

# DIRECTORS CODE OF CONDUCT

LGSS Pty Limited (ABN 68 078 003 497) as Trustee for Local  
Government Super (ABN 28 901 371 321) (**Active Super**)

May 2020 | Version 2

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**ACTIVE**  **SUPER**

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## 1. Policy Statement

Active Super requires that its Directors not only comply with all laws and regulations, but that they conduct themselves and their duties and responsibilities to high ethical standards. This Code provides guidance to all Active Super Directors as to the minimum standard required of them but is not intended to be a comprehensive or exhaustive summary of a Director's responsibilities and obligations.

## 2. Definitions

Unless stated otherwise, capitalised words in this document have the same meaning as in the Constitution.

**Active Super** means the Fund.

**Chief Executive Officer or CEO** means the person who is appointed to control the overall management of the Fund.

**Code** means this Directors Code of Conduct.

**Committee** means a committee established by the Board.

**Confidential Information** means information provided by, or in relation to, the Company or the Fund, which directly or indirectly concerns the Company or the Fund and is not in the public domain and includes, but is not limited to:

- a. reports and information submitted to the Board;
- b. Board and Committee deliberations including formal and informal records of such deliberations;
- c. communications between Directors, Officers, staff, consultants and suppliers of the Fund;
- d. communications, correspondence or issues arising between the Company or the Fund and any industry or other regulator; and
- e. Fund member information, including statistics and demographics.

**Members** means the members of Active Super.

## 3. Purpose of the Code

This Code applies to all Directors, irrespective of the mechanism or nature of their appointment, and is in addition to the Directors' duties under the *Corporations Act 2001* (Cth) and the common law to:

- a. act with all due care and diligence;
- b. act in good faith in the best interests of the Company and the Fund as a whole;

- c. act for a proper purpose; and
- d. not use their position or the Confidential Information of the Company or the Fund to gain advantage for themselves or another person or to cause detriment to the Company or the Fund.

## 4. Breach of the Code

- a. A breach of this Code may be considered serious misconduct, require formal investigation and, in serious cases, may result in a Director being suspended or removed from their position as a Director of Active Super. In some situations a breach of this code may result in detriment to Active Super and the Director may be liable for their actions under civil and criminal laws.
- b. Any breach or suspected breach of this Code is to be reported to the CEO. In some circumstances, such a disclosure may qualify for protection in accordance with the Whistleblower Policy.

## 5. Director Responsibilities

Each Director holds an important and influential position and Directors are expected, at a minimum, to undertake and satisfy the following responsibilities:

- a. oversee the management of Active Super which includes safeguarding the reputation of Active Super;
- b. fulfil their fiduciary duty to the Fund,
- c. act in the best interest of Members;
- d. make reasonable inquiries to ensure that the Fund is operating efficiently, effectively and legally towards achieving its goals; and
- e. undertake diligent analysis of proposals placed before the Board.

## 6. Conduct required of Directors

Active Super considers the following behaviours mandatory for all Directors at all times, namely to:

- a. act honestly, in good faith and in the best interests of Active Super and its Members;
- b. use due care and diligence in exercising their powers and fulfilling their duties as Director for a proper purpose;

- c. maintain the confidentiality of Active Super's Confidential Information, including but not limited to the matters brought before the Board of Directors, whether during Board meetings or otherwise;
- d. ensure that they do not allow personal interests, or the interests of others, to influence or conflict with their duties to Active Super and its Members;
- e. ensure that they do not improperly use their position as a Director of Active Super;
- f. act with the level of skill, care and diligence expected of a Director of a superannuation fund;
- g. demonstrate commercial acumen and have a reasonable basis for their decisions;
- h. ensure that they do not engage in any conduct, or make any statements, that are likely to bring discredit to Active Super or damage the reputation of Active Super;
- i. comply with the legal and regulatory framework within which Active Super operates including all Active Super policies and procedures and the requirements of the *Superannuation Industry (Supervision) Act 1993* and the *Corporations Act 2001*;
- j. use their best efforts to be independent in their actions and decisions, ensuring that decisions are being made for the best interests of Members; and
- k. not engage in conduct that is likely to bring discredit to the Fund.

## 7. Confidentiality

- a. By the nature of their appointment, Directors are provided with, and exposed to, Confidential Information of the Trustee, the Fund and its members.
- b. In addition to any requirements of confidentiality under the relevant laws and regulations, all Directors are required to ensure and maintain the confidentiality of all Confidential Information. This obligation does not terminate upon the cessation of a Director's appointment, but will continue indefinitely.

## 8. Conflicts of Interest

All Directors are subject to ongoing Conflicts of Interest disclosure, and are required to disclose any actual, potential or perceived conflicts of interest as and when they arise in accordance with the Active Super Conflicts Management Framework.

## 9. Review

This Code will be reviewed by the Board every two years, or earlier as required.

## 10. Policy information

<b>Internal references</b>	Whistleblowing Policy Conflicts Management Framework								
<b>External references</b>	<i>Corporations Act 2001</i> <i>Superannuation Industry (Supervision) Act 1993</i> AIST Code								
<b>Effective date</b>	May 2020								
<b>Review</b>	Every 2 years, or as required								
<b>Review</b>	This Policy is authorised as follows: <table><tr><td>Authorised by</td><td>Board of Directors</td></tr><tr><td>Date authorised</td><td>May 2020</td></tr><tr><td>Version no.</td><td>2</td></tr><tr><td>Review date</td><td>May 2022</td></tr></table>	Authorised by	Board of Directors	Date authorised	May 2020	Version no.	2	Review date	May 2022
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