

Conflicts of Interest and Related Party Transactions Policy

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Contact: Compliance Officer

1. Introduction

A conflict of interest occurs when a director or employee has multiple interests, one of which will or might motivate them to serve two or more interests which are not compatible.

This document seeks to set out processes to identify and manage conflicts between the interests of Generate Investment Management Limited and Generate Investment Holdings

Limited (together Generate), the interests of Generate directors and senior managers, and the interests of investors in the Generate KiwiSaver Scheme and Generate Unit Trust Scheme (the Schemes). Generate aims to quickly resolve any issues in a way that is fair to investors.

Guidelines for related party transactions are also set out. These should be read in the context of sections 172 to 174 of the Financial Markets Conduct Act 2013 and the Companies Act 1993. Directors and employees of Generate are expected to act with competence and integrity and to place the interests of Scheme members before their own.

The Generate QFE Disclosure Statement and QFE Adviser Business Statement (QFE ABS) cover conflicts arising between Generate QFE advisers and customers.

2. Decision making and responsibility

The Investment Committee and Compliance Committee are responsible for managing conflicts. The Board is responsible for final decisions on any potential or actual conflicts of interest. Employees and directors are responsible for declaring any potential or actual conflict of interest to the Board.

3. Conflicts of Interest

Where a director or employee identifies a potential conflict that has not been addressed, the director or employee shall advise the Board, an Executive Director or the Compliance Officer immediately.

An employee shall be considered to have a potential conflict of interest where he or she has a significant direct or indirect financial interest in a matter involving Generate or the Schemes and where the employee could influence or appear to be able to influence any decision on that matter by Generate or the Schemes.

Examples include purchasing or investment decisions for personal gain and/or inconsistent written or public statements.

Directors, employees, related firms or suppliers are not precluded from selling goods, materials, or services to Generate provided this activity is consistent with generally accepted competitive commercial practices.

4. Trading

Members of the Investment Executive (IE) must place the interests of Scheme members first before their own personal interests. IE members are required to disclose any planned investments they make on a personal level into securities that are on the Approved Issuer List. In order for the transaction to proceed the IE must unanimously approve the transaction. If more than one IE member is planning to invest in the same security then unanimous approval of the Investment Committee must be provided.

Investments at a personal level include anything where the IE member is a beneficiary or their spouse and/or any of their children are beneficiaries.

When a new security is added to the Approved Issuer List the IE members must disclose if they have a material interest in that security.

5. Adviser Remuneration

Conflicts between the interests of Generate QFE advisers and the interests of customers are managed by disclosure and processes and procedures set out in the QFE ABS. The QFE Disclosure Statement sets out adviser remuneration and is given to all customers when advice is provided and is also available on the website. The QFE ABS includes a specific code of conduct and declaration for its QFE advisers to mitigate conflicts of interest. Please refer to the QFE ABS for more information.

6. Related Party Transactions

Any potential related party transaction must be reported to the Board, an Executive Director or the Compliance Officer. Before the transaction is agreed to or takes place the Executive Directors on behalf of the Board will certify to the Supervisor as to why any related party benefits are permitted (as per section 174 of the FMCA), or otherwise receive approval for the transaction as permitted by the FMCA. All related party transactions must be entered on the related party transactions register. Where it is determined that a conflict of interest exists, the relevant director or employee will refrain from participating in any discussion or decision making in relation to the transaction in which they are interested.

7. Checks and Transparency

Regular (day to day) transactions need to be confirmed by one Executive Director and they must be carried out with full visibility of both Executive Directors.

8. Review

This policy will be reviewed annually by the Compliance Officer, with any changes signed off by the Executive Directors and reported to the Compliance Committee.