon the outcome of these initial determinations, the Board as a whole may decide to:</p> <ol style="list-style-type: none"> Allow the Director to remain in the Board meeting while the matter is being discussed. Require the Director to leave the Board meeting temporarily while the matter is being discussed. Require the Director to abstain from voting on, or having any involvement in discussion of, the matter. Take no action because the Board considers that the conflict should not disqualify the Director from voting on, or from being present during discussions relating to, the matter. <p>In all circumstances, the conflict will be identified in the Declaration of Conflicts paper and the Register of Relevant Duties. Where appropriate, it will be recorded in the minutes of the meeting.</p> |
| | Member, ATO SuperStream Reference Group | Potential Conflict | Not Material | <p>Julie is a member of the ATO SuperStream Reference Group ('SSRG') in a personal capacity. The SSRG advises the ATO in relation to the development, implementation and governance of the SuperStream data and payments standards and related e-commerce initiatives. The advice of the SSRG will influence the direction of the ATO on these matters and impact the Superannuation industry to the extent the initiatives relate to the way employee SG contributions are paid. Any impact on the AERSF will in the context of the industry as a whole.</p> |
| Phillip Vernon | | | | |

| Duties Owed to Members, Investors and Shareholders of the AEI Group | Duties Owed to any other Person or Organization | Description of the Conflict <i>Actual Potential Perceived No Conflict</i> | Materiality of the Conflict <i>Material Not Material Not Applicable</i> | Action Taken and/or Planned to Address the Conflict |
|--|---|--|--|--|
| <p>Australian Ethical Investment Ltd (ABN 47 003 188 930)(ASFL 229949) and Australian Ethical Superannuation Pty Ltd (ABN 43 079 259 733) and Australian Ethical Foundation Limited (ABN 14 607 166 530)</p> <ul style="list-style-type: none"> Managing Director/Chief Executive Officer | <p>Employment agreement includes performance bonus incentives linked to the performance of Australian Ethical Investment Ltd (ABN 47 003 188 930)(ASFL 229949).</p> | <p>Potential</p> | <p>Material</p> | <p>Employees' KPIs require employees to act in members', investors' and shareholders' interests. Employees are directed to speak to their Line Manager, the HR Manager or the Managing Director where they feel they are unable to balance the conflict.</p> <p>The AEI and AES Board are the ultimate decision making bodies. All Board papers relating to a key decision must be:</p> <ul style="list-style-type: none"> Peer reviewed; Reviewed by the Managing Director; and Made available for independent audit review. |
| | <p>Director and Treasurer, Responsible Investment Association of Australasia Incorporated (ABN 98 824 831 560).</p> | <p>Potential</p> | <p>Not Material</p> | <p>In the event that an actual, perceived or potential conflict is flagged in relation to an item on a meeting agenda, the relevant Board or Committee to determine whether the flagged conflict of relevant duty or interest is an actual, perceived or potential conflict, and then whether it is material. Depending upon the outcome of these initial determinations, the Board as a whole may decide to:</p> <ol style="list-style-type: none"> Allow the Director to remain in the Board/Committee meeting while the matter is being discussed. Require the Director to leave the Board/Committee meeting temporarily while the matter is being discussed. Require the Director to abstain from voting on, or having any involvement in discussion of, the matter. Take no action because the Board/Committee considers that the conflict should not disqualify the Director from voting on, or from being present during discussions relating to, the matter. <p>In all circumstances, the conflict will be identified in the Declaration of Conflicts paper and the Register of Relevant Duties. Where appropriate, it will be recorded in the minutes</p> |

| Duties Owed to Members, Investors and Shareholders of the AEI Group | Duties Owed to any other Person or Organization | Description of the Conflict <i>Actual Potential Perceived No Conflict</i> | Materiality of the Conflict <i>Material Not Material Not Applicable</i> | Action Taken and/or Planned to Address the Conflict |
|---|--|--|--|---|
| | | | | of the meeting. |
| | Director, Planet Ark Environmental Foundation (ABN 26 057 221 959). | No Conflict | Not Applicable | The Group does not have any connection with the Planet Ark Environmental Foundation. |
| | Director, Beyond Zero Emissions Inc. (ABN 48 554 925 975). | No Conflict | Not Applicable | The Group does not have any connection with Beyond Zero Emissions. |
| Tom May | | | | |
| Australian Ethical Investment Ltd (ABN 47 003 188 930)(ASFL 229949) and Australian Ethical Superannuation Pty Ltd (ABN 43 079 259 733) and Australian Ethical Foundation Limited (ABN 14 607 166 530) <ul style="list-style-type: none"> General Counsel and Company Secretary | Employment agreement includes performance bonus incentives linked to the performance of Australian Ethical Investment Ltd (ABN 47 003 188 930)(ASFL 229949). | Potential | Material | Employees' KPIs require employees to act in members', investors' and shareholders' interests. Employees are directed to speak to their Line Manager, the HR Manager or the Managing Director where they feel they are unable to balance the conflict. <p>The AEI and AES Board are the ultimate decision making bodies. All Board papers relating to a key decision must be:</p> <ul style="list-style-type: none"> Peer reviewed; Reviewed by the Managing Director; and Made available for independent audit review. |
| | Director, NSW State Council, Governance Institute of Australia Ltd (ABN 49 008 615 950). | No Conflict | Not Applicable | The Governance Institute of Australia is an independent professional association with a sole focus on whole-of-organisation governance. AEI pays an annual membership fee to the Governance Institute. |
| David Macri | | | | |
| Australian Ethical Investment Ltd (ABN 47 003 188 930)(ASFL 229949) and Australian Ethical Foundation Limited (ABN 14 607 166 530) <ul style="list-style-type: none"> Chief Investment Officer Australian Ethical | Employment agreement includes performance bonus incentives linked to the performance of Australian Ethical Investment Ltd (ABN 47 003 188 930)(ASFL 229949). | Potential | Material | Employees' KPIs require employees to act in members', investors' and shareholders' interests. Employees are directed to speak to their Line Manager, the HR Manager or the Managing Director where they feel they are unable to balance the conflict. <p>The AEI and AES Board are the ultimate decision making bodies. All Board papers relating to a key decision must be:</p> <ul style="list-style-type: none"> Peer reviewed; Reviewed by the Managing Director; and |

GROUP REGISTER OF RELEVANT DUTIES

| Duties Owed to Members, Investors and Shareholders of the AEI Group | Duties Owed to any other Person or Organization | Description of the Conflict <i>Actual Potential Perceived No Conflict</i> | Materiality of the Conflict <i>Material Not Material Not Applicable</i> | Action Taken and/or Planned to Address the Conflict |
|--|--|--|--|---|
| Superannuation Pty Ltd (ABN 43 079 259 733) <ul style="list-style-type: none"> Chief Investment Officer | | | | <ul style="list-style-type: none"> Made available for independent audit review. |
| | Member, Dexus Healthcare Property Fund Investment Advisory Committee | No Conflict | Not Applicable | David's appointment is in his capacity as Chief Investment Officer, not in a personal capacity, and has been made to ensure that AEI and the AERSF have appropriate oversight of, and input into, investment decisions made by the Fund in which AEI and AERSF have invested. |
| Mark Simons | | | | |
| Australian Ethical Investment Ltd (ABN 47 003 188 930)(ASFL 229949) and Australian Ethical Superannuation Pty Ltd (ABN 43 079 259 733) <ul style="list-style-type: none"> Chief Financial Officer | Employment agreement includes performance bonus incentives linked to the performance of Australian Ethical Investment Ltd (ABN 47 003 188 930)(ASFL 229949). | Potential | Material | Employees' KPIs require employees to act in members', investors' and shareholders' interests. Employees are directed to speak to their Line Manager, the HR Manager or the Managing Director where they feel they are unable to balance the conflict. <p>The AEI and AES Board are the ultimate decision making bodies. All Board papers relating to a key decision must be:</p> <ul style="list-style-type: none"> Peer reviewed; Reviewed by the Managing Director; and Made available for independent audit review. |
| Allyson Lowbridge | | | | |
| Australian Ethical Investment Ltd (ABN 47 003 188 930)(ASFL 229949) and Australian Ethical Superannuation Pty Ltd (ABN 43 079 259 733) <ul style="list-style-type: none"> Chief Customer Officer | Employment agreement includes performance bonus incentives linked to the performance of Australian Ethical Investment Ltd (ABN 47 003 188 930)(ASFL 229949). | Potential | Material | Employees' KPIs require employees to act in members', investors' and shareholders' interests. Employees are directed to speak to their Line Manager, the HR Manager or the Managing Director where they feel they are unable to balance the conflict. <p>The AEI and AES Board are the ultimate decision making bodies. All Board papers relating to a key decision must be:</p> <ul style="list-style-type: none"> Peer reviewed; Reviewed by the Managing Director; and Made available for independent audit review. |
| Karen Hughes | | | | |

| Duties Owed to Members, Investors and Shareholders of the AEI Group | Duties Owed to any other Person or Organization | Description of the Conflict <i>Actual Potential Perceived No Conflict</i> | Materiality of the Conflict <i>Material Not Material Not Applicable</i> | Action Taken and/or Planned to Address the Conflict |
|--|---|--|--|--|
| <p>Australian Ethical Investment Ltd (ABN 47 003 188 930)(ASFL 229949) and Australian Ethical Superannuation Pty Ltd (ABN 43 079 259 733)</p> <ul style="list-style-type: none"> Chief Risk Officer | <p>Employment agreement includes performance bonus incentives linked to the performance of Australian Ethical Investment Ltd (ABN 47 003 188 930)(ASFL 229949).</p> | <p>Potential</p> | <p>Material</p> | <p>Employees' KPIs require employees to act in members', investors' and shareholders' interests. Employees are directed to speak to their Line Manager, the HR Manager or the Managing Director where they feel they are unable to balance the conflict.</p> <p>The AEI and AES Board are the ultimate decision making bodies. All Board papers relating to a key decision must be:</p> <ul style="list-style-type: none"> Peer reviewed; Reviewed by the Managing Director; and Made available for independent audit review. |
| Craig Cummins | | | | |
| <p>Australian Ethical Investment Ltd (ABN 47 003 188 930)(ASFL 229949) and Australian Ethical Superannuation Pty Ltd (ABN 43 079 259 733)</p> <ul style="list-style-type: none"> Internal Auditor | <p>PwC provide:</p> <ul style="list-style-type: none"> Audit services to Mercer in respect of GS007 reporting obligations. Mercer provides administration services to AES. Audit services to Audit Administration Services (AAS) in respect of GS007 reporting obligations. AAS is a Link Group company. Link acts as share registrar for AEI. Audit services to Westpac. The AEI Group has banking facilities with Westpac. | <p>Potential</p> | <p>Not material</p> | <p>Addressed in accordance with the requirements for service provider appointments as outlined in the AEI Group Outsourcing Policy.</p> |