



Conflicts of Interest (Employees and Contractors) policy

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Owner: General Manager, Internal Audit and Fraud

Background

At **nbn** co limited (**nbn**) we are one team, we are fearless, we deliver and we care. All employees and contractors owe a duty of loyalty to **nbn** arising from their employment agreement or contract with **nbn**. Employees and contractors of **nbn** must not act in a manner contrary to the interests of **nbn**, and where there is a conflict between their personal interests or the interests of **nbn**, the latter must prevail.

All employees and contractors of **nbn** must be sensitive to actual, potential and perceived conflicts of interest (together, **Conflicts**) given **nbn** is owned by the Commonwealth, and the significant public interest in the National Broadband Network.

The Board will annually monitor compliance with this policy and update it biennially or thereabouts, including for changed circumstances, as appropriate.

Purpose

This policy provides guidance on the management of Conflicts to employees and contractors of **nbn** and any of its subsidiaries from time to time. This policy has been developed to help:

- manage Conflicts to ensure that third-party dealings are conducted in a fair, transparent and honest manner;
- identify circumstances which may give rise to Conflicts to **nbn**'s interests;
- establish appropriate procedures and systems to manage those Conflicts; and
- ensure the maintenance of such procedures and systems in an effort to prevent actual damage to **nbn**'s interests through Conflicts identified.

Scope

This policy:

- applies to all employees and contractors of **nbn** and any of its subsidiaries from time to time, whereby 'contractors' includes Temporary Staff Augmentation and Extended Workers (each, as defined in **nbn**'s Resource Engagement Policy);
- applies to any employee who is also a director of an **nbn** subsidiary; and
- will not apply to an employee who is also a director of **nbn**: such a person must comply with the Conflicts of Interest Directors' Policy (incl. External Securities (Declaration of Interests) Policy).



Policy

A Conflict arises where the interests of employees or contractors are different to, and conflict with, the interests of **nbn**. A Conflict exists when it is likely that employees or contractors could be influenced, or could be perceived to be influenced, by a personal interest in carrying out their duties as an employee/contractor of **nbn**.

For the purposes of this policy, references to Conflicts include actual conflicts of interest as well as potential conflicts of interest or situations that may give rise to an appearance of a Conflict. Employees and contractors must be particularly sensitive to potential Conflicts, and situations that could be perceived as a Conflict, due to the public interest in **nbn** and its status as a wholly-owned government company. Where a potential Conflict is identified, this should be dealt with as set out below under the heading 'Disclosing a potential Conflict'.

Identifying potential Conflicts

Conflicts may not necessarily be personal to employees or contractors, but may also arise where the interests of family, friends or other Close Personal Relationships (as defined below), close personal or business associates or business partners of employees or contractors (each an **Associate**) conflict with those of **nbn**. The requirement to identify potential Conflicts is ongoing, and particularly relevant in the event of a launch of or substantial change in a service, activity or product, changes to the customer base, change in regulatory regime, or change in role or reporting line.

A **Close Personal Relationship** includes the following:

- spouse, partner, dependant or any person living in the same dwelling;
- romantic, intimate or sexual relationships; or
- any other relationship that may give rise to a conflict (e.g., friends or extended family).

Conflicts of interest may be **financial**, such as debts or income, **non-financial**, such as preferential treatment, **direct**, where the benefit flows straight to the **nbn** employee or contractor or **indirect**, where the benefit flows to an Associate of the employee or contractor or **ethical/legal**, where the employee or contractor's conduct is improperly influenced.

The following are examples of potential Conflicts:

(a) *Personal interest in a third party*

A potential conflict arises where an employee or contractor has a personal interest in a third party which has a business relationship with **nbn**, for example, an organisation that:

- conducts business with, or seeks business from, **nbn**;
- **nbn** seeks business from; or
- competes with **nbn**.

An employee or contractor will have a personal interest in a third party if they, or one of their Associates, is, for example, a director or shareholder of the third party. Ownership of less than one percent of a company is not considered a conflict.



(b) Secondary employment and other positions outside of nbn

In some cases, a potential conflict arises where an employee or contractor has another or is contemplating another paid or unpaid position outside of **nbn**. This does not necessarily mean that such outside positions are prohibited or that they constitute Conflicts, however, employees and contractors must notify **nbn** (see instructions below) of any existing or potential position where a Conflict may or does arise before it is accepted or as soon as possible if it is a pre-existing position so that an assessment can be made of whether a Conflict exists and, where appropriate, how to manage it.

(c) Employee and Contractor Referrals

Employees or contractors who introduce one of their Associates to **nbn** as a potential employee or contractor must not be involved in the selection process and **nbn** should be informed of the situation so that an assessment can be made of whether a Conflict exists and, where appropriate, how to manage it.

(d) Procurement and Business Dealings

A potential conflict arises when an employee or contractor uses their position at **nbn** to do business with a third party which they or an Associate have an interest in. **nbn** should be informed so that an assessment can be made of whether a Conflict exists and, where appropriate, how to manage it.

(e) Gifts or Benefits

Employees or contractors who receive more than a token gift or benefit (including meals, hospitality, accommodation or travel, amongst other things) from a third party in connection with their duties for **nbn** may have a Conflict. **nbn** should be informed so that an assessment can be made of whether a Conflict exists and, where appropriate, how to manage it. For the purpose of this policy, a gift or benefit will be regarded as being more than token if its value is more than \$200.

(f) Relationships within nbn

A potential conflict arises where an **nbn** employee/contractor is in a Close Personal Relationship with another **nbn** employee/contractor, and (1) they are in a direct or indirect supervisor or line management relationship; or (2) one of them is involved in the appointment, appraisal, promotion, remuneration or any other management activity, process or decision involving the other that may result in actual, potential or perceived impaired fairness or objectivity. Both parties to the relationship must separately disclose the Close Personal Relationship to **nbn** so that any Conflict can be managed, where appropriate.

Where there is any doubt as to whether a Conflict may exist, employees or contractors should seek guidance from their manager and, if necessary, approval from nbn, before engaging in the activity that may constitute a Conflict. Failure to comply with the obligation to disclose Conflicts may lead to disciplinary action being taken by **nbn** in accordance with the Managing Performance and Behaviour Policy and/or termination of the applicable engagement or contract.

nbn recognises that Close Personal Relationships between **nbn** employees and/or contractors may be a sensitive matter and disclosures of this kind will be kept as confidential as possible. **nbn** staff who wish to discuss a Close Personal Relationship and/or Conflict with their manager or Human Resource Business Partner prior to making a disclosure under this policy can do so, however this does not remove the requirement to disclose any actual or perceived Conflict in accordance with the procedure set out in this Policy.



Disclosing a potential Conflict

Where an employee or contractor is unable to avoid a Conflict, or where, in the circumstances, there is a reasonable basis to suggest that a Conflict may arise, the employee or contractor is to:

- complete and email the Conflicts of Interest Procedure and Action Form/s to the **nbn** Internal Audit and Fraud Management team at conflictsregister@nbnco.com.au; and
- copy his or her manager on this email.

The primary obligation is to notify, in advance wherever possible and otherwise immediately, any actual, potential or perceived conflict of interest.

Where the nature or extent of a Conflict situation changes, an employee or contractor must immediately disclose the change by:

- completing and emailing Parts A and B of the Conflicts of Interest Procedure and Action Form/s to the **nbn** Internal Audit and Fraud Management team at conflictsregister@nbnco.com.au; and
- copying his or her manager on this email.

Executive Committee members must follow the COI disclosure and amendment process mandated and detailed in the COI tab of Diligent Boards.

nbn's approach to handling Conflict situations

Conflict situations will be dealt with by **nbn** on a case by case basis.

When assessing a conflict of interest disclosure, the following criteria are considered by the Internal Audit and Fraud Team:

- **Public interest versus private interest** – does the employee or contractor have a personal, private or financial interest, relationship or association that may conflict, or could be perceived to conflict with their duties and obligations to **nbn**?
- **Potential** – could the employee or contractor and anyone they are associated with, now or in the future, be the recipient of a benefit, that if received, could cast doubt over the employee or contractor's objectivity?
- **Perception** – how will the employee or contractor's involvement in a decision or action be perceived by others?
- **Proportionality** – does the employee or contractor's involvement in the decision or action appear fair and reasonable in all the circumstances?
- **Presence of mind** – what are the consequences if the conflict is not managed? Would the employee or contractor's reputation be maintained if their involvement is questioned publicly or could their integrity be called into question? Additionally, could **nbn**'s reputation be adversely impacted?

The approach to managing a Conflict will depend on the situation. Where a management plan cannot be agreed or will not adequately address the Conflict, **nbn** reserves the right to take such steps as are necessary to avoid, remove or mitigate the Conflict.

nbn Group Internal Audit and Fraud will maintain a confidential register of Conflicts that have been disclosed to **nbn** which is managed in accordance with **nbn**'s legal obligations including the Privacy Act 1998. In many cases, **nbn** may not require anything to be done after the interest is disclosed. However, in some cases **nbn** may find it necessary to take actions, or direct the employee or contractor to take actions, in relation to the Conflict.



The following types of control are non-exhaustive examples of how **nbn** may manage a Conflict:

Control	Action
Segregation of duties	Prevent or control the involvement of individuals in simultaneous or sequential tasks that may affect the outcome of a decision in a Conflict scenario. For example, nbn may direct an employee or contractor to undertake alternative duties.
Change in team structure	nbn may require an employee or contractor to cease reporting to a supervisor where a Conflict scenario occurs within a team structure. This may involve directing the employee to report to a separate supervisor going forward.
Control of information	Prevent or control the exchange of information between employees or contractors in nbn who may be on either side of a Conflict scenario.
Disposal of interest	nbn may direct an employee or contractor to dispose of their interest in the third party or to refrain from accepting a gift or benefit from a third party.
Refusal of service	Where nbn is unable to manage a particular Conflict effectively, it may decline to do business with a third party.

Roles and responsibilities

Employees and contractors have the following duties and obligations relating to Conflicts:

- ensuring that in all their activities they consider whether a Conflict arises;
- taking all reasonable measures to avoid Conflict situations arising, and where this is not possible, disclose the Conflict to **nbn**;
- there may be circumstances in which there might be a reasonable basis on which to believe that a Conflict may arise, or in which there may be the appearance of a Conflict. In each of these circumstances, an employee or contractor must immediately disclose the Conflict to **nbn**; and
- where a Conflict situation changes, an employee or contractor must immediately disclose the change.

Managers have the following additional duties and obligations:

- developing (in consultation with Group Internal Audit and Fraud) and maintaining a written management plan designed to manage their direct report's disclosed Conflict to mitigate the risk to **nbn**;
- monitoring the disclosure to ensure it is current and adequately managed; and
- promoting awareness to ensure all their direct reports understand their obligations under this Policy and promptly disclose any potential conflicts of interest.

Senior Executives of nbn have the following additional obligations:

- an overriding duty to avoid a Conflict and to act in the best interests of **nbn**, and for a proper purpose;
- a duty not to improperly use their position at **nbn** to gain an advantage for themselves or another person, in a way which may cause detriment to **nbn**; and
- a duty not to improperly use information obtained in their position at **nbn** to gain an advantage for themselves or another person, or in a way which may cause detriment to **nbn**.

nbn Internal Audit and Fraud is responsible for:

- monitoring and assisting in the management of all Conflicts;
- keeping and maintaining a confidential register of controls used to manage conflicts of interest and the tools used to monitor Conflicts; and
- updating this policy.

nbn Legal is responsible for providing legal advice, as required.



More information

If you require additional information in relation to this policy or you have any suggestions for improvement to this policy please contact the Policy Owner, or visit the [Fraud Management and Investigations'](#) HUB page.

Related policies

- [Code of Conduct](#)
- [Conflicts of Interest Procedure and Declaration Forms](#)
- Conflicts of Interest Directors' Policy (including External Securities Declaration of Interests)
- [Fraud and Corruption Control Policy](#)
- [Gifts or Benefits Policy](#)
- [Managing Performance and Behaviour Policy](#)
- [Resource Engagement Policy](#)

Mark Trajcevski
General Manager Internal Audit and Fraud
Effective as of 7 February 2022



Document control

Policy owner	Mark Trajcevski, General Manager Internal Audit and Fraud
Revision	9.0
Issue date	First approved at Board Meeting 38 on 17 June 2011
Review date	Biennial review due February 2022
Status	-
Plan of record?	Yes
Policy author	Mark Trajcevski, General Manager Internal Audit and Fraud Jane Edwards, Executive Manager Fraud Management and Investigations
Policy approver	Board of Directors
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Department or business unit	Finance (Group Internal Audit and Fraud)

Revision history

Revision	Description	Policy author
9.0	Update of close personal relationships section to include a definition in this policy and to otherwise align with the Code of Conduct (e.g. secondary employment) and reflect the change in policy ownership to the Finance Group.	Jane Edwards/Mark Trajcevski
8.0	Incorporation of recommendations from an independent review and update to include reference to Executive Committee COI disclosure process made effective 1 January 2020.	Jane Edwards/Mark Trajcevski
7.0	Reviewed (biennially) in June 2018 for currency, to incorporate nbn's new 'we care' value and to cross refer to 'close personal relationships' as defined in the Code of Conduct.	Justin Forsell, Chief Legal Counsel
6.0	Reviewed out of biennial review cycle for currency of content in view of creation of a Directors only Conflicts of Interest Policy (BMS005572). Approved at BM 101 held on 23 August 2016.	Justin Forsell, Chief Legal Counsel
5.0	Reviewed (biennially) in July 2015 for currency and to include new branding and company values. Approved at BM 87 held on 14 July 2015.	Justin Forsell, Chief Legal Counsel
4.0	Minor update – deleted previous approvers table	Ali Beydoun
3.0	Reviewed (biennially) for currency at the 24 May 2013 People and Performance Committee meeting (PPC19). Approved at BM59 held on 11 July 2013.	Justin Forsell, Chief Legal Counsel
2.0	Amended in June 2012 to include classification and logo	HCC
1.0	Policy first approved at Board Meeting (BM) 38 held on 17 June 2011.	Justin Forsell, Chief Legal Counsel