



Summary Conflicts of Interest Policy

OCTOBER 2022

INTRODUCTION

Conflicts of interest are risks which can be present across a wide range of activities. There may be circumstances that arise in which the interest of a client may conflict with those of another client or with our own interest. Where conflicts are not sufficiently addressed, they can lead to poor conduct and culture within an organisation, bring about customer harm or result in breaches of regulatory requirements.

Arthur J. Gallagher & Co (Aus) Limited ('Gallagher') is committed to operating our business in a way that is open and accountable to stakeholders and the wider marketplace via rigorous corporate governance practices.

Like other financial institutions, we provide a range of services to a large number of clients. We are also an insurance intermediary which means we also provide services to insurers. We have established and maintain an effective Conflicts of Interest policy in order to identify, manage and prevent actual, potential or perceived conflicts of interest.

The policy supports Gallagher's shared value of integrity, requiring us to exercise unyielding integrity at all times, adhering to the letter and the spirit of laws and company policy. This document will provide a high-level summary of Gallagher's underlying policy and conflicts of interest management arrangements.

OUR OBLIGATIONS

- We will not unfairly put the interest of Gallagher above those of our clients;
- We will not unfairly put the interests of some of our clients ahead of other clients;
- We will not use client information to advance our own interests;
- We will do all things necessary to ensure that our services are provided efficiently, honestly and fairly;
- We will disclose all benefits and relationships to client before providing them with a financial services;
- We will not use knowledge about the client in a way that is likely to advance the interests of Gallagher and/or any staff member without sufficient disclosure to the affected clients;
- Where we cannot manage a conflict of interest effectively, it will be avoided;
- All employees must discharge their duties with integrity, fairness, honesty, due skill, care and diligence.

IDENTIFYING A CONFLICT OF INTEREST

Gallagher has policies and conflict management arrangements designed to ensure we are able to take all the appropriate steps to identify, manage or prevent actual, potential or perceived conflicts of interest.

A non-exhaustive list of circumstances or activities that may give rise to a conflict of interest in the course of Gallagher providing services to our clients include:

- Providing services to a client who is also a Gallagher supplier or service provider;
- Encouraging a client to obtain a financial product which may not be in their best interest but will result in higher commissions for Gallagher;
- Acting for two clients who are in a dispute with each other;
- Serving on a board of an organisation that is a Gallagher client;
- Doing business with a supplier who is also a very large client and as a result influences our decision in choosing that supplier;

- Having a personal or business relationship with a client which may influence or prejudice the obligations to Gallagher or to our clients;
- Acting in more than one capacity in relation to a client;
- Having a personal interest in a client or business activity;
- Providing services to one client in support of activities that are not in the best interest of another Gallagher client;
- Receiving gifts or entertainment that may influence a staff member's behavior in a way that could pose a conflict of interest with a Gallagher client.

MANAGING CONFLICTS

All Gallagher staff must immediately disclose any actual or potential conflicts to their leader (also known as a Business Unit Manager) and the Compliance Team so they can be addressed and resolved in a timely manner. All conflicts are dealt with in the best interest of the client. There may be instances where some conflicts cannot be effectively managed and must be avoided.

In these situations where the conflict is reported or identified, the Gallagher Australia Compliance Team with support from our global compliance department (where required) will assess the circumstances and determine whether the appropriate treatment is to:

Avoid the conflict of interest – Where a conflict of interest has a serious potential impact of Gallagher's Australian Financial Services Licence (AFSL), our clients or any other relevant entity, we will generally seek to avoid the conflict. In this case merely disclosing the conflict and imposing internal controls may not be adequate.

Employees will report these matters immediately to their Business Unit Manager and the Compliance Team. Nothing in this policy will authorise the management of a conflict if the general law requires that it be avoided.

Control the conflict of interest – Dependent on the nature and the circumstances of the conflict, effective controls may be implemented to remove or lessen the risk of a conflict resulting in improper conduct or poor stakeholder outcomes.

The compliance Team in consultation with management will determine the appropriate action/treatment for any given conflict of interest. The types of measures may include:

- Disclosing the conflict to the relevant client and/or the Compliance team;
- Allocating another representative to provide the service to the client;
- Declining to provide services to the relevant client.

Disclose the conflict of interest – Where appropriate, we will manage a conflict of interest with our clients by disclosure and/or obtaining the consent or agreement from clients where the circumstances are appropriate. Disclosure alone is not sufficient and Gallagher will make arrangements to manage the conflict and ensure clients are adequately informed about any material conflicts of interest that may affect the provision of financial services to them.

Where Gallagher disclose the conflict to the client, it must include enough detail and be in a clear, concise and effective form, to allow clients to make an informed decision about how the conflict may affect the product or service provided to them.

We will ensure disclosures are:

- **Timely:** before any service is provided to ensure the client has enough time to consider to use our services;

- **Specific:** enough so that the client is able to make an informed decision but should not include any details which could breach the privacy or confidentiality of another client;
- **Meaningful:** so that the client has sufficient details to understand the impacts or risks of the conflict;
- **Sufficiently prominent:** so that it is clear and easily understood.

Refrain from acting – Where appropriate Gallagher will manage a conflict of interest with a client by refusing to act for, or provide advice to, the client. In this instance, our correspondence will be in plain English and include enough detail to accurately outline the conflict and the reasons why we can no longer act for or provide advice to the client.

RECORDING CONFLICTS

Gallagher maintains a register which contains:

- All conflicts of interest reported and identified;
- Treatment or action taken for conflicts; and
- Copies of any correspondence related to conflicts provided to clients.

REVIEW OF POLICY

Gallagher will assess and review the policy on an annual basis.