



# **CODE OF CONDUCT AND ETHICS**

for the

**MEMBERS OF THE BOARD**

of the

**SAS TRUSTEE CORPORATION**

*November 1998*

*April 2001*

*February 2002*

*July 2004*

*May 2005*

*August 2005*

*February 2006*

*July 2006*

*March 2008*

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## 1. EXECUTIVE SUMMARY

The purpose of this document is to outline the fundamental values and principles that define the standards of behaviour with which members of the SAS Trustee Corporation (STC) Board are expected to comply.

It is the role of members of the Board to foster an atmosphere conducive to the promotion of integrity in the boardroom and amongst the Board's Executive.

This document addresses the following matters:

- STC operates in the NSW public sector environment and as such is subject to a number of State as well as Commonwealth legislative requirements (Section 2).
- The personal and professional behaviour required from members of the Board (Section 3).
- The 'fit and proper' obligations are imposed on Board members under the Commonwealth superannuation licensing regime (Section 4). Although STC is not required to comply with these requirements, the Board has elected to do so in order to meet best practice guidelines.
- Board members have responsibilities with respect to decision making (Section 5).
- Discriminatory and harassing conduct are to be avoided when dealing with other Board members, members of the STC Executive staff or stakeholders of STC, especially when involved in matters requiring a decision (Section 6).
- Public comment by Board members is restricted to ensure that when making public statements, personal opinions are clearly differentiated from those of STC (Section 7).
- Board members are required to abide by confidentiality and privacy requirements as part of the decision making process (Sections 8 and 9 respectively). As a large proportion of the information available to the Board can be regarded as either personal, health or commercially sensitive information, it is important that Board members are aware of their obligations with regard to confidentiality.
- Guidelines are in place to ensure the appropriate use of STC's resources, which may be either financial (monies from the schemes) or physical resources (office facilities) (Sections 10 and 11).
- Board members should recognise and know how to deal with conflicts of interest (Section 12). It is necessary to understand the situations which may result in a conflict of interest and the manners in which these are to be disclosed and handled.

- Board members should take care if they receive gifts or benefits that such receipt does not result, or be seen to result, in a direct conflict or moral obligation to the donor organisation (Section 13).
- Member of the Board are to be aware of the requirement to disclose corrupt conduct and the action they should take if they suspect corrupt conduct. Investigatory bodies available for review of corruption related matters are outlined in the Code (Section 14).
- The obligations of Board members who may wish to enter the political arena, or who cease to be on the Board of STC, recognise that the duties of Board members do not automatically cease upon no longer being a representative on the Board of STC (Sections 15 and 16).

### **Compliance with the Code**

Whilst this code attempts to provide Board members with guidance and practical assistance when faced with ethical challenges, it is ultimately up to the individual to recognise the ethical dimension of their work and to give proper attention to the values which should guide their actions or decisions.

The code is not intended to be read as a set of rules. It cannot address all possible ethical challenges which members of the Board may face. It attempts to provide guidance in ethical decision making and recognises that there will be occasions where there is a need to balance competing interests or values. Board members are encouraged to discuss issues which they find difficult to resolve with the Chairperson, the Chief Executive Officer (CEO), or the General Counsel as appropriate.

The successful development of an ethical environment relies upon individual members of the Board taking responsibility for their own behaviour and the Chairperson leading ethical behaviour and ethical work practices together with the Board collectively taking responsibility for their behaviour. Active discussion of ethical issues and potential dilemmas that are specific to the Board will contribute to a positive culture that will lead to ethical decisions and to healthy Board practices and environment.

Board members are required to sign the Code of Conduct and Ethics upon being appointed to the Board of STC, as well as reaffirm their commitment to the code on an annual basis as part of STC's year end process.

This document may be altered from time to time to take into account any changed circumstances or new situations. Any comments, suggestions or questions in relation to this document are to be directed to STC's General Counsel.

## 2. PUBLIC SECTOR ENVIRONMENT AND GENERAL PRINCIPLES

*The public sector environment engenders an expectation of public confidence. The principles underpinning values and behaviours of Board members include those required for an ethical environment and those espoused in relevant Commonwealth and State legislation.*

The values and principles outlined in this code reflect those expected of all members of NSW Government Boards and those contained in relevant publications of the NSW Premier's Department.

This document also includes relevant guidelines issued to trustee boards by the Australian Prudential Regulation Authority (APRA) to ensure Board members are aware of best practice requirements.

People who work in the public sector including members of Government Boards must maintain standards of conduct and ethics that maintain public confidence and trust. Public confidence in the case of STC means that members of the superannuation schemes and employers of the schemes have the right to expect that STC acts in the best interests of the members of the STC superannuation schemes and demonstrates the highest integrity and competence treating all people fairly, reasonably and equitably.

The Commonwealth and State legislation from which relevant principles in this Code are drawn that impact upon STC and their responsibilities are:

- *Annual Reports (Statutory Bodies) Act 1984;*
- *Anti Discrimination Act 1977;*
- *Anti-Money Laundering & Counter-Terrorism Financing Act 2006 (Cth);*
- *Corporations Act 2001 (Cth);*
- *Freedom of Information Act 1989;*
- *Health Records and Information Privacy Act 2002,*
- *Independent Commission Against Corruption Act 1988;*
- *Occupational Health & Safety Act 1983;*
- *Ombudsman Act 1974;*
- *Privacy and Personal Information Protection Act 1998;*
- *Protected Disclosures Act 1994;*
- *Public Authorities (Financial Arrangements) Act 1987;*
- *Public Finance & Audit Act 1983;*
- *Public Sector Employment and Management Act 2002,*
- *Public Sector Management (General) Regulation 1996;*
- *Public Sector Management (Goods and Services) Regulation 2000;*
- *State Records Act 1998*
- *Superannuation Industry (Supervision) Act 1993 (Cth);*
- *Superannuation Administration Act 1996;*
- *Trustee Act 1925;*
- *Workplace Surveillance Act 2005.*

The code illustrates the values and behaviours expected, and the obligations, of the members of the Board and is underpinned by the following principles:

- (a) responsibility and impartiality;
- (b) respect;
- (c) honesty, integrity and public interest;
- (d) responsiveness to the interest of members of the schemes; and
- (e) economy and efficiency.

### 3. PERSONAL AND PROFESSIONAL BEHAVIOUR

*Board members must have a clear understanding of their duties and legal responsibilities and must take actions for a proper purpose and not exceed their powers.*

The principal functions of the STC Board are contained in the *Superannuation Administration Act 1996* and are to:

- (a) administer the STC schemes;
- (b) invest and manage the STC schemes;
- (c) provide custody of the assets and securities of the STC schemes;
- (d) ensure that benefits paid to beneficiaries are in accordance with the relevant STC Scheme Act;
- (e) determine disputes; and
- (f) exercise such other functions with respect to the STC schemes as the Minister may approve from time to time.

Board members must perform their functions by observing the following principles:

- (a) Maintain scheme member confidence in the honesty and integrity of the members of the Board by exhibiting the highest ethical standards in carrying out their duties;
- (b) Pursue, and be seen to pursue, the best interests of all members of the superannuation schemes and treat all members fairly, with respect and sensitivity to their rights and provide appropriate assistance;
- (c) Act in the interests of the STC superannuation schemes as a whole;
- (d) Perform their duties conscientiously, impartially and with professionalism, objectivity and integrity;
- (e) Exercise fairness and honesty in all official dealings;
- (f) Exercise due care, skill and diligence; and
- (g) Perform duties with loyalty to the public interest.

In exercising their functions, Board members are expected to:

- (a) act effectively and efficiently as required by the position (performance is subject to appraisal by the Board against appropriate standards set by the Board);
- (b) exercise their technical or professional judgement;
- (c) maintain and develop knowledge of their professional field and of superannuation;

- (d) maintain and develop their knowledge of STC, its purposes, and its corporate plans;
- (e) comply with any legislative, industrial or administrative requirements relative to their position and any official guidelines concerning the performance of their duties;
- (f) ensure the Board, its processes and procedures are free from discrimination and harassment;
- (g) treat other Board members and other STC personnel with whom they work with respect and sensitivity to their rights, providing appropriate example, guidance and assistance;
- (h) ensure that resources and those of the STC schemes are used efficiently;
- (i) lead by example and encourage other Board members to exercise similar qualities of personal and professional behaviour to those outlined above; and
- (j) ensure that resources are managed in a way that will, to the greatest extent possible, avoid the opportunity for unethical behaviour by others.

A Board member who becomes bankrupt, or makes a composition, arrangement or assignment for the benefit of his or her creditors, should report this to the Chairperson. A Board member who becomes bankrupt is a "disqualified person" under the *Superannuation Industry (Supervision) Act 1993* and will be required to immediately resign from the Board as they are not eligible to be a member of a Board that is the trustee of a superannuation fund, while bankrupt.

#### **4. 'FIT AND PROPER' REQUIREMENTS**

*Board members are to ensure that they meet the 'Fitness and Propriety' requirements established for APRA licensing and advise STC of any change in status.*

APRA has fit and proper requirements for trustees of licensed superannuation funds which the Board of STC has chosen to comply with as a best practice measure.

The fit and proper requirements stipulate that in order to satisfy the 'fitness' obligations, trustees should have a level of qualifications, competence, experience, skill and knowledge which would enable them to carry out their functions as trustees. The fitness of trustees is assessed on a collective basis.

The propriety obligations require the individual trustees to demonstrate proper conduct, character, good reputation and capability in discharging their duties as trustees. Propriety obligations are, unlike fitness obligations, assessed individually.

At the time of appointment, Board members are required to complete a declaration stating that they are a 'fit and proper' person, as defined by the SIS guidelines. Board members are further required to reaffirm their fit and proper status on an annual basis as part of STC's year end disclosures.

Board members are further required to undertake a level of training, on an annual basis, as per the requirements of the Board Member Training Policy. Completion of training will enable Board members to meet their individual obligations which would satisfy APRA's licensing requirements.

Further information on the 'fit and proper' requirements, including the removal of persons who do not meet these requirements, is contained in the Trustee's Corporate Governance Policy. Further information on training requirements can be found in the Board Member Training Policy.

## 5. DECISION MAKING

*Members of the Board have a responsibility to ensure fairness in decision making and equity in administration. In managing matters or in making decisions, Board members are expected to consider:*

- (a) fairness, for example, dealing with like cases in a similar way to ensure fairness of outcome; and*
- (b) social equity, which is concerned with the substance and the effect of administrative decisions on individuals and the community.*

Members of the Board should avoid acting in a way that is, or could be seen to be, unreasonable or be construed as unlawful discrimination and should take all reasonable steps to ensure that the information upon which they base their decisions or actions is factually correct.

Members of the Board are expected to be responsive to the government of the day in respect of decisions relating to superannuation policy, consistent with their duties as directors of the Trustee Corporation and its duties.

Members of the Board should avoid unnecessary delay in making decisions or taking action.

Where members of the Board make decisions or take action based on a statutory or trust power or are providing advice to guide the exercise of a such a power, they should ensure that they are aware of the scope of the power and any legal obligations with respect to the exercise of that power. In this context, administrative law principles may be relevant, such as the rules of procedural fairness and the requirement that decisions not be made on irrelevant or improper grounds.

In general, the decisions of the Board, the evidence upon which they are based, and the reasons for the decision should be properly documented. Minutes must be kept of all official meetings and be retained as official records.

## **6. DISCRIMINATION AND HARASSMENT**

*Board members must not harass or discriminate against their colleagues, members of the schemes or STC employees on the grounds of sex, marital status, pregnancy, age, race, ethnic or national origin, physical or intellectual impairment or sexual preference. Such harassment or discrimination may constitute an offence under the Anti Discrimination Act 1977.*

Board members are to refrain from acting or making statements which could be, or seen to be, discriminatory in any way.

Board members have an obligation to ensure that general behaviour is not in any way malicious or harassing. In particular, all behaviour, personal or written, should avoid:

- (a) false allegations;
- (b) language that is deliberately, or unnecessarily, strong or emotional and might unnecessarily harm a person; or
- (c) irrelevant material being deliberately introduced or omitted so as to create a misleading impression.

## 7. PUBLIC COMMENT

*Only the Chairperson and the CEO, after clearance from the Chairperson, are authorised to provide comment to the media on Board matters.*

Board members in their private capacity and as members of the community have the right to make public comment and enter into public debate on political and social issues. Board members nonetheless need to be sensitive to the fact that because of their responsibility and status, there will tend to be the implication that a public comment, although clearly made in a private capacity, is in some way an official comment of STC or of the Government. Board members should state that their comments reflect their personal opinion only.

Board members are expected, where possible, to try to resolve complaints about administration internally, without recourse to public comment or criticism.

‘Public comment’ includes speaking engagements (including comments on the radio and television), expressing views in letters to the press or in books or notices or where it is reasonably foreseeable that publication or circulation of the comment will enter the public domain.

As a general rule, in any case of public comment, Board members should only disclose official information that is publicly available. Other official information or documentation should only be disclosed by Board members:

- (a) when authority by the Chairperson has been given;
- (b) in the course of their duties;
- (c) when required, or authorised, to do so by law; or
- (d) when called to give evidence in court.

In all cases comments should be confined to factual information and should not express an opinion on official policy or practice unless required to do so in the particular situation (e.g. when asked to do so in court).

## **8. CONFIDENTIAL INFORMATION**

*Other than as required by law, in the course of duty, when called to give evidence in court or when the proper authority has been given, members of the Board must not disclose confidential information or documents acquired in the course of their appointment.*

Members of the Board must not misuse information gained in their official capacity for:

- (a) speculation in shares or commodities on the basis of confidential information about the affairs of a business or of STC or proposed Government actions; or
- (b) gossiping on the basis of personal or other information held in official records.

Members of the Board must take care to maintain the integrity and security of official documents or information for which they are responsible and must preserve confidentiality of official documents.

Any intellectual property developed, invented or created by a Board member as a result of their appointment is the property of STC unless otherwise agreed in writing between the Board member and the CEO and the Chairperson (or responsible Minister if considered appropriate).

## **9. PRIVACY**

*Board members must ensure that the personal information of STC scheme members is respected and fully protected as required by the Privacy and Personal Information Protection Act 1998. Board members must also ensure that the health information of STC scheme members is respected and fully protected as required by the Health Records Information Privacy Act 2002.*

As superannuation fund trustees, Board members have access to extensive personal confidential information about STC scheme members, including financial, medical and relationship information. This information is to be treated as confidential at all times.

The STC Privacy Management Plan established the principles which are to be adhered to in relation to STC scheme members' personal and health information. Board members must comply with the requirements contained in the Plan.

## **10. USE OF PUBLIC FUNDS AND ASSETS OF THE SUPERANNUATION SCHEMES**

*Funds and assets of the STC superannuation schemes must only be used for the purposes authorised by legislation governing and regulating the superannuation schemes.*

Public funds must only be used for the purposes for which Parliament appropriated them and as authorised by the government.

Public funds and superannuation assets must not be used for private purposes, unless authorised by law.

Members of the Board in authorising or certifying expenditures or in establishing systems of control related to expenditure have a personal responsibility to ensure public funds and superannuation assets are validly and appropriately used.

## **11. USE OF OFFICIAL FACILITIES AND EQUIPMENT**

*Members of the Board are provided with services, facilities and equipment, as required, for their use in exercising their official functions.*

Board members may have reasonable private use of official facilities and equipment. This may include private telephone calls, facsimile and computer use that does not disrupt official work.

The use of email and internet facilities is permitted as long as use is reasonable and ethical and such use does not risk the security of STC's computer system.

The guidelines for use of STC's office facilities are contained in STC's Employer Communication Devices and Workplace Surveillance Policy.

## 12. RECOGNISING AND MANAGING CONFLICTS OF INTEREST

*Board members may face conflicts of interest in performing their official duties and responsibilities whilst on the Board of STC. In such cases, disclosures must be made at the first available opportunity to the Chairperson for a decision as to what action should be taken to avoid or deal with the conflict.*

A conflict of interest exists when there is a real, sensible possibility that a Board member is influenced in the performance of their duties to STC by:

- (a) the personal interests of the Board member; or
- (b) the duties owed by the Board member to another entity.

Section 69 of the *Superannuation Administration Act 1996* provides for the Board to consist of an independent Chairperson, four employer representatives and four employee representatives. This is consistent with the 'equal representation' rules provided for in the *Superannuation Industry (Supervision) Act 1993* which applies to 'regulated superannuation funds'.

This structure creates a situation where the employer representatives and employee representatives are in a similar position to nominee directors. The structure involves an inherent potential for conflicts of duty to arise for Board members in these categories, in terms of the potential for duties they may owe to the body who appointed them to conflict with their duties as Board members of STC.

In addition, some Board members may from time to time hold positions as directors or executives of companies which operate in the financial services industry, and with which STC may from time to time wish to contract or have other dealings, or which may be regarded as competitors of STC.

The fact that a Board member may be a contributor to an STC Scheme does not, of itself, give rise to a conflict of interest, however there may be exceptional circumstances where a conflict could arise (for example if an issue which relates specifically to the particular Board member's benefit entitlement came before the Board).

Some specific examples of situations where a conflict of interest is likely to arise include:

- (a) where a Board member is on the board or is a senior executive of an investment manager appointed by STC and the STC Board or Committee is:
  - (i) considering whether to appoint or terminate the investment manager;
  - (ii) assessing the investment manager's performance; or

- (iii) exercising rights against the investment manager.
- (b) a Board member has an interest in assets which are the subject of a proposal for acquisition or disposal by STC and which is brought to the Board or Committee for consideration; and
- (c) a decision whether to acquire services from an organisation in which a Board member (or a friend or family member) has an interest.

Circumstances where a Board member is:

- (a) on the board of a company in a group where another group company is an appointed service provider of STC; or
- (b) married to, or in a de facto relationship with, a director of an appointed service provider of STC,

do not, in the usual case, give rise to an actual conflict of duties. However, a perception of bias may exist which should be treated in the same way as if there was an actual conflict of duty.

Similarly, the mere fact that a Board member is an employer representative member or an employee representative member does not, in itself, give rise to a conflict.

The Board member may often be the only person aware of the conflict or the potential for conflict. It is therefore the Board member's responsibility to actively monitor and assess his or her STC activities with a view to determining whether any conflicts or potential conflicts of interest may arise when undertaking those activities.

Members of the Board must comply with any embargo that may be issued by the Board from time to time. The terms of an embargo and the period for which it applies are detailed in the **Schedule** to the Code of Conduct.

As a first step to managing conflicts of interest, the following procedures should be adopted:

- (a) Members of the Board must table at the first Board meeting they attend a statement of all financial or other interests which may potentially conflict with the interests of STC and company directorships held by them.
- (b) Board members must table details of any changes to these interests and directorships at the Board meeting following any such change.

In both situations, the Board member should discuss the interests and directorships disclosed in sufficient detail to enable the other Board members to understand the nature of the actual or potential for conflict.

The interests and directorships of Board members will be set out in a conflicts register held by the Company Secretary. The conflicts register will be available for inspection at the office of the Company Secretary and any person entitled by law or permitted by the Board may view it.

In the event of a Board member becoming aware of a conflict or a potential conflict in relation to a matter to be discussed by the Board, the Board member should, at the time the matter is first raised at the meeting:

- (a) advise the other Board members of the existence of the conflict or potential conflict; and
- (b) provide sufficient detail about the circumstances relating to the conflict to enable the other Board members to understand the potential impact of the conflict on STC, including details of:
  - (i) any membership of or employment by a specified company;
  - (ii) any partnership with or employment by a specified person; or
  - (iii) some other specified interest relating to a specified company or other body or to a specified person.

Unless the Board decides otherwise the Board member must not be present during any discussion of the Board or Committee relating to the matter or during the vote on the matter. Any such action should be recorded in the Board or Committee minutes.

The Board, or Chairperson with Board concurrence, may determine:

- (a) that the Board member should be authorised to continue his or her duties in the area, because, for example, the potential for conflict is minimal;
- (b) that the Board member should be requested to divest himself or herself of the interest or to take such other action as is seen to be appropriate under the circumstances.
- (c) that the Board member should be requested to sever the connection, for example, resignation from a directorship or position in another organisation giving rise to the conflict.

The conflicted Board member must not be present during any such deliberation or take part in the making of such a decision. The Chairman or the Board may take external advice on any matter as they consider necessary.

In an extreme case, the conflicted Board member should consider resigning from the Board.

Any conflicts or potential conflicts raised at a Board or Committee meeting must be recorded in the Board or Committee minutes and, in a summarised form, in the conflicts register, together with the actions taken.

### **13. GIFTS, BENEFITS, TRAVEL AND HOSPITALITY**

*Board members must not accept gifts or benefits that could place them under an actual or perceived financial or moral obligation to other organisations or to individuals.*

Board members are public officials and are required to perform their functions with integrity, impartiality and honesty. During their term of appointment, Board members may be offered certain gifts and benefits. It is critical that each Board member be wary of such offers as the acceptance of gifts and benefits can place the Board member in a position where they feel obliged to act contrary to rules of integrity, impartiality and honesty.

If a Board member is offered money or gifts in order to obtain a benefit or favour for the donor, it is bribery. Bribery is illegal and is one form of corruption. Similarly, if a Board member seeks or accepts a bribe it is corruption.

Gifts and benefits may include the transfer of money, or other property or benefits, without recompense or for a consideration substantially less than the full market consideration. They may also include a loan of money made on a permanent or indefinite basis.

Where any substantial gift, offer or suggestion of such is made directly or indirectly to a member of the Board, the Board member must report the facts at the first opportunity to the Chairperson.

Only in exceptional circumstances should substantial gifts be accepted. If the gift is to be retained, it is up to the Board member to elect to pay for the item, as appropriate.

Board members may accept unsolicited gifts of a token kind or moderate acts of hospitality in some circumstances. Accepting such gifts or benefits is essentially a matter of judgment for the individual concerned, who must be satisfied that his or her position will not in any way be compromised or appear to be compromised by acceptance. Individual Board members will bear the responsibility for any decision to accept a gift or benefit.

In deciding whether to accept gifts or benefits, members of the Board should be guided by the following principles:

- (a) Members of the Board must not accept any gifts or benefits, the receipt or expectation of which might in any way tend to influence, or appear to influence, the members of the Board in their official capacity.
- (b) Members of the Board should avoid all situations in which the appearance may be created that any person or body, through the provision of hospitality or benefits of any kind is securing, or attempting to secure, the influence or favour of the members of the Board or of the staff of the executive.

- (c) Members of the Board should take all reasonable steps to ensure that spouses, children and staff members are not the recipients of benefits that could give the appearance of an indirect attempt to secure the influence or favour of the members of the Board or of the staff of the executive.

In addition to the above requirements members of the Board should consider the following points:

- (a) the relationship of the Board and of STC to the donor;
- (b) the primary business of the donor;
- (c) the likelihood of further contact with the donor;
- (d) whether the gift is being accepted as part of a formal exchange of gifts;
- (e) the possible adverse consequence to interests of the Board, STC, and of the staff of the executive, the Government or the State, which may result from the acceptance or refusal of a gift; and
- (f) the type of gift or benefit, if any, which in the context or the operations of STC and of the Board can be seen as inconsequential or trivial.

## 14. CORRUPTION

*Board members are required to report corrupt conduct or suspected corruption to the Independent Commission Against Corruption (ICAC).*

Corrupt conduct can be generally understood as the dishonest or partial exercise of public official functions. It may also involve the conduct of non-public officials which adversely affects the honest and impartial exercise of a public official's functions.

For conduct to be found by ICAC to be corrupt, it has to be serious enough to involve a criminal offence, a disciplinary offence or be grounds for dismissal.

A Board member must report to the ICAC as soon as they have a reasonable suspicion that corrupt conduct may have occurred or may be occurring. Matters must be reported to the ICAC regardless of any duty of secrecy or other restriction on disclosure. It is important that reports to the ICAC be made without advising the person(s) to whom the report relates and without publicity.

The *Protected Disclosures Act* provides protection to public officials who voluntarily report suspected corrupt conduct. Board members can make reports to the Chairperson or the CEO if they wish. They may also report to the following investigative bodies:

- (a) corrupt conduct – to the ICAC;
- (b) maladministration – to the NSW Ombudsman; or
- (c) serious and substantial waste of public money – to the NSW Auditor-General.

However, the first point of contact regarding any matter pertaining to the *Protected Disclosures Act* should be to the office of the NSW Ombudsman.

Board members are expected to be objective and not unsupportive of any members and staff who make or intend to make protected disclosures in accordance with STC's Protected Disclosures Policy.

### **ANTI-MONEY LAUNDERING (AML) & COUNTER-TERRORISM FINANCING (CTF)**

Board members are required to report actual and/or suspected money laundering or terrorism financing in accordance with the guidelines provided by the Australian Transaction Reports and Analysis Centre (AUSTRAC).

Money Laundering (ML) is the processing of criminal proceeds to disguise their illegal origin. Terrorism financing (TF) is the use of funds to finance the training for preparation of and the carrying out of a terrorist activity.

Further information on identifying, managing and mitigating the occurrence of ML and TF is available through the STC AML/CTF Program.

## **15. POLITICAL PARTICIPATION AND OUTSIDE EMPLOYMENT**

*Board members must make sure that any participation in party political activities does not conflict with the exercise of their primary duties, as a Board member in a politically neutral manner. This also applies to any outside employment or future employment of the Board member.*

Board members should not, in their official role as members of the Board, participate in the political process nor place their fellow Board members and the staff of the Executive in a position of conflict by inviting their participation in political events.

Board members must carefully consider whether any secondary employment or future employment prospects may adversely affect the performance of their duties and responsibilities as a Board member or give rise to a conflict of interest.

Board members must not, at any time, allow decisions whilst a member of the STC Board to be influenced by future employment prospects outside the organisation.

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## 16. RESPONSIBILITIES OF MEMBERS OF THE BOARD WHO LEAVE

*Board members should not use their position to obtain opportunities for future employment. They should not allow themselves or their work with STC to be influenced by plans for, or offers of, employment or appointments outside STC.*

Board members who are influenced in their decision making by future opportunities outside STC will incur a conflict of interest which will jeopardise the integrity of the Board member and place STC at risk.

When a Board member is considering accepting other directorships or positions of employment, which bears any close or sensitive connection with current activities, they are expected to declare the conflict, in good faith, to the STC Chairperson.

Once a Board member's appointment has terminated their employment activities should not reflect adversely on STC, the Board, the STC superannuation schemes or call into question the partiality of their activities as a member of the Board or the activities of the staff of the Executive.

Members of the Board whose appointment has terminated are expected to return all documentation and equipment provided or obtained as part of their appointment. Ordinarily the rights of Board members to access STC documentation are provided in a Deed of Access entered into between them and STC. However, the execution of such a Deed is in abeyance (at the time of the 2006 review of the Code) until further notice from Treasury. Intellectual property remains the property of STC unless there is agreement in writing to the contrary.

During subsequent employment and activities former Board members are expected to respect the confidentiality of information and privacy of personal and health information of scheme members gained whilst a member of the Board.

**SCHEDULE 1 - EMBARGOS**  
**(from section 12)**

From time to time, assets of the STC may be securitised or sold into an already listed entity in which the STC retains an ongoing interest. If, in the view of the STC Board, personal dealings in these entities by Board members could give rise to potential conflicts of interest, the decision of the Board to preclude Board members and their immediate families from buying or selling such investments shall be binding.

Any embargo will continue until the Board is satisfied it can be lifted. The Board may place assets under embargo or lift such embargo as necessary.

An embargo listed below applies from the date indicated.

NIL

*Board Resolution 27 July 2005.*

**STC BOARD ACKNOWLEDGEMENT OF CODE**

<b>BOARD MEMBER</b>	<b>SIGNATURE</b>	<b>DATE</b>
Don Russell		
Rod Harty		
Ian Blair		
Ron Davis		
Anne De Salis		
Paul Scully		
Nick Lewocki		
Michael Lambert		
Maree O'Halloran		