

DIRECTOR CONFLICTS OF INTEREST POLICY

PURPOSE

To set the standards expected of Directors of Energy Queensland Limited.

Directors must not allow their personal interests or the interests of any Associate to conflict with the interests of Energy Queensland Limited.

Scope

This Policy applies to Directors of Energy Queensland Limited. There is a separate Conflicts of Interest Policy for employees of Energy Queensland Limited (EQL) and its subsidiaries (collectively the “EQL Group”).

POLICY STATEMENT

The Directors’ Code of Conduct includes the following in relation to conflicts of interest:

- A Director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the company.

The key issues are to ensure that:

- A Director identifies the potential conflict, and discloses it in a timely manner; and
- The Board or an appropriate person formulates the appropriate management strategy - which may include refraining from taking part in the activity or decision making (which is required by s.195 of the *Corporations Act 2001* (Cth) where the conflict circumstance amounts to a material personal interest).

IMPLEMENTATION

What is a Conflict?

Conflicts are circumstances where a person’s personal interests, or duties to another organisation, are inconsistent with, or diverge from, the person’s duties to EQL. Private interests are those that can bring a benefit or disadvantage to the person or to others whom they may wish to benefit or disadvantage. (This can include personal, professional or business interests of the person or interests of family or Associates, and can be pecuniary or non-pecuniary.)

The question of whether a conflict exists is an objective question – i.e. would a reasonable person consider that a personal interest or a duty elsewhere might motivate the Director rather than being solely motivated for EQL’s benefit. It includes actual, perceived and potential conflicts and direct or indirect conflicts.

Responsibility

Directors should act within the limits of their role, and focus on the merits of each case without regard for their private interests, personal attitudes or opinions, ensuring that the public and shareholding Ministers’ interests are not compromised.

Responsibility for disclosure or avoidance of a conflict of interest and disclosure of a material personal interest rests with the individual Director.

Materiality Threshold

Not every personal interest will present a conflict. For companies, the courts have recognised the need for there to be a real possibility of conflict before requiring the Director to act.

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'Material personal interest' is not defined by statute, however it would include an interest that involves a relationship of real substance to a matter concerning the company such that it might, or could be seen to, influence the Director's vote or decision.

If there is doubt in deciding whether a situation presents a conflict, the matter can be discussed with the Company Secretary or Chair, or discussed with the Board first, but it is better to err on the side of caution and disclose the potential conflict.

Process for Declaring Interests

The *Corporations Act 2001* (Cth) requires directors who have a material personal interest in a matter which relates to the affairs of the company to give notice of that interest to the other directors (s 191). A director may also give the other directors a standing notice of the interests of that director (s 192).

Standing notice of interests are made to Directors by each Director. The interests of each Director as specified in their respective written consents are noted and recorded. The list of Directors' interests is also included in Board papers each month. Any variations or other interests declared and noted during Board meetings, in accordance with s 192 (4) of the *Corporations Act 2001* (Cth) will be recorded in the minutes of the meeting.

Issues

To meet the requirements of the *Corporations Act 2001* (Cth) as well as part of ongoing good governance, each Director should declare:

- directorships and offices held by the Director with other companies;
- any role held by the Director, within the last three years, with a material professional adviser, or a material consultant to EQL or any of its subsidiaries;
- if they are a material supplier or client of EQL or its subsidiaries or associated with a material supplier or client;
- if they have a material contractual relationship with EQL or its subsidiaries other than as a director;
- any interest, business or other relationships of the Director that could, or could reasonably be perceived, to materially interfere with the Director's ability to act in the best interests of EQL; and
- any other interest that should be reasonably disclosed in order to avoid an actual or potential conflict of interest or the perception of a conflict of interest.

Directors should advise of any other interests that they consider should be disclosed pursuant to the above.

Any contact with lobbyists must be referred to the Company Secretary. The Company Secretary maintains a Register of Contact with Lobbyists.

EXTERNAL REFERENCES

The following legislation applies to this Policy:

Corporations Act 2001 (Cth)

REFERENCE DOCUMENTS

This Policy should be read in conjunction with the following document:

[Director Code of Conduct Policy P001 - 687212](#)

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Register of lobbyists maintained by the Office of Integrity Commissioner

DEFINITIONS

Term	Definition
Board	The board of directors of EQL.
This Policy	Director Conflicts of Interest Policy and any related documents.
Associate	Includes spouse, partner, parent, child, parent-in-law, child-in-law or other relative, friend, co-worker, entity in which a director or an Associate has a material interest, whether direct or indirect and whether legal or beneficial, and an entity in which the Director is a director or officer.
Register of Contact with Lobbyists	<p>The register of contact with lobbyists that Directors receive maintained by the Company Secretary. The following particulars will be recorded in the Register of Contact with Lobbyists:</p> <ul style="list-style-type: none"> • name of the lobbyist • date and method of contact (e.g. email, phone call, conversation) • topic and outcomes.

ENFORCEMENT

EQL will not tolerate breaches of the Director Conflicts of Interest Policy and will apply appropriate action, taking into account the culpability of conduct in issue.

VARIATION

This Policy is not intended to detract from, or add to, any rights held by a person covered by this Policy under a contract of employment or enterprise agreement. Subject to any consultation obligations, EQL may vary, add to, withdraw, or replace this Policy, at its discretion, at any time.

This Policy should be reviewed at least every two years. This Policy may only be varied by the Board. The CEO or the Company Secretary can approve administrative changes to Board approved policies (i.e. minor updates, amendments or corrections not involving changes to delegations or the provisions of the policy).