

EMPLOYEE CONFLICT OF INTEREST POLICY



PURPOSE

The purpose of this Policy is to:

- Outline the standards of ethical conduct with respect to conflicts of interest expected of Energy Queensland Limited, its subsidiaries and its related bodies corporate (**EQL**) Employees in connection with the obligations set out in the EQL Employee Code of Conduct and referenced in the Definitions section of this Policy.
- Detail the responsibilities of Employees in dealing with conflicts of interest (including conflicts that may arise as a result of close personal relationships).
- Define the principal definitions that apply to conflicts of interest including guidance as to what constitutes actual, perceived and potential conflicts of interest.

POLICY STATEMENT

All Employees have a primary duty to act in the best interests of EQL. This includes always putting their official duty above their own private interests when carrying out their official duties. Therefore, Employees must acknowledge and manage any actual, perceived or potential conflicts to ensure that they do not allow private interests to discredit, or conflict, in any way with, their obligation to EQL.

This Policy applies to all Employees and supports the EQL Employee Code of Conduct which provides, amongst other things, that EQL act with honesty, integrity and transparency, as this cultivates the trust of our customers, colleagues and the community.

IMPLEMENTATION

Application/Scope

This Policy applies to all Employees and any other persons notified that this Policy applies to them.

There is a separate Conflicts of Interest Policy for EQL Directors.

What is a Conflict?

Conflicts are circumstances where a person's private 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 one – i.e. would a reasonable person consider that a personal interest or a duty elsewhere might motivate the Employee rather than being solely motivated for EQL's benefit. It includes:

- Actual conflict of interest.
- Perceived conflict of interest. A perceived conflict of interest exists where it appears from the perspective of a reasonably informed person, that a person's private interests could improperly influence the performance of their duties – whether or not this is in fact the case.
- Potential conflict of interest. A potential conflict of interest arises where a person has private interests that could conflict with their professional interests in the future due to likely (or possible) changes of events.

- Direct or indirect conflicts.

Close Personal Relationships

Close personal relationships in the workplace may give rise to conflicts of interest. Whilst EQL does not wish to intrude in the personal lives of Employees, it is important that the existence of close personal relationships is disclosed where the relationship may cause a conflict of interest, including a perceived conflict of interest.

The appropriate disclosure and management of close personal relationships will assist in avoiding misunderstandings, complaints of favouritism or unfair treatment, claims of sexual harassment that may result from the appearance of conflict of interest caused by close personal relationships amongst Employees.

Employees must disclose close personal relationships where a conflict of interest may arise. Circumstances where it is expected that Employees will disclose a close personal relationship exists include the following:

- during a recruitment process, where an Employee involved in the recruitment process is in a close personal relationship with a candidate or potential candidate.
- where a direct or indirect reporting line exists (e.g. a manager directly or indirectly supervises another Employee who is in a close personal relationship with the manager).
- where Employees in a close working relationship work closely together on a frequent basis, e.g. in a workgroup.
- where an Employee is able to influence a decision by, or in relation to, another Employee as a result of being in a close personal relationship.

The declaration of close working relationships will be treated confidentially, with disclosure of the relationship made to the Employees' General Managers (or Executive General Manager where the conflicted Employee is a General Manager) to ensure the conflict is managed. In some instances, it may be considered appropriate to change reporting lines of one Employee to manage the conflict.

Employees must also take care to ensure that any dispute between parties in a close personal relationship (including a breakdown of that relationship) must not impact on the working relationship between the parties. If an Employee has any concerns regarding this (including concerns for their safety or wellbeing), they should discuss it with their Line Manager or General Manager.

Process for Declaring Interests

Once a conflict has been identified, whether it be non-pecuniary, pecuniary, perceived or a potential conflict of interest, the person concerned should report and declare their conflict of interest to their Line Manager / Supervisor that may affect the carrying out of official duties through the completion of the Conflict of Interest Disclosure Form.

Managing Conflicts of Interest

Employees should err on the side of caution and disclose the personal interest, if they have any doubt as to whether a conflict exists.

It is acknowledged that conflicts of interest are not always clear to those who may have them and if Employees are unsure about a possible conflict, they should seek the advice of their Line Manager / Supervisor in the first instance. If the position is still unclear following these

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discussions, the Line Manager / Supervisor should consult with the Company Secretary. Areas where conflicts commonly arise include during procurement processes, where an employee involved in the procurement review has an interest in one of the tendering entities because a partner or relative is an employee of that entity, or the employee has a financial interest in that entity (e.g. through a shareholding).

Responsibilities

This section outlines the key responsibilities in dealing with conflicts of interest.

Role/Position	Responsibilities
Executive Leadership Team (ELT) (Chief Executive Officer (CEO) & Executive General Managers (EGMs)	<ul style="list-style-type: none">• Establishing a robust system for managing conflicts of interest. This includes a clear policy and procedure for Employees to follow.• Building an organisational culture that supports Employees in the implementation of the policy and procedures, including training, as and when appropriate.
General Managers, Line Managers and Supervisors	<ul style="list-style-type: none">• Being aware of the risks of conflicts inherent in the work of Employees they manage and supervise.• Making Employees aware of this Policy and the procedures for complying with it.• Recording the receipt of disclosures of conflicts of interest reported to them by Employees.• Advising Employees about appropriate ways to manage conflicts of interest.• Assisting Employees who disclose conflicts in managing the conflict.
Employees	<ul style="list-style-type: none">• Being aware of their obligations to avoid, where possible, conflicts of interest and managing those conflicts that cannot be avoided.• Assessing their private and personal interests and deciding whether they conflict, or have the potential to conflict, with their official duties.• Formally disclosing a conflict of interest they may have according to the procedures referred to in this Policy.

REFERENCES

F176. Conflict of Interest Disclosure (Form)

F177. Declaration of Interests - Executive General Managers (Form)

P004. Employee Code of Conduct (Policy)

P006. Entertainment, Hospitality and Gifts (Policy)

P019. Domestic and Family Violence (Policy)

P048. Securities Dealing (Policy)

Code of Conduct and Conflicts of Interest Best Practice Guide for Government Owned Corporations

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DEFINITIONS

Associate	Includes spouse, partner, parent, child, parent-in-law, child-in-law or other relative, friend, co-worker, entity in which you or an Associate has a material interest, whether direct or indirect and whether legal or beneficial, and an entity in which you are a director or officer.
Close Personal Relationship	A relationship that goes beyond the bounds of a platonic/personal friendship or a working relationship, and includes being a relative, a family relationship, or personally involved, i.e. dating, romantic relationships, sexual and similar close personal relationships that may be consensually undertaken by both individuals.
Employees	Employees, contractors and agents of EQL.
Integrity	Adhering to the highest ethical standards in decision making and the exercise of entrusted authority.
Managing a conflict of interest	A process where a conflict of interest is managed to ensure probity, transparency and the community interest.
Non-pecuniary interest	Non-pecuniary interests do not have a financial component but may arise from personal or family relationships or involvement in sporting, social or cultural activities. They include any tendency toward favour or prejudice resulting from friendship, animosity or other personal involvement that could bias a person's judgment or decisions.
Pecuniary interest	Pecuniary interests involve an actual or potential gain or loss. They may result from the person or a related party owning property, holding shares or a position in a company bidding for work, accepting gifts or hospitality, or receiving an income from a second job. Money does not need to actually change hands for an interest to be pecuniary.
Related party	A related party generally includes anyone who is part of a person's immediate family, such as parents, children, a spouse or de facto spouse. Related parties can also extend to companies and other organisations where a person has an interest in the organisation as a director or officer or has a controlling interest as a shareholder.
This Policy	This Policy and any related documents.
Transparency	Transparency involves disclosure of private interests or affiliations that could compromise, or be seen to compromise, the unbiased performance of a person's work and the maintaining of proper records of all actions and decisions taken in managing a conflict of interest.

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ENFORCEMENT

EQL will not tolerate breaches of this Policy and will apply appropriate action, taking into account the culpability of conduct in issue. A breach of this Policy may breach the EQL Employee Code of Conduct and in any case should be reported to your Line Manager.

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 the Energy Queensland Union Collective Agreement 2017. Subject to any consultation obligation, EQL may vary, add to, withdraw, or replace this Policy, at its discretion, at any time.

CATEGORY

Governance.