

CONFLICT OF INTEREST



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Approved by	Board of Directors	Date for review	03/07/2023

STATEMENT OF POLICY

This policy applies to the Board Members of LiteHaus International. The purpose of this policy is to help board members and employees of LiteHaus International to effectively identify, disclose, and manage any actual, potential, or perceived conflicts of interest to protect the integrity of LiteHaus International and manage risk.

INTRODUCTION

The LiteHaus International Board (called the 'board' in this policy) aims to ensure that board members of LiteHaus International are aware of their obligation to disclose any conflicts of interest that they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of LiteHaus International.

RATIONALE

A **conflict of interest** is defined as any matter, circumstance, interest or activity affecting LiteHaus International or one of its Committees which may, or which may appear to, impair the ability of LiteHaus International, the committee or committee member, to carry out the organisation's work diligently, objectively and independently. This policy has been developed to address conflicts of interest affecting LiteHaus International. Conflict of interest are common, and they do not need to present a problem to the organisation as long as they are openly and effectively managed. It is the policy of LiteHaus International as well as a responsibility of the board, that ethical, legal, financial, or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to the organisation.

DEFINITION

A responsibility to act in the best interests of the charity. Personal 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). It also includes a conflict between a board member's duty to LiteHaus International and another duty that the board member has to another organisation, committee, or board. A conflict of interest may be actual, potential, or perceived and may be financial or non-financial.

These situations present the risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of the charity. Therefore, these situations must be managed accordingly.

POLICY DIRECTIVE

LiteHaus International will manage conflicts of interest by requiring board members 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.

Responsibility of the Board

The board is responsible for:

- establishing a system for identifying, disclosing, and managing conflicts of interest across the charity.
- monitoring compliance with this policy, and
- reviewing this policy on an annual basis to ensure that the policy is operating effectively.

The charity must ensure that its board members are aware of the ACNC governance standards, particularly governance standard 5, and that they disclose any actual or perceived material conflicts of interests as required by governance standard 5.

Identification and Disclosure of Conflicts of Interest

The Board Chair should, at the commencement of each meeting, remind all members of the need to declare any conflicts or raise any concerns regarding perceptions of conflict that has arisen or may arise in the course of discussing the agenda for that meeting. All conflict-of-interest situations are to be reported to the Board Chair, LiteHaus International.

Once an actual, potential, or perceived conflict of interest is identified, it must be entered into LiteHaus International's register of interests, as well as being raised with the board. Where every other board member shares a conflict, the board should refer to ACNC Governance Standard 5 to ensure that proper disclosure occurs.

On being advised of a potential conflict, the Chair acting on the advice of the Committee then decides whether:

- i. A conflict exists, and whether it is substantial enough to warrant some action.
- ii. Whether the member ought to recuse themselves from the meeting or parts of the meeting where discussion will occur about the issue that has given rise to the conflict; and
- iii. Whether any other action is required.

It may be enough that a potential conflict is declared, recorded, and noted, or that the member with the conflict recuses themselves while the relevant issue is under

discussion. All disclosures and decisions concerning a conflict of interest are to be recorded in the minutes of the relevant meeting.

The register of interests must be maintained by the Chair of the Board of Directors. The register must record information related to a conflict of interest (including the nature and extent of the conflict of interest and any steps taken to address it). In exceptional circumstances, such as where a conflict is very significant or likely to prevent a board member from regularly participating in discussions, it may be worth the board considering if it is appropriate for the person conflicted to resign from the board.

The approval of any action requires the agreement of at least a majority of the board (excluding any conflicted board member/s) who are present and voting at the meeting.

The action and result of the voting will be recorded in the minutes of the meeting and in the register of interests.

Confidentiality of Disclosures

It is essential that there is no favoured treatment of any Board member or LiteHaus International stakeholders, and Board members comply with all relevant duties. Upon appointment, all Board members who are not employees of LiteHaus International must declare any current or potential conflicts of interest, by filling out the Acknowledgement Form regarding Conflict of Interest, which is to be kept by the Board Chair, securely.

Compliance with this Policy

If the board has a reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances.

If it is found that this person has failed to disclose a conflict of interest, the board may take action against them. This may include seeking to terminate their relationship with the charity.

If a person suspects that a board member has failed to disclose a conflict of interest, they must discuss with the person in question, notify the board, or the person responsible for maintaining the register of interests.

RELATED POLICIES

- LiteHaus International – Codes of Conduct