

Conflict of Interest Policy

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.aUDA
.AU DOMAIN ADMINISTRATION LTD

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Purpose

This policy aims to:

- Set out the requirements that all .au Domain Administration Limited ('auDA' or 'the company') directors, officers, employees, consultants and contractors ('employees' for the purpose of this policy) must comply with in order to avoid actual, potential or perceived conflicts of interest. Reference in this policy to auDA or the Company includes all related entities and subsidiaries;
- Protect the integrity of the decision-making process within the company by avoiding ethical, legal, financial or other conflicts of interests;
- Provide guidance for dealing with any conflicts of interest in an open and transparent way; and
- Protects the reputation of auDA and its employees.

Application

auDA is committed to responsible corporate governance including compliance with laws and regulations governing conflicts of interests.

auDA must specifically ensure that **conflicts of interest** (as defined in this policy) are managed, to ensure decisions are made without inappropriate intervention or interference.

This Policy should be read in conjunction with the **Code of Conduct Policy** and **Related Party Transactions Policy**.

Conflict of interest definition

A conflict of interest is where an employee has private interests that could improperly influence, or be seen to influence, their decisions or actions in the performance of their duties.

Conflicts may be actual, potential or perceived:

Actual conflict of interest: there is a real conflict between an employee's company duties and private interests.

Potential conflict of interest: an employee has private interests that could conflict with their company duties. This refers to circumstances where it is foreseeable that a conflict may arise in future and steps should be taken now to mitigate that future risk.

Perceived conflict of interest: the public or a third party could form the view that an employee's private interests could improperly influence their decisions or actions, now or in the future.

Employees' obligation to avoid Conflicts of Interest

Employees must avoid conflicts between the interests of auDA on the one hand, and their own private interests on the other hand. In this Policy, the term "interest" includes:

- material (or pecuniary) interests, where financial advantage, disadvantage or other benefits accrue, or
- non-material (or non-pecuniary) interests such as personal, family, social, sporting or cultural affiliations that may be advantaged or otherwise by a decision or action.

Private interest

A private interest means anything that can influence an employee. Private interests include **direct** interests, such as an employee's own personal, family, professional or business interests, as well as **indirect interests**, such as the personal, family, professional or business interests of individuals or groups with whom the employee is, or was recently, closely associated.

Private interests may be **pecuniary** (i.e. financial), which includes any actual, potential or perceived financial gain or loss, as well as **non-pecuniary**, which includes any tendency toward favour or prejudice resulting from personal or family relationships, such as friendships, enemies or sporting, cultural or social activities.

Examples of conflict of interest situations include but are not limited to **personal workplace relationships** (e.g., hiring, contracting or supervising a person with whom you have or have had a close personal relationship; purchasing goods or services supplied by the family business of an employee, or family company, relative or close friend; participating in a tender for goods and services where a relative or friend will be submitting a bid), **outside employment** (e.g., having a position with a competitor), **personal financial interests** (e.g., owning a property being considered for lease by the Company; sale of a Company asset to an employee without an arm's length process; employees knowing company confidential information that could impact private interests), and **receiving fees, commissions, discounts, gifts, entertainment, or services**. (e.g., receiving cash or gifts from a business partner).

In an effort to avoid conflicts of interest, all Employees must comply with the following obligations:

Employees must exercise their powers and discharge their duties to auDA (**Duties**):

- with care and diligence
- in good faith
- in the best interests of auDA
- for a proper purpose, and
- by disclosing, and not voting on, deciding or otherwise influencing matters involving material personal interests.

Employees must not improperly use their position or information obtained from their position to gain an advantage (or avoid disadvantage) for themselves or another person or an associated entity.

Employees must ensure that appropriate disclosure of conflicts of interest occurs so that, where required, the impact of any conflicts of interest before making investment decisions.

Employees must ensure that when discharging their Duties, they do not cause auDA to breach any laws including prohibiting misleading and deceptive conduct and the benefiting from secret commissions.

Employees must ensure that when discharging their Duties, they do not cause auDA to breach its contractual responsibilities to avoid conflicts of interest; and

Employees must ensure that when discharging their Duties, they do not cause auDA to breach its Constitution.

Specific disclosure of Conflicts by Interest of Employees

Prior to commencement of employment and returning the signed employment agreement, all Employees are required to declare any potential conflict of interest.

During the course of employment should there be a change to any actual, potential or perceived conflicts of interest, employees should disclose them to their manager as soon as practicable. This includes any actual, potential or perceived conflicts of interest which may arise from the development or change in personal relationships that may exist within or outside the organisation.

Employees who have an interest in a matter being considered, or is about to be considered, must disclose to the Company Secretary, the nature of the interest as soon as possible when relevant facts are known. The disclosure should include:

- details of the nature and extent of the interest held by the Employee;
- the proposed method of dealing with the conflict;
- whether it is possible to avoid the conflict; and
- whether it is an arm's length transaction.

Employees who consider that a conflict of interest within the Company may not have been declared or is not being appropriately managed should speak up and notify the Company Secretary.

Specific disclosure of interests by Directors

A director must give the other directors of auDA immediate notice (which, if applicable, may be a standing notice) if they have an interest in a matter that relates to the Company's affairs. The disclosure must detail the nature and the extent of the interest and the relationship of the interest to the affairs of the Company, which will be recorded in the minutes of the directors' meetings.

Guidelines for managing a Conflict of Interest

If a conflict of interest cannot be avoided, it must be managed using the guidelines detailed below:

- Employees who have a conflict of interest will restrict their involvement, or have it restricted, in a particular activity or process to the extent of the conflict of interest, including:
 - abstaining from voting on, making or influencing decisions or proposals
 - withdrawing from discussion of affected proposals
 - access restricted to information, and/or
 - access denied to sensitive documents or confidential information.
- when an Employee abstains from voting or leaves the room to avoid being placed in a conflict of interest in a meeting, the absence of that person shall be recorded in the minutes of meeting
- in cases of ongoing serious conflicts of interest, it may be in the interests of all parties for the Employee to be removed from involvement in the area of activity as long as the conflict persists, and
- in certain circumstances, resignation from a position with auDA may be necessary.

Escalation of a suspected Conflict of Interest

If any person has reason to believe that the conduct of an Employee is or may be perceived to be in conflict with the interests of the Company, that person must notify their immediate manager and the Company Secretary, who will document the conflict in the Conflicts of Interest Register and the procedure to control the conflict, as determined in consultation with senior management.

Where the conflict of interest notified to the Company Secretary is material or involves senior management or a Director, it must be referred to the Governance Committee (GC) of auDA, who will report it and make a recommendation to the Board. The Company Secretary will document the decision of the Board, and the procedure to control the conflict, if applicable.

The GC will consider the information to determine how to proceed with the proposed transaction. The GC may confer with the Company Secretary, and may (if deemed necessary) take external legal advice in determining its recommendation to the Board.

Where it is decided that the conflict has such a serious impact on auDA that it cannot be adequately managed by acting at arm's length, the GC may recommend to the Board that the transaction not proceed in the manner proposed.

Where the GC recommends that the transaction may proceed, and provided it has been approved by the Board, it may then be carried out in accordance with operational procedures.

Consequences for a breach of the Policy

An instance when an Employee fails to disclose potential or actual conflicts of interest may lead to an allegation of misconduct. Breaches are subject to disciplinary action up to and including dismissal as well as civil and/or criminal legal sanctions that may arise from legal proceedings being taken by auDA.

Sanctions will be determined in accordance with the circumstances in question and may include the use of disciplinary procedures.

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

Retaining business records

auDA will maintain records of conflicts identified in relation to auDA and actions taken in accordance with this Policy for at least 5 years, or longer if required by applicable law.

Review of this Policy

The Company Secretary will be responsible for keeping this policy up-to-date. A formal review of this policy will occur annually or earlier as a result of changes in law or regulation.

This Policy will be submitted for review by the GC of auDA, who will make recommendations to the Board. The Board is responsible for approving this Policy.

Policy History:

Policy Version: 1.0

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Review Date: September 2021