

Westpac Group Conflicts of Interest Policy Summary

Updated: 21 September 2021

© Westpac Banking Corporation ABN 33 007 457 141 AFSL and Australian credit licence 233714.

1. Overview

Conflicts of Interest ('Conflicts') are a risk that can be present across a wide range of activities. Conflicts arise where the interests or duties of a Party are inconsistent with the obligations or duties they owe to another Party. When not sufficiently addressed, Conflicts can lead to poor conduct and culture in an organisation, bring about customer harm or result in breaches of regulatory requirements.

The Westpac Group ('the Group') is committed to conducting our business with honesty, fairness and integrity. Managing Conflicts adequately is integral to the way we do business, treat our customers fairly and deliver value to our shareholders. It is also a fundamental licensing requirement for the Group to continue its operations.

The Westpac Group Conflicts of Interest Policy ('Policy') sets out the high-level principles of Conflicts management that are applicable across the Group and prescribes the minimum requirements to be met by all Employees and all business or function units ('Business Units') at the Group. The Policy is supported by other policies, standards, procedures and guidance materials that set out how specific Conflicts are to be managed.

This document is designed to provide Westpac customers with a high-level summary of the Policy.

2. Policy Principles

The following principles underlie the Group's general approach to Conflicts management:

- Conflicts must be promptly identified, declared, assessed, managed and recorded appropriately.
- Every Employee must discharge their duties concerning Conflicts with integrity, fairness, honesty and due skill, care and diligence.
- Each Business Unit is accountable for the activities they engage in, and for managing any Conflict that may arise out of those activities.
- Where a Conflict cannot be effectively managed, it must be avoided.
- Where doubt arises as to whether a Conflict exists, the matter must be escalated to the People Leader, or Compliance for guidance.
- Appropriate governance, organisational and administrative arrangements must be established for identifying, documenting, assessing, and managing Conflicts.

3. Conflicts Management Process

The Group's Conflict management process involves the identification, declaration, assessment, management and recording of Conflicts. More detailed requirements on how to manage specific types of Conflict are provided in the relevant policies or procedures dealing with those activities.

3.1. Identifying Potential Conflicts

The responsibility to manage Conflict starts with employees' ongoing active consideration of whether a Conflict exists, whenever presented with a situation. In identifying Conflicts, employees are required to consider both:

- Conflicts that arise through organisational structure and Business Unit activities, and
- Conflicts that arise through an individual's circumstances, decisions and conduct.

3.2. Declaring Conflicts

If a Conflict is identified – whether actual, potential or perceived – employees must promptly declare it to their People Leader, so that steps can be taken to manage or avoid the Conflict. Details of this Conflict declaration, along with its assessment and management, must be recorded by the relevant Business Unit. Depending on the type of Conflict, further action may be required to manage the Conflict appropriately.

3.3. Assessing Conflicts

Once a potential Conflict has been identified and declared, its potential impact must be assessed. Among other things, an assessment must evaluate the scope and significance of the Conflict, its potential ramification, the existence of extenuating circumstances.

3.4. Managing Conflicts

Once a Conflict has been identified, declared and assessed, steps must be taken to manage the Conflict or avoid it. A Conflict will only be effectively managed where, having considered the full nature of the Conflict and its potential negative impact, the Group can be satisfied on a reasonable basis that it will not give rise to any harm or detriment.

- **Controlling Conflicts**

Depending on the nature and 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. It should not be assumed that any one or combination of those controls will be effective in managing a Conflict. Business Units must establish and maintain control measures that are appropriate to control the relevant Conflict(s) in their respective areas.

- **Disclosing Conflicts**

Disclosure in itself is often not an adequate control for managing Conflicts. Where internal measures are not adequate to remove a Conflict risk, the Conflict needs to be disclosed to the relevant party. The disclosure must be sufficiently detailed to articulate the true nature of the Conflict, and made in a timely and meaningful manner to allow a customer or other relevant party to take an informed decision regarding the product, service or transaction in question.

- **Avoiding Conflicts**

Some situations may present a very significant impact such that it is not possible to manage the Conflict effectively other than to limit or cease an operation, or to decline acting in a particular transaction, or reasonably request that the affected party accept the Conflict risk. Nothing in this Policy authorises the management of a Conflict if the general law requires that it be avoided.

3.5. Recording Conflicts

Every Business Unit is responsible for keeping a record to evidence their active identification and management of Conflicts, including any disclosures given to customers or the public generally. Business Units must review their Conflict records annually or more frequently as may be necessary.

3.6. Specific Conflicts Management Arrangements

Where a specific process or system has been established by the Group for identifying, declaring, assessing, managing and recording a particular type of Conflict, actual instances of such Conflicts must be managed through that particular system. Examples of these arrangements include:

- Pre-approval of personal account dealings on securities for Designated Employees under the Westpac Group Personal Account Dealing Policy.
- Notification or pre-approval of personal account dealings on Westpac securities for Prescribed Employees or Key Prescribed Employees under the Westpac Group Securities Trading Policy.
- Pre-approval and recording of gifts and hospitality activities under the Group Gifts and Hospitality Policy and Standard.
- Pre-approval and recording of corporate charitable donations under the Group Charitable Donations Policy and Standard.

3.7. Conflicts Escalation

All Business Units must have a governing body or forum for the adjudication and oversight of Conflict issues.

Where a Conflict is material and:

- Involves more than one Business Unit
- Involves issues with Group-wide potential implications
- Cannot be effectively managed or resolved using normal Business Unit processes, or
- Presents a material risk of damage to the Group's reputation if a Conflict is mismanaged

it should be escalated to the Westpac Group Reputation Risk Committee.