



Conflicts of Interest Policy and Procedures *(parent policy)*

1. Policy purpose

- 1.1. Conflicts of interest are not uncommon but can create issues when they are not appropriately managed. Declaring and managing conflicts of interest is central to risk management and builds and maintains trust and confidence in SEC's integrity and decision-making. This Policy describes how to identify, declare, and manage actual, perceived or potential conflicts of interest.

2. Policy scope

- 2.1. This Conflicts of Interest Policy applies to all Workplace Participants and applies to SEC Victoria and all its subsidiaries (SEC).
- 2.2. Additional guidance specific to managing Board and Committee conflicts of interest is provided in the *Board Conflict of Interests Policy (sub-policy)*.
- 2.3. Obligations outlined in this policy may be additional to obligations and duties under the *Corporations Act 2001* (Cth), the *Public Administration Act 2004* (Vic), the *Financial Management Act 1994* (Vic), or other relevant legislative, regulatory or professional regimes.

3. Definitions

| Term | Definition |
|---------------------------------------|--|
| Workplace participant | All employees, contractors, consultants, Board Directors, labour hire staff, students and graduates on work placement undertaking work for or on behalf of SEC. |
| Personal or private interest | An individual's interest outside of SEC which, if it overlapped with their SEC role, could convey an actual or perceived benefit to the individual, or a person or organisation related to them. This can include secondary employment, relationships, finances, political affiliations, property, and external activities. |
| Conflict of interest | <p>A conflict of interests exists:</p> <ul style="list-style-type: none"> when an individual's SEC responsibilities, duties or decisions are affected or influenced, or could be perceived to be affected or influenced, by a personal interest. in circumstances which could cause detriment to a customer or a third party who is owed a duty of care, or where the interests of a financial services client are inconsistent with the interests of SEC or an SEC workplace participant. <p>Conflicts of interest:</p> <ul style="list-style-type: none"> can be actual, perceived or potential. can be financial or non-financial. can result from personal or professional interests or duties. |
| Actual conflict of interest | A clear and direct conflict exists between the interests of one party and another. This can include the interests of SEC, workplace participants, or customers and financial services clients. |
| Perceived conflict of interest | A third party could reasonably think a conflict exists, regardless of whether or not it does. A perceived conflict can still be harmful. |
| Potential conflict of interest | An interest which is not yet in conflict but could reasonably be anticipated to come into conflict in the future. |
| Financial services | Providing financial services through advising, dealing, or making a market in derivatives, ACCUs or eligible international emissions units under SEC Energy's Australian Financial Services Licence |

4. Principles

- **Avoid:** conflicts of interests should be avoided where possible.
- **Identify:** conflicts must be identified where they are unavoidable.
- **Declare:** any actual, potential or perceived conflict of interest must be notified and documented as soon as possible once identified.
- **Assess:** identified conflicts must be assessed to identify and mitigate risks.
- **Manage:** a conflict management plan for the conflict must be documented and approved.
- **Monitor:** conflicts must be monitored and changes documented in a declaration.

5. Declaring conflicts of interest

Declaring a conflict of interest

- 5.1. SEC's default position is to avoid conflicts wherever possible. This means avoiding or withdrawing from situations where an individual's personal interests may come into conflict with, or appear to come into conflict with, SEC interests.
- 5.2. Where it is not possible to avoid a conflict of interest, a workplace participant must declare the conflict (actual, perceived or potential) to their manager as soon as it is identified, by completing the SEC Conflict of Interest Declaration form.
- 5.3. There are also some specific activities which should be continually monitored over the course of the activity for any newly emerging conflicts. These include:
 - a) Asset investment: participating in evaluating or negotiating prospective asset investments. Conflict of Interest forms should be completed by all SEC participants when any project progresses to the Memorandum of Understanding stage, even if no conflict is present.
 - b) Procurement: participating in procurement or contract negotiations, panels or contract management processes. Specific procedures are outlined in the Procurement Policy.
 - c) HR and recruitment: recruitment processes, contractor engagement, employment offers, or organisational structural changes.
- 5.4. Personnel should also read the Gifts, Benefits and Hospitality Policy, Procurement Policy, Recruitment Policy, and Delegations Policy for more information on when these apply.

Declaring all private interests

- 5.5. In addition to declaring actual, perceived or potential conflicts, some Workplace Participants are required to provide declarations of all private interests, to manage the risks of future conflicts arising and to meet regulatory requirements:
 - a) All workplace participants engaged in providing financial services
 - b) SEC Board Directors
 - c) Executive general managers or equivalent
- 5.6. This declaration is done by completing the SEC Declaration of Private Interests form and must be made when an individual is first engaged in the role or activity and updated annually or sooner if there are any changes to their interests.

Reporting conflicts of interest related to provision of financial services

- 5.7. In some cases, SEC as an AFSL licensee has an obligation to disclose a conflict of interest to a client before providing them with financial services. Additionally, conflicts of interest related to the provision of financial services may need to be reported to SEC's Energy Market Risk Committee by the General Manager, Enterprise Risk and Compliance as required.

6. Managing and monitoring conflicts of interest

- 6.1. A conflict of interest declaration must include a plan for how the conflict will be managed. The workplace participant and their manager are to:

- a) discuss and assess the conflict to identify and mitigate risks.
 - b) agree and document an appropriate conflict management plan and submit to the GM Enterprise Risk and Compliance for approval.
- 6.2. Some conflict management plans will be tailored to the specific conflict, while other treatments are prescribed by legislation or regulation. Options for conflict management plans are outlined in the Conflict of Interest Declaration form.
- 6.3. Workplace participants have a responsibility to comply with the management plan that has been implemented. The individual's manager has a responsibility to ensure that the plan is followed and regularly reviewed.

7. Policy breaches

- 7.1. If a workplace participant believes that any other workplace participant has an undeclared conflict of interest, this should be communicated to the individual's manager or an EGM as soon as possible.
- 7.2. Any non-compliance with the Conflict of Interests Policy may constitute a breach of the policy or the SEC Code of Conduct and will be managed in line with the Misconduct Policy.

8. Key related policy, legislation and other documents

Policies and procedures

- Boards and Committees Conflicts of Interest Policy (supplementary policy)
- Gifts, Benefits and Hospitality Policy
- Procurement Policy

Legislation

- Corporations Act 2001 (Cth)
- Public Administration Act 2004
- Financial Management Act 1994
- ASIC regulations for financial services and markets

Other

- SEC Company Constitution
- Code of Conduct for Directors of Victorian Public Entities
- Code of Conduct for Victorian Public Sector Employees

9. Approval and review

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|-------------------------|---|
| Policy name | Conflicts of Interest Policy (parent policy) |
| Approved by | SEC Board |
| Policy owner | Legal and Governance |
| Contact | Assistant Company Secretary and Governance Lead |
| Last reviewed | 14/11/2025 |
| Last updated | 28/11/2025 |
| Review frequency | At least every 12 months |