



## DISCLOSURE OF INTERESTS POLICY

<b>Title</b>	<i>Disclosure of Interests Policy (POT 1099)</i>
<b>Purpose</b>	To set out the principles and procedures for handling conflicts of interest or conflicts of commitment.
<b>Application</b>	This policy applies to:- <ul style="list-style-type: none"> <li>▪ Directors</li> <li>▪ Chief Executive Officer</li> <li>▪ Senior Management</li> <li>▪ Employees</li> </ul>
<b>Responsible Officer</b>	Company Secretary and Legal Counsel
<b>Related Documents</b>	<ul style="list-style-type: none"> <li>▪ Declaration of Interests Form (POT 1073)</li> <li>▪ Statement of Interests (POT 1076)</li> <li>▪ Insider Trading Policy (POT 567)</li> <li>▪ Code of Conduct (POT 219)</li> <li>▪ Fraud and Corrupt Conduct Control Policy (POT 1093) and Guidelines (POT 389)</li> <li>▪ Duties of Directors and Officers (POT 375)</li> </ul>
<b>Quality Records</b>	<ul style="list-style-type: none"> <li>▪ Declaration of Interests Form (POT 1073)</li> <li>▪ Statement of Interests (POT 1076)</li> <li>▪ Register of Interests</li> </ul>
<b>Continual Improvement</b>	This Policy is to be reviewed at least every three (3) years.

### COMPLIANCE AND COMPETENCE REQUIREMENTS

<b>Standard</b>	
None	
<b>Legislation</b>	
<i>Government Owned Corporations Act 1993 (Qld)</i> <i>Corporations Act 2001 (Cth)</i>	
<b>State Government Policies</b>	
<i>Corporate Governance Guidelines for Government Owned Corporations (February 2009)</i>	
<b>Competence</b>	
Competency is a person's demonstrated ability to apply the necessary knowledge and skills to perform an assigned task satisfactorily.	
<b>Competence Requirement</b>	<b>How is the necessary knowledge and skills assessed to ensure assigned task is performed satisfactorily</b>
Ability to identify, disclose and manage conflicts.	<ul style="list-style-type: none"> <li>▪ Disclosures received and recorded.</li> <li>▪ Assessed through audits.</li> </ul>

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			Date	22/04/2015
			Page	1 of 11

## PURPOSE

Port of Townsville Limited (POTL) has a responsibility to ensure that its official activities and those of its employees conform to acceptable standards of integrity and ethical conduct. This Policy outlines the principles to apply and the procedures to be followed when a Director, Chief Executive Officer, Manager or employee experience a conflict of interest in carrying out their duties at POTL.

## POLICY STATEMENT

It is the policy of POTL that Directors, the Chief Executive Officer, Executives, Managers and employees avoid ethical, legal, financial or other conflicts of interest, and ensure that their activities and interests do not conflict with their obligations to POTL or its welfare.

Directors, Officers and employees have a common law, fiduciary and legislative duty to prevent placing themselves in a position of actual or perceived conflict whereby a personal interest or duty conflicts with their overall duty to the company.

POTL is committed to ensuring that all interests and any actual or perceived conflicts of interest are appropriately disclosed, recorded and managed. POTL will ensure that arrangements are in place to disclose and manage all interests and conflicts of interest affecting the organisation. POTL will communicate the contents of this policy to all employees.

## DEFINITIONS

**Benefit:** means anything which provides the individual with a direct or indirect personal gain or the potential for personal gain or gain to a third party. Such a gain need not be financial - it could be a personal or non-financial gain. It includes the provision of material or facilities, support of individuals through the provision of benefits (e.g. travel, gifts, entertainment, accommodation expenses etc) or a financial benefit.

**Business Relationships:** refers to external contractual relationships, customer relationships, supplier relationships, government agencies, private companies, business names or any other commercial trading activity.

**Close Personal Relationship:** means a relationship with persons who are relatives, other financially dependent persons, a de facto partner, sexual partners, near relatives, close friends or any person with whom there is currently, or has been, an intimate relationship. It does not include normal Business Relationships between employees and external parties.

**Conflict of Interest:** a conflict of interest occurs where the individual or private interests of an employee may influence or compromise the conduct of that employee in the conduct of their professional obligations and duties to POTL (including making decisions, influencing relationships etc) such that an independent observer might reasonably question whether the professional actions or decisions of that person are influenced by their own interests or are for their own benefit. Apparent or perceived conflicts may undermine trust and be as damaging as an actual conflict.

**Conflict of Commitment:** occurs when the private interests or non-port activities may harm or interfere with the productivity and involvement of POTL's employees. This refers to an employee's distribution of effort between employment obligations to POTL and to outside professional activities. In this policy "conflict" or "conflict of interest" also includes a conflict of commitment.

**Director:** means a person who is, for the time being, appointed to the position of director of POTL including, where appropriate, an alternate.

**Pecuniary Interest:** exists wherever there is potential for an individual to gain financially from the results of a decision making process.

**Employee:** in the context of this policy refers to Directors, the Chief Executive Officer, senior management and employees of POTL whether full time, part time, casually or otherwise employed.

**Financial Interest:** means any right, claim, title or legal share in something having a monetary or equivalent value. Examples of financial interests include, but are not limited to: shares and share options; the right to

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			Date	22/04/2015
			Page	2 of 11

receive remuneration such as salary, consulting fees, allowances, discounts and the like; real estate; trusts; directorships etc. Excluded from this definition is an investment by a superannuation fund, mutual, pension or other institutional investment fund in which the employee has an interest but over which the employee does not exercise control.

**Non-Pecuniary Interest:** arises from the individual’s employment, professional interests or from their personal relationships. In such cases the conflict of interest would exist if the employer, professional body or the related person would be affected by the results of a decision making process.

**Officer:** means a Director or secretary of POTL, or a person:

- (a) who makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the corporation;
- (b) who has the capacity to affect significantly the corporation’s financial standing; or
- (c) in accordance with those instructions or wishes the directors of the corporation are accustomed to act (excluding advice given by the person in the proper performance of functions attaching to the person’s professional capacity or their business relationship with the directors or the corporation).

The term ‘Officer’ also includes a receiver, administrator, liquidator, trustee of the corporation or other person administering a compromise or arrangement made between the corporation and someone else.

**Register of Interests:** a register of all disclosed interests that is maintained by the Company Secretary and Legal Counsel. All Director and CEO disclosures are to be notified to the Chairperson. All other employee disclosures are to be notified to the relevant supervisor/manager.

<b>PRINCIPLES</b>
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A conflict of interest exists where loyalties are divided. Employees of POTL have a potential conflict of interest if, in the course of their employment, any action they take or decision they make provides any improper gain or benefit to themselves or to a person with whom they have a close personal relationship.

Unless specifically consented to in writing by the employee’s Manager, the Chief Executive Officer or Chairperson (as appropriate) in advance, any situation potentially involving direct or indirect conflict of interest between an employee and POTL should be avoided. Any situation potentially involving a direct or indirect conflict of interest involving the Chief Executive Officer or a Director must be specifically consented to by the Board of Directors.

POTL expects Directors, the Chief Executive Officer, Managers and employees to:-

- perform their duties impartially, uninfluenced by fear or favour;
- avoid being placed in a situation where there is a potential for conflict of interest;
- disclose any conflict of interest using the appropriate processes and channels identified in this policy;
- avoid any detrimental outcome to POTL as a result of a conflict of interest;
- not use information obtained in the course of employment with POTL to gain directly or indirectly an advantage for themselves or for any other person.

**Additional Information – Directors & Officers**

Under the *Government Owned Corporations Act 1993* (Qld) and the *Corporations Act 2001* (Cth) (the Act), Directors and Officers of POTL are required to:-

- disclose the nature and extent of any interest they may have (either direct or indirect) in a matter being considered, or about to be considered, by the Board as soon as practicable after the relevant facts come to the Director’s knowledge;
- not vote on or be present while a matter is being considered by the Board that the Director has a material personal interest in, unless the Board has passed a resolution allowing the Director to vote on or be present during consideration of the matter;
- act honestly in the exercise of powers and discharge of functions as a Director or Officer of POTL;
- not make improper use of information acquired because of his or her position as a Director or Officer of POTL to gain (directly or indirectly) an advantage for himself or herself or for another person, or to cause detriment to POTL;
- not make improper use of his or her position as a Director or Officer to gain (directly or indirectly) an advantage for himself or herself or for another person, or to cause detriment to POTL.

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			Date	22/04/2015
			Page	3 of 11

Under common law and the Act, Directors and Officers also have obligations to:-

- act honestly and to exercise powers for their proper purposes;
- avoid conflicts of interests;
- act in good faith and in the best interests of POTL;
- exercise diligence, care and skill; and
- not to fetter discretions.

### **Insider Trading**

Insider trading is a serious offence applicable to all Directors. For further information in relation to POTL's policies on securities and insider trading please refer to POTL's *Insider Trading Policy*.

## **IDENTIFYING CONFLICTS**

It is impossible to formulate an all-embracing set of guidelines regarding potential conflicts of interest. Situations should be assessed and determined by reference to this Policy, noting that all situations must be regarded on a case by case basis.

The principles to consider are:-

- whether the existence of an interest will influence the Director, other Officer or employee in making the decision for the company;
- the capacity of the Director, other Officer or employee to influence dealings that POTL may have with a third party;
- the improper personal benefit that may flow to the Director, other Officer or employee, someone with a close personal relationship, or a third party through the exercise of that influence;
- whether the Director, other Officer or employee has any direct or indirect pecuniary interest in any business, partnership, corporation, club, organisation or group that would in any way compromise performance of the their obligations to POTL, unless a disclosure of that interest has been made to the relevant Manager, Chief Executive Officer, Chairman or Board (as appropriate) and the Director, other Officer or employee has complied with any directions given in respect to that interest.

Additional guidance on what constitutes a conflict of interest, including examples, can be found in **Appendix A**.

## **DISCLOSING CONFLICTS**

Part of managing conflicts of interest is making appropriate disclosures. While disclosure alone will often not be enough, disclosure is an integral part of managing conflicts of interest.

Disclosure by employees must be made when there is potential for conflict, or the perception that a conflict may exist. Disclosure must be full and prompt, and made using the appropriate form.

In the case of close personal relationships, either party to the relationship can make a disclosure. The primary obligation is to notify, in advance, any potential conflict. Written approval should be obtained *before* any commitment or decision is made that might involve or be affected by a conflict.

Disclosure processes and channels at POTL are shown below:-

<b>Position</b>	<b>Situation</b>	<b>Disclose To</b>	<b>Method</b>
All Directors	Commence Directorship	Board	Statement of Interests (Form)
All Directors	Become Aware of Potential Conflict	Board	Board Meeting (minuted) / In Writing / Declaration Form
Chief Executive Officer	Commencement of Employment	Chairman	Statement of Interests (Form)
Chief Executive Officer	Become Aware of Potential Conflict	Chairman	In Writing / Declaration Form
Senior	Commencement of Employment	Chief Executive	Statement of Interests

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Only electronic copy on server is controlled. To ensure paper copy is current, check revision number against entry in Qudos – Master Document List			Revision	0
			Date	22/04/2015
			Page	4 of 11

Position	Situation	Disclose To	Method
Management		Officer	(Form)
Senior Management	Become Aware of Potential Conflict	Chief Executive Officer	In Writing / Declaration Form
Employees	Become Aware of Potential Conflict	Direct Supervisor or Manager	Declaration Form
Committee Members	First Committee Meeting or when Become Aware of Potential Conflict	Committee Chair	At Meeting (Minuted) / In Writing / Declaration Form

Disclosure shall include the type of potential conflict (conflict of interest or commitment), the nature and extent of the activity, a description of all parties involved, the potential financial interests and rewards, possible violations of state and federal requirements, and any other information which the employee feels necessary to evaluate the disclosure.

POTL maintains a *Company Dealings Register* outlining companies that POTL has existing or potential major contracts or dealings with in relation to business activities of POTL. All Directors, Officer and employees are to consider whether there is the potential for an actual or perceived conflict of interest arising from POTL's dealings with companies listed in the register when completing their *Statement of Interests* and/or *Declarations of Interests* forms.

### **Directors – Additional Information**

If a Director has a direct or indirect interest in a matter being considered, or about to be considered, by the Board, the Director must disclose the nature of the interest to the Board, Chairperson or CEO (as appropriate) as soon as practicable after the relevant facts come to the Director's knowledge. If the disclosure is made at a meeting of the Board, that disclosure must be recorded in the Board's minutes.

A Director who has a material personal interest (whether an indirect or direct interest) in a matter that is being considered by the Board, must not:-

- vote on the matter; or
- vote on a proposed resolution in relation to the matter (whether in relation to the Director or another Director); or
- be present while the matter or a related resolution is being considered by the Board; or
- otherwise take part in any decision of the Board in relation to the matter or a related resolution.

A Director may take part in a decision of the Board in relation to the matter or a related resolution if the Board has at any time passed a resolution that:-

- specifies the Director, the interest and the matter; and
- states that the Directors voting for the resolution are satisfied that the interest should not disqualify the Director from considering or voting on the matter.

The quorum for a Board meeting is half the number of Directors appointed to the Board and if that number is not a whole number, the next highest whole number. A quorum must be present for the whole meeting. The shareholding Ministers may, by each signing consent to a proposed resolution, deal with a matter if the Board cannot deal with it because of failure to satisfy the quorum test.

## **STATEMENT OF INTEREST**

A *Statement of Interests Form* should be completed by Directors, the Chief Executive Officer and Senior Managers upon their commencement of employment with POTL.

A copy of the *Statement of Interests Forms* completed by Directors is provided to the Chairperson for his/her information. Directors shall disclose any changes to the *Statement of Interests Form* as soon as practicable after becoming aware of such changes (no later than 3 months). Such changes may be recorded in the minutes of the Board meeting at which Directors are advised of the change, in writing or by way of a *Declaration of Interest Form* submitted to the Chairperson.

The Chief Executive Officer is to make disclosures to the Chairman. Senior Managers are to make disclosures to their relevant General Manager and/or Chief Executive Officer.

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Only electronic copy on server is controlled. To ensure paper copy is current, check revision number against entry in Qudos – Master Document List			Revision	0
			Date	22/04/2015
			Page	5 of 11

This does not detract from the obligation to report promptly, during the course of the year, any potential or actual conflict that may arise using the appropriate reporting mechanisms detailed in this policy.

## EVALUATION OF DISCLOSURES

The person to whom the disclosure is made (the recipient) should review all relevant information. The review process should be designed to protect confidential information to the degree permitted by law.

The recipient will evaluate the disclosure and make a determination whether the situation is:-

- permissible since the disclosed information does not represent a possible source of bias or an inappropriate activity;
- permissible with modifications aimed at avoiding bias or inappropriate activities; or
- inconsistent with Corporation policy and thus not permissible.

In a case where continued involvement by the disclosing party is permitted but requires modifications, options for resolution and a mechanism for reporting should be developed. The possible options are numerous and may include, for example:-

- requiring the employee to take action to eliminate the conflict;
- public disclosure of all relevant information;
- reformulation of the employee's role in the project or activity to remove the conflict of interest;
- close monitoring of the project or activity;
- divestiture of relevant personal interests;
- termination or reduction of involvement in the relevant project or activity; and/or
- severance of outside relationships that pose conflicts.

The recipient shall issue a written decision which designates an activity as permissible, permissible with certain clearly specified conditions, or not permissible. The recipient will report its findings to their relevant General Manager and/or the Chief Executive Officer, as appropriate.

If the employee and the recipient disagree, either about the presence of a conflict or about its appropriate resolution, the matter must be referred to the next highest authority.

Once an assessment has been made, the person making the determination must immediately notify the employee of his/her decision.

Guidelines for evaluating disclosed interests are provided in **Appendix B**.

## PROBITY REVIEW

For senior executive appointments the Company Secretary and Legal Counsel will arrange for a Probity Auditor to review the disclosure statements. The Probity Auditor will consider the disclosure and will provide an audit report within seven (7) days of the completion of the audit.

All audit reports will set out the work done during the audit process for each conflict matter, the resolution of issues and an opinion on compliance with the defined procedures. The audit report will be provided to the Chairman of the Board copied to the Chief Executive Officer.

The results of each audit will be recorded and maintained by the Company Secretary and Legal Counsel.

## RECORDING INTERESTS

The Company Secretary and Legal Counsel is to maintain (in a secure and confidential location) a *Register of Interests* to record interests and other relevant disclosures. The Register will assist in establishing or determining whether an individual should be excluded or separated from certain activities, projects or decision making processes.

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			Date	22/04/2015
			Page	6 of 11

Records may include:-

- disclosures made by Directors, the Chief Executive Officer, Executives and Senior Managers in their Statement of Interests;
- specific disclosures made during meetings (Board or Committee meetings) which are also required to be included in the minutes of the relevant meeting;
- specific / periodic disclosures of any current interests that arise by any employee; and
- failures to disclose which come to the attention of Management or the Board.

## OBTAINING OBJECTIVE ADVICE

If you are in a situation where you think a conflict of interest exists, or potentially may arise, you are strongly advised to seek advice. Advice in this regard should be sought from your supervisor or Manager, the Chief Executive Officer or Chairman (as appropriate).

Depending on the issue, advice might more properly be sought from an independent external person (e.g. a solicitor or legal service). If POTL itself considers the matter warrants closer legal scrutiny or opinion, it may separately seek such advice itself.

## BREACHES AND NON-COMPLIANCE

### General

A situation where an employee fails to disclose potential or actual conflicts of interest may lead to an allegation of misconduct. An employee may be directed to provide information and failure to do so will be regarded as a breach of this policy.

Other breaches of this policy may also lead to an allegation of misconduct. Breaches that result in economic or financial loss to POTL etc may result in additional legal proceedings (administrative, civil or criminal) being taken by POTL.

Sanctions would be determined in accordance with the circumstances in question and may include counselling, use of disciplinary procedures, civil action, or reporting of actions to police or the Australian Securities and Investments Commission that may result in the laying of criminal charges. Disciplinary actions may include, for example:-

- counselling;
- revocation / reduction of financial or other delegations (either temporarily or permanently);
- demotions;
- warnings; and/or
- dismissal.

Victimisation of an individual as a result of disclosure of an actual or potential perceived conflict of interest is not permitted and may lead to an allegation of misconduct.

### Reporting to Shareholding Ministers

The *Corporate Governance Guidelines for Government Owned Corporations* (February 2009) require that Shareholding Ministers receive timely and complete advice of potential and actual breaches of the *Code of Conduct* and *Insider Trading Policy* by Board Directors, the CEO and Senior Managers.

Shareholding Ministers must also receive timely and complete advice of a material breach of the *Code of Conduct* or the *Insider Trading Policy* by POTL's employees.

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Only electronic copy on server is controlled. To ensure paper copy is current, check revision number against entry in Qudos – Master Document List			Revision	0
			Date	22/04/2015
			Page	7 of 11

## APPENDIX A - Examples of Conflict Situations

### Financial Transactions

Financial delegates must not approve payments to themselves, or to someone with whom they have a close personal relationship. In such cases, claims must be signed by a more senior financial delegate. A delegate must not approve claims for payment from a more senior employee within the same business unit.

### Financial Benefits

Financial conflict of interest might arise where a employee who has a financial interest in a company holds a position within POTL where they could influence, or could be perceived to influence, the awarding of contracts by POTL to that company, where a employees member holds a directorship of a company which is in a position to exert significant influence over POTL, where POTL is providing services to an organisation in which a employee has interests, or where a employee is required to perform an audit on an operation in which they have a personal interest.

If an employee has a financial interest in a company or any other business venture and is in a position to influence business arrangements between that company and POTL, such interests must be declared and recorded in accordance with this policy.

### Interests in Competitor Firms

Employees must be impartial and be seen to be impartial in the performance of their duties, and must not use information obtained in the course of their work for their own personal benefit or disclose such information to a third party except where consent has been obtained or there is a legal or professional duty to disclose.

### Dealings with Suppliers, Customers and Other Persons

Authorised employees shall select and deal with suppliers, customers and other persons doing or seeking to do business with POTL in a completely impartial manner and always in the best interests of POTL. An employee shall not conduct business on behalf of POTL with a person that they have a close personal relationship with, or a business entity with which the employee or a member of his/her family is associated except where such dealings have been disclosed and specific approval and written authorisation have been obtained.

Similarly, a employee shall not divert business of POTL away from another supplier, customer or other person to member of his/her family or business entity with which the employee or a member of his/her family is associated except where such dealings have been disclosed and specific approval and written authorisation have been obtained from the Manager or Chief Executive Officer.

### HR Matters - Employees and Potential Employees

Conflict of interest can arise in a wide range of human resource matters including recruitment and selection, promotion, disciplinary procedures, employee development, performance review and remuneration. An employee should not participate in human resources matters involving a person with whom they have a close personal relationship. The existence of a close personal relationship may create problems by way of advantaging or disadvantaging one of the people involved, if there is also a work relationship.

Employees must disclose any close personal relationship with another current employee or an applicant for any vacant position relevant to the employee. Where such a close personal relationship has been disclosed, the relevant supervisor or Manager should take steps to ensure that the parties concerned are not involved in any procedure that could either confer an undue benefit or result in a disadvantage. Without specifying the range and number of matters that may be relevant, regard should be had to ensuring that:

- one party is not the direct supervisor of the other;
- one party is not involved in procedures leading to the appointment or promotion of the other party or in any other procedure relating to the conditions of appointment such as the classification of that person's position and the granting of leave;
- one party does not have access to any personal files relating to the other party; and
- the relationship between the parties does not affect, adversely or otherwise, the interests of third or other parties.

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			Date	22/04/2015
			Page	8 of 11

## Committees and Decision Making Forums

At the start of any working party or committee, an employee must declare the nature, character and extent of any conflict of interest. In case of doubt, it is best to acknowledge possible conflict of interest. When such a conflict of interest is disclosed, the Chair (subject to the views of the meeting) may additionally or alternatively:-

- ask the employee to leave while the item of business is discussed;
- ask the employee to abstain from voting and or discussion;
- allow the employee to participate in the discussion but withdraw from the meeting before the vote or abstain from voting;
- allow the employee to stay but not participate in the debate; or
- allow the employee to stay with full rights to debate and vote.

Where there is a conflict of interest, future papers on this matter might not be made available to the employee concerned. All declarations of interest shall be minuted, along with any ensuing action and filed consistent with the requirements of this policy.

## Gifts and Benefits

Refer to POTL's *Entertainment and Hospitality Policy* and *Gifts and Benefits Policy* for more information.

## Confidential Information

Where employees have access to official Corporation documents and information obtained in the course of their employment, they need to be aware of and maintain confidentiality and privacy of that information in order to protect the individuals concerned and to ensure the efficient operation of POTL. In general employees should only disclose Corporation information when required to do so by law, when the need arises as part of their normal duties and when called upon to give evidence in court or where the information has been officially approved for release. This restriction does not apply to Corporation information which has been published and is in the public domain.

## Secondary Employment / Commitment

Full time employees who propose to engage in outside business activities should assess those activities in terms of the following guidelines to determine whether a conflict exists with POTL's business commitments:-

- where an employee's participation in outside business activities interferes with their ability to satisfactorily perform assigned work for POTL, a conflict of interest will exist;
- where an employee's participation in outside business activities has a direct relationship to the duties and responsibilities of his/her position with POTL, a conflict of interest will exist;
- where an employee, having knowledge of commercially sensitive information, actively participates in outside business activities for a competitor of POTL, a potential conflict of interest will exist;

No employee who has knowledge of commercially sensitive information shall engage in any outside business activity to POTL without first obtaining written approval from the relevant senior Manager or the Chief Executive Officer. POTL will not accept any bid submitted by an employee to supply any goods, or perform any contract work for which tenders are sought, or negotiate contract work with any employee, unless it is determined by the Chief Executive Officer that this action would be in the best interests of POTL.

An employee who actively participates in business activity for an outside company may not render service to POTL on that company's behalf.

## Examples of Conflict Scenarios

Some examples of scenarios that may present an actual or perceived conflict of interest are provided below:-

- An employee with a financial delegation approves payments to themselves or someone with whom they have a close personal relationship.
- A Director holds shares in a relatively small local company which has tendered to provide services to POTL, and the Board is required to make the decision regarding awarding of the tender.
- A Director holds \$5,000 worth of shares in a large company which has tendered to provide services to POTL, and the Board is required to make the decision regarding awarding of the tender.
- A Director or Manager's family business is given a contract without any other quotes being asked for.
- A Director's sister's business bids for a Board-controlled contract and is successful, even though it is not the most competitive bid.

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Only electronic copy on server is controlled. To ensure paper copy is current, check revision number against entry in Qudos – Master Document List			Revision	0
			Date	22/04/2015
			Page	9 of 11

- An employee is arranging tenders for a consultancy. A close personal friend of the employee has submitted a tender for the works.
- An employee is involved in the recruitment and selection process for an advertised position. A relative of the employee has submitted an application for the position.
- An employee with decision making authority in relation to a tender offered by POTL accepts a gift from a person associated with a company who is tendering.
- POTL needs new office space and an employee believes the vacant office buildings s/he owns would be perfect.
- The Board or Management is planning to engage a consultant and a Director or Manager wants his/her company to bid.
- The Board or Management is planning to engage a consultant and a Director or Manager wants his/her relative's company to bid.
- An employee responsible for assessing or approving sponsorship applications sourced from POTL is on the Board of an organisation seeking sponsorship from POTL.

The mere existence of an actual or potential conflict of interest situation does not necessarily imply that the activity must stop however in all circumstances there must be disclosure so that an evaluation can take place, and any management requirements implemented.

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Only electronic copy on server is controlled. To ensure paper copy is current, check revision number against entry in Qudos – Master Document List			Revision	0
			Date	22/04/2015
			Page	10 of 11

## APPENDIX B – Guidelines for Evaluating Disclosures

Those evaluating disclosures at each level of review need a framework for determining the permissibility of activities and for assessing the degree to which disclosed interests or activities may pose risk to the employee, POTL, and other entities that may be affected.

Below are sample questions for use in evaluating potential conflicts of interest or commitment. The list is not exclusive and other questions related to special circumstances should be added as appropriate.

When presented with the facts of a given situation, the reviewer must first determine if there is legitimate cause for concern related to the inappropriateness of behaviour or evidence of bias by the professional activities of the employee. The following questions are suggested for this initial determination.

- Has all relevant information concerning the employee's activities been acquired (i.e. has there been full disclosure)?
- Do the employee's relevant financial interests suggest the potential for conflicts or the appearance of conflicts or bias?
- Do the employee's reported external time commitments exceed permissible levels?
- Is there any indication that the employee in his or her professional role has improperly favoured any outside entity or appears to have incentive to do so?
- Has the employee inappropriately represented POTL to outside entities?
- Does the employee appear to be subject to incentives that might lead to conflicts or bias?
- Is there any indication that obligations to POTL are not being met?
- Is the employee involved in a situation that might raise questions of bias, inappropriate use of Corporation assets, or other impropriety?
- Could the employee's circumstances represent any possible violation of federal or state requirements?
- Do the current engagements of the employee represent potential conflicts between outside interests (e.g. working on projects simultaneously for competing business entities)?
- Could the proposed activity withstand public scrutiny?

If it appears that there is genuine cause for concern, the reviewer must ascertain whether appropriate controls are in place to deal with possible conflicts. The reviewer should ask, as relevant:-

- Are decisions relating to the activity handled by disinterested representatives of POTL?
- Does the decision or activity require evaluation, approval or authorisation by someone with no conflicting interests?
- Are there mechanisms in place to prevent the introduction of bias into decisions or activities?
- Will information relating to the activity / decision become public knowledge?

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			Date	22/04/2015
			Page	11 of 11