

MERCER KIWISAVER SCHEME **CONFLICTS OF INTEREST SUMMARY POLICY**

SEPTEMBER 2018



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1. Policy Statement

Conflicts are inherent in any complex financial services organisation, including Mercer's business model where Mercer and/or a related party may be acting as manager, trustee, consultant and/or product manufacturer to each other and our clients and customers.

As a local entity offering a range of financial products and services to its clients and customers, and as part of a global organisation, Mercer may from time to time have interests which conflict with the interests of its clients and customers. It is also possible that conflicts could arise between our clients and customers.

In accordance with regulatory requirements; "The Greater Good", our Code of Conduct; and our Conflicts Management Policy, Mercer is required to manage conflicts fairly and transparently. Mercer has established a conflicts management program setting out the procedures and controls which enable it to identify and respond appropriately to conflicts of interest, whether they be potential, perceived or actual.

2. Application

The potential for conflicts of interest to arise is a key consideration for Mercer and the conflicts management policy applies to all employees.

Mercer means Mercer (N.Z.) Limited and its subsidiaries.

3. Conflicts Identification

Mercer has systems and procedures in place to identify conflicts of interest. Once a conflict has been identified, procedures are implemented to ensure that it is appropriately managed.

4. Conflicts Management Procedures

Mercer has established procedures which are designed to identify and manage conflicts, including various organisational actions and administrative routines to safeguard the interests of clients and customers and to minimise the potential for conflicts to arise.

Mercer employs a range of mitigation measures to protect clients' and customers' interests from conflicts that may arise from its own or others' activities, including:

- Avoidance
- Disclosure
- Consent
- Exclusion or withdrawal from decision-making in respect of a particular issue

- Internal controls
- A combination of any of the measures above

Internal controls include but are not limited to:

- Maintenance of conflicts registers
- Declarations of conflicts required of directors and colleagues
- External directorships policy requiring the disclosure of external directorships and offices held
- A Gifts and Entertainment Policy, including a gifts and entertainment register
- A Personal Share Trading Policy which requires Risk and Compliance consent to deal in shares and a declaration that no-inside information is being relied upon
- Training for directors and colleagues on conflicts management
- Global investment research policies regarding the production and dissemination of investment research
- Segregation of duties and appropriate supervisory arrangements

5. Conflicts Oversight

A delegated Mercer Board Committee, the Risk, Audit and Due Diligence Committee monitors conflict registers and conflict management plans.

6. Review

Mercer's Conflicts Management Policy may be reviewed from time to time and Mercer may make changes as appropriate.



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