

# Policy – Conflicts of Interest



## 1. Purpose

This policy document provides a baseline organisational standard, authority, and process, for the management of conflicts of interest as a matter of corporate governance within DMTC Ltd. A conflict of interest may be classified as actual, potential or perceived.

The policy provides guidance to DMTC Ltd's employees, secondees, and contractors on the correct procedure to identify, disclose and manage all actual, potential or perceived conflicts of interest.

The policy further establishes a DMTC Conflict of Interest Committee ("**Committee**"), responsible for ensuring policy compliance and review, and the monitoring and management of conflicts of interest. This is not a Committee of the Board.

The DMTC Ltd Board of Directors ("**Board**") remains the ultimate authority on this policy and the handling of specific conflict matters.

## 2. Scope of Application

This policy applies to all DMTC staff, including seconded and contracted personnel for the relevant duration of engagement (collectively "**DMTC Personnel**").

Procedures established by this policy, as a matter of general business operations, **do not** apply to the Board. The Board remains bound by separate DMTC policies and procedures, such as the Director Independence Policy, as well as obligations set out in ACNC Governance Standard 5 and relevant Australian law.

## 3. Definition of Personal Conflict of Interest

### 3.1. Definition

Personal Conflict of Interest, as a term and point of reference, should be interpreted in its ordinary meaning. Whilst any given situation may be open to technical analysis, common sense and judgement should be exercised on any question of conflict.

Fundamentally, an actual conflict of interest occurs where there is a **conflict between the professional duty and personal interests of an employee that improperly influences the employee in the performance of his or her duties.**

Financial or other gain is a common, but not requisite, factor. Interests include direct interests, as well as those of family, friends, or other organisations a person may be involved with or have an interest in (for example, as a shareholder).

### 3.2. Notable Risk Areas

Notable risk areas for personal conflicts of interest include but are not limited to:

- Staff recruitment – both formal and informal processes;
- Serving as a member or director on Boards, committees, advisory groups (or similar bodies) of government, for profit, or not for profit entities;

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- Offers or acceptance of gifts and benefits;
- Consulting; and
- Use of DMTC information, technologies, or Intellectual Property for personal purposes.

### 3.3. Permissibility and Management of Conflicts

**It should be noted that this policy, reflecting broader Australian legal and corporate practise, does not necessarily *forbid* a conflict of interest. Rather, it provides guidance on the *management* of conflicts.**

It is common, for example, for employees to refer professional colleagues or associates to DMTC for the purposes of employment, secondment, or contracting/consulting. This is a useful way of DMTC procuring the right person and a known quantity for a particular role, and of itself, does not constitute a conflict where sensible and appropriate steps are taken. These include declaring the nature of the relationship, recusal from any formal interview or engagement process, and ensuring that no inappropriate personal material gain flows to the referring DMTC employee.

In another example, it is common for gift exchanges to occur, on both a personal and organisational level. This is an accepted part of business and not necessarily an actionable conflict of interest where the applicable procedures have been followed. For example, the gift should be declared and, where appropriate, recorded on a gifts register. Common sense should be exercised, and minor gifts need not be declared where there is no likelihood that the gift could adversely affect a decision related to DMTC's interests. The common law maxim of *de minimus non curat lex* – the law does not concern itself with trivialities – applies.

When in doubt, DMTC Personnel are encouraged to consult the Committee. Consultation is a mitigating/managing factor in itself and provides protection for DMTC Personnel should an issue present.

## 4. Definition of Organisational Conflict of Interest

### 4.1. Definition

Similarly, an Organisational Conflict of Interest, as a term and point of reference, should be interpreted in its ordinary meaning, and common-sense judgement should be applied. Where any doubt exists, advice should be sought from the Committee and the outcomes of any discussion/assessment recorded.

An organisational conflict of interest is most likely to occur when DMTC's organisational interests conflict with DMTC's duties to an Australian Government entity, particularly in the context of grants programs and procurement activities.

### 4.2. Notable Risk Areas

The risk of an organisational conflict of interest may arise where, for example:

- DMTC is engaged to provide both Above the Line and Below the Line consulting services on the same program or project simultaneously.
- DMTC is required but unable to render impartial assistance or advice to an Australian

Government entity.

- DMTC possesses an unfair competitive advantage when bidding as part of an Australian Government tender process.
- DMTC has been contracted to provide advice to an Australian Government entity in relation to a grants program or procurement activity, and DMTC concurrently has a commercial relationship with a grant applicant or procurement tenderer.

These situations present the risk that DMTC, as an organisation, will make a decision based on or affected by influences that do not align with the best interests of the Australian Government and/or the proper purposes of DMTC. Therefore, these situations must be managed accordingly.

## 5. Policy Statement - Personal Conflicts of Interest

### 5.1. Overview – Personal Conflicts of Interest

This section of the policy has been developed to address personal conflicts of interest affecting DMTC.

Conflicts of interest are not uncommon and do not need to present a problem to DMTC as long as they are openly and effectively managed.

It is the policy of DMTC, as well as the responsibility of DMTC Personnel, that ethical, legal, financial, or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with DMTC Personnel's obligations to DMTC.

DMTC will manage conflicts of interests by requiring DMTC Personnel to:

- avoid conflicts of interest where possible;
- identify and disclose any conflicts of interest;
- carefully manage any conflicts of interest; and
- follow this policy and respond to any breaches.

### 5.2. Responsibility of the Committee

The Committee is responsible for:

- establishing a system for identifying, disclosing and managing conflicts of interest across DMTC;
- monitoring compliance with this policy; and
- in conjunction with the Board, reviewing this policy on an annual or as required basis to ensure that the policy is operating effectively.

### 5.3. Identification and disclosure of personal conflicts of interest

It is the responsibility of DMTC Personnel to identify and declare actual, potential, or perceived conflicts of interest. These must be communicated to the Committee as soon as possible following identification.

Once an actual, potential, or perceived conflict of interest is identified, the Committee must formally record, assess, and address the matter. The Committee is to report on any instances to the Board at regular intervals, at a minimum annually.

The record must be maintained by the Committee. The record must maintain information related to a conflict of interest including the nature and extent of the conflict of interest and any steps taken to address it.

## 6. Policy Statement - Organisational Conflicts of Interest

### 6.1. Vision

DMTC is frequently relied upon by Australian Government clients to deliver a range of advisory and project delivery services. In delivering services to Australian Government clients, DMTC, as a *trusted partner*, is committed to maintaining the highest standards of honesty and transparency. DMTC proactively seeks to avoid or, where appropriate, seeks to manage organisational conflicts of interest that may give rise to a perceived or actual risk that DMTC's actions do not align with the best interests of the Australian Government client.

### 6.2. Identifying, disclosing, and recording organisational conflicts of interest

DMTC relies upon declarations from DMTC Personnel to identify organisational conflicts of interest that may require management. These declarations should be submitted to the Committee.

It is important that, where possible, such declarations be made *before* DMTC commences work for the Australian Government client; alternatively, they should be made as soon as possible following identification of an organisational conflict of interest.

Work should not commence until the Committee has reached a decision regarding how to manage the declared conflict of interest.

The Committee must note any organisational conflicts of interest in a record kept by the Committee for this purpose.

### 6.3. Managing organisational conflicts of interest

There are many strategies for managing organisational conflicts of interest, which will be determined by the Committee. Key elements may include but are not limited to:

- Avoiding the conflict i.e., by declining to carry out the work;
- Restricting the ability of conflicted DMTC Personnel to carry out the work and erecting information barriers; and
- Specifying reporting lines to avoid conflicts of interest.

Once an organisational conflict of interest is declared, it is the responsibility of the Committee to design and implement an appropriate strategy to manage the organisational conflict of interest. This is to occur before the work commences.

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## 7. Compliance with this Policy

If the Committee has a reason to believe that a person subject to this policy has failed to comply with it, it will investigate the circumstances, and recommend to the DMTC Executive any appropriate remediation actions.

If it is found that an employee has failed to disclose either a personal or organisational conflict of interest, the Committee may take appropriate action. This may include termination of employment.

If an employee suspects that another employee (or a member of the Committee) has failed to disclose a conflict of interest, they must follow the relevant reporting requirements under the Whistleblower Policy. Failure to action/report a known conflict relevant to another employee may, in extremis, constitute collusion.

Common sense applies to any question of conflicts. Many can be addressed quickly and without difficulty through communication. Where doubt exists, matters may and should be directed to a member of the Committee for advice.

## 8. DMTC's Conflict of Interest Committee

The Committee is responsible for the examination and management of both the policy and specific conflict issues.

The Committee is comprised of:

- Chief Executive Officer
- CFO
- Chief Operating Officer; and
- General Counsel
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The Committee operates under the overall oversight of the Board.

The CEO will appoint or remove members in the normal course of events. Additionally, the Board, in consultation with the CEO, may appoint or remove members in its absolute discretion.

The Committee will meet on an as needs basis, but no less than once a year. It would be expected that the Committee would meet to consider arrangements for any new contractual arrangement that could reasonably be expected to give rise to a conflict of interest.

The Committee is quorate when a majority of members are present at a Committee Meeting. In matters of questions raised by an employee or broad advice on a potential or present conflict, the matter may be addressed by a single member of the Committee.

The Committee must maintain a record of personal and organisational conflicts of interest which have been declared by DMTC Personnel.

The Committee must keep records of its formal meetings. Official DMTC communications in any form may used, e.g., file notes or email records, for questions raised or broad advice sought by DTMC employees.

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Where a conflict of interest concerns a member of the Committee, the affected member of the Committee must recuse themselves from any involvement in any assessment or decision by the Committee's regarding classification or management (including avoidance) of the conflict of interest.

Where a conflict of interest concerns all members of the Committee, the conflict of interest must be referred to the Board.

The Committee and/or the Board may, where relevant and appropriate, refer specific conflict issues to an external, independent body for review, audit, or assessment.

The Committee will provide a report to the Board on conflict matters at least once annually, and immediately where a significant or potentially significant conflict issue arises.

### 9. Staff Awareness and Training

As it is the responsibility of DMTC Personnel to identify and declare conflicts of interest, DMTC acknowledges the importance of providing education and training for DMTC Personnel regarding conflicts of interest and related matters outlined in this policy.

The Committee is to provide training and related resources to DMTC Personnel. Corporate training and awareness is to be provided at least once annually and as deemed appropriate by the Committee.

### 10. Linked Policies, Procedures and Forms

- DMTC Code of Conduct
- Director Independence Policy
- Director Remuneration Policy
- Fraud and Corruption Policy
- Whistleblower Policy