



# Code of Ethics

## Policy Statement

Telecom has a Code of Ethics framework that sets the standards for which employees of Telecom Corporation of New Zealand Limited and its subsidiaries ("Telecom") are expected to conduct their work life. This framework has been approved by the Board.

## Background

A Code of Ethics will generally not prescribe an exhaustive list of acceptable and non-acceptable behaviour but provide a framework to facilitate decisions that are consistent with Telecom's Values, business goals and legal and policy obligations thereby enhancing performance outcomes. Telecom people must be familiar with [Telecom's Values](#), as they govern their behaviour while they are employed by Telecom.

## Accountability

All Telecom people are expected to work in accordance with these standards of ethical and professional conduct.

Failure to follow the standards provided in this Code will result in the

appropriate staff management practices being invoked. This may lead to disciplinary action including dismissal.

## Core Principles

### Conflicts of Interest

*A conflict of interest occurs when an individual's interests interfere, or appear to interfere, with Telecom's interests. Telecom expects its people to act in Telecom's best interests at all times*

Telecom people will not without the prior written consent of Telecom:

- Engage in any other business or commercial activities which may conflict with their ability to perform their duties to Telecom;
- Support a political party or organisation other than in a personal capacity;
- Be directly or indirectly interested or concerned in any capacity including as a material shareholder (ie. a shareholder who holds more than 25% of the shares), or as a director, employee, independent contractor with any other business in the telecommunications/ internet industry;
- Engage in any procurement activities where the Telecom person has a commercial or personal interest in the supplier/vendor



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- without disclosing those interests;  
and
- Engage in any other activity which could conflict with Telecom's interests.

### Gifts

*"Gifts" and "personal benefits" can include accommodation, goods, services, discounts, special terms on loans and so on. See the Telecom guidelines on the acceptance of gifts for further information regarding employee obligations.*

Telecom people will not accept gifts or personal benefits of any value from internal or external parties if it could be perceived this could compromise or influence any decision by Telecom taking into account Operational Separation and the perceptions of key stakeholders.

### Corporate Opportunities

*Telecom expects its people to advance its legitimate interests when the opportunity to do so arises.*

Telecom people will not:

- Take any opportunity discovered through the use of Telecom property, information or position for themselves;
- Use Telecom property (including Telecom's name), information or position for personal gain;
- Compete with Telecom; and

- Trade in shares, or any other kind of property, based on knowledge that comes from their roles if that information has not been reported publicly. See Telecom's [Insider Trading Policy](#) for further information.

### Confidentiality

*Telecom, our customers, suppliers, and other stakeholders entrust us daily with their confidential communications and information. Confidential information includes all information not in the public domain that has come to a Telecom person's knowledge by virtue of working for Telecom.*

Telecom people will maintain and protect the confidentiality of information entrusted to Telecom about customers, work colleagues, suppliers, stakeholders and Telecom's business and financial affairs, except where disclosure is essential to the discharge of their duties or required by law

These confidentiality obligations will take into account those obligations explicitly imposed on Telecom including those prescribed by the Privacy Act.

Telecom people will ensure they have followed appropriate business unit protocols or taken appropriate advice from legal and compliance advisers



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prior to disclosing confidential information.

### Behaviours

*The actions and statements of Telecom people, whether to customers, suppliers, competitors, or employees, can impact on the way people see Telecom and whether they choose to do business with us.*

Telecom people will:

- Undertake their duties in accordance with Telecom's Values;
- Conduct themselves in a way that demonstrates that their honesty is beyond question;
- Will not behave in a way that has the potential to bring Telecom's image into disrepute;
- Deal fairly and honestly with Telecom's people, professional advisors, customers, and suppliers;
- Not enter into transactions or make promises on behalf of Telecom that Telecom does not intend to honour;
- Undertake their duties with care and diligence;
- Ensure that any personal opinions Telecom people express are clearly identified as their own and are not represented to be the views of Telecom;
- Value individuals' differences and treat people with respect in accordance with Telecom's Equal Employment Opportunities and

Anti-Harassment and Discrimination Policies;

- To the best of their ability, use reasonable endeavours to ensure that Telecom's systems, records and documents, including financial reports, are true, correct and conform to Telecom's reporting standards and internal controls; and
- Not accept or offer bribes or improper inducements to or from anyone.

### Meet the needs of key stakeholders

*Telecom people have regard to the needs of key stakeholders including Telecom's shareholders, customers, suppliers, central and local Government, the Commerce Commission and industry bodies.*

Telecom people will:

- Be committed to delivering shareholder value, through efficient operation, effective communication and clear risk management practices;
- Maintain high standards of service and product quality;
- Not behave in any way, or promulgate any information that is deceptive, misleading or otherwise unfair; and
- Ensure that Telecom does not engage in behaviour that violates the principles of fair competition.



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### Proper use of Telecom's Assets and Information

*Telecom people are required to protect Telecom's assets from loss, damage, misuse, waste and theft. Telecom's assets include company property assigned to Telecom people, systems, information, intellectual property and networks.*

Telecom people will:

- Only use Telecom's assets for lawful business purposes or as authorised by Telecom as reasonable personal use for a specific asset class; and
- Only create, and only retain, information and communications required for business needs or to meet legal obligations in accordance with Telecom's Information Management Policy.

### Compliance with Laws and Policies

Telecom people will:

- Familiarise themselves with and comply with the Chief Executive's Core Policies and all other policies, codes, frameworks and processes at all times (including those relating to the Legal and Compliance, Fraud, equal employment opportunities and health and safety);

- Abide by the laws, rules and regulations of the countries in which they are operating;
- Undertake training on legal obligations and policies as required by their manager; and
- Comply with all statutory and internal disclosure requirements on a timely basis.

### Delegated Authority

The Telecom Board of Directors delegates the responsibility of managing the business and affairs of Telecom to the Chief Executive Officer. The Chief Executive Officer in turn delegates to other levels of management certain rights to make operational and financial decisions within defined limits. The rules that govern this system are the Delegated Authority framework.

Telecom people will:

- Only act within the Delegated Authority framework and any authority that may be specifically given to them as a Delegated Authority holder; and
- Ask their manager if they are uncertain as to their Delegated Authority level of authority.

### Reporting Concerns

Telecom has [Reporting a compliance](#)



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*[issue or incident](#) guidelines procedures for the reporting of any alleged breach of the Telecom Code of Ethics, a legal obligation or any other Telecom Policy. Telecom also has specific financial compliance escalation procedures for the reporting of any breach of any accounting, internal control or auditing procedure.*

If you become aware of any alleged breach outlined above, you are responsible for reporting it to your manager. If this is not appropriate in the circumstances, you should report the breach to:

- your manager's manager;
- [Group Compliance](#);
- askhr@telecom.co.nz; or
- The Whistleblower / Fraud Helpline - 0800 688 369.

## Roles and Responsibilities

The responsibilities of specific groups are:

### CEO / Executive

Support the adoption of an adherence to this policy and underlying core policies.

### Human Resources Team

Respond to alleged breaches of the Code of Ethics or Human Resources functional policies and direct investigation resources, training or disciplinary actions as required.

### Fraud Team

Undertake investigations at the direction of the Human Resources team for cases of suspected non-compliance with Core Policies or Human Resources functional policies

### Group Compliance and BU Compliance Teams

Support Group HR and/or Fraud with investigation resources, training or awareness, and remediation actions as required.

### Managers

Familiarity with the code of ethics, compliance responsibilities, implementation of procedures and processes to ensure compliance. Raising issues in the Telecom - Report a compliance issue or incident mechanism or through normal HR channels.

### All

Awareness of Telecom's compliance framework, processes and tools. Adherence to this Policy.



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### Ownership

This is a CEO Policy owned by the Group HR Director and will be updated on a bi-annual or as needed basis.

### Publishing Date

December 2011