

A group of young children, mostly girls, are seated at wooden desks in a classroom. They are looking towards the camera with various expressions. The classroom has wooden walls and large windows in the background showing greenery. The text "SEAPC LIMITED" is overlaid in white on a dark background across the middle of the image.

SEAPC LIMITED

**CONFLICT OF INTEREST
POLICY**

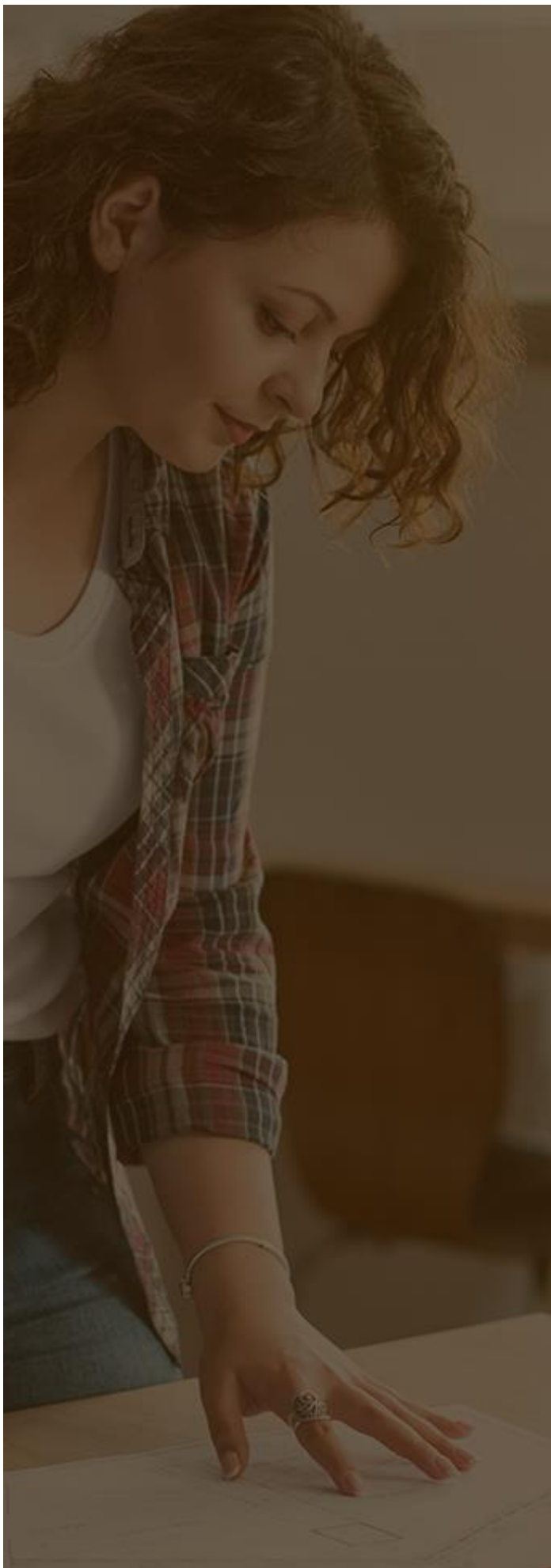


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I. Document Information

Title:	Conflict of Interest Policy
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2. Purpose

- 2.1 The Conflict of Interest Policy of SEAPC Limited (referred to as SEAPC) outlines our stance on conflicts of interest to uphold the highest standards of integrity and public trust in our work. We strive to avoid conflicts of interest whenever possible. However, if unavoidable, we are committed to identifying, declaring, and actively managing such conflicts to ensure that all decision-makers remain free from any actual, potential, or perceived conflicts.
- 2.2 Our Board of Directors, members, leaders, team leaders, staff and external partners are expected to adhere to this policy, ethical conduct, our Core Values and Code of Conduct. This entails exercising objectivity and sound judgment in decision-making to serve the best interests of SEAPC. Even the appearance of impropriety can undermine our work, so every effort must be made to prevent conflicts, whether actual, perceived, or potential, between organisational interests and personal interests.
- 2.3 Conflicts of interest may arise when personal, familial, or other interests, loyalties, or commitments clash with those of SEAPC. These conflicts can pose various challenges, including hindering open discussion, causing bias in decision-making, leading to actions not in SEAPC's best interests, and damaging public perception of our organisation.

3. Scope

3.1 This policy applies to all Board members, employees, and contractors of SEAPC. For simplicity, these individuals are collectively referred to as "employees" in this document. Suppliers are also covered by this policy in accordance with the requirements outlined in the Suppliers Code of Conduct. The policy is applicable whenever individuals are representing SEAPC.

3.2 Avoiding, Disclosing & Managing Conflicts of Interest:

3.2.1 All board members and employees are required to proactively identify any conflicts of interest related to their duties at SEAPC and take reasonable steps to eliminate or avoid these conflicts whenever possible. If a conflict cannot be avoided, it must be declared and managed according to this Policy and related procedures, which may include developing a documented Conflict of Interest Management Plan.

3.2.2 Board members and the Executive Leadership Team (ELT) must annually complete and sign a Conflict of Interest Disclosure Letter as part of the conflict management process. Conflict Management Plans must be approved following established procedures to ensure transparency and accountability.

4. Definition of conflicts of interests

4.1 A conflict of interest occurs when a person's personal interests conflict with their responsibility to act in the best interests of the Charity.

4.2 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).

4.3 It also includes a conflict between a Board member's duty to the Charity and another duty that the Board member has (for example, to another charity). A conflict of interest may be actual, potential or perceived and may be financial or non-financial.

4.4 These situations present a 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.

5. Specific Types of Conflicts of Interest

5.1 As participants within the Conflicts of interest can manifest in various forms, each requiring specific attention and management. For instance:

- 5.1.1 Board decisions: Board members with conflicts of interest must abstain from voting on relevant matters, ensuring impartiality in decision-making processes.
- 5.1.2 Introductions: Individuals making introductions to SEAPC must assess and disclose any conflicts of interest, even if only perceived, and comply with applicable Conflict Management Plans.
- 5.1.3 Power imbalance: Employees and Board members must be mindful of power differentials and avoid direct communication on conflicted matters with less powerful individuals.
- 5.1.4 Contracts and other arrangements: Individuals involved in decision-making regarding contracts or arrangements must assess conflicts of interest and involve appropriate stakeholders in the resolution process.

6. Other Legal Obligations

6.1 Board members and employees must comply with legal obligations regarding conflicts of interest, which may extend beyond the requirements outlined in this policy. Legal obligations under relevant laws, governance documents, or regulatory standards take precedence and must be adhered to accordingly.

7. Policy

This policy has been developed to address conflicts of interest affecting the Charity. Conflicts of interest are common, and they do not need to present a problem to the Charity as long as they are openly and effectively managed. It is the policy of SEAPC, 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 SEAPC.

SEAPC 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.

7.1 Responsibility of the Board

- (a) The Board is responsible for:

establishing a system for identifying, disclosing and managing conflicts of interest across SEAPC;

monitoring compliance with this policy; and

reviewing this policy on an annual basis to ensure that the policy is operating effectively.

- (b) 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.

7.2 Identification and disclosure of conflicts of interest

- (c) Once an actual, potential or perceived conflict of interest is identified, it must be entered into the Charity's Conflict of Interest Register, as well as being raised with the Board.
- (d) Where every other Board member shares a conflict, the Board should refer to ACNC governance standard 5 to ensure that proper disclosure occurs.
- (e) The register of interests must be maintained by SEAPC's secretary. The register must record information related to a conflict of interest in the Conflict of Interest Register (including the nature and extent of the conflict of interest and any steps taken to address it).

8. Actions Required to Manage Conflicts Of Interest

8.1 Conflicts of interest of Board members

- 8.1.1 Once the conflict of interest has been appropriately disclosed, the Board (excluding the Board member who has made the disclosure, as well as any other conflicted Board member) must decide whether or not those conflicted Board members should:

- i. vote on the matter (this is a minimum);
- ii. participate in any debate; or
- iii. be present in the room during the debate and the voting.

- 8.1.2 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.

8.2 What should be considered when deciding what action to take:

- 8.2.1 In deciding what approach to take, the Board will consider:
- i. whether the conflict needs to be avoided or simply documented;

- ii. whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making;
- iii. alternative options to avoid the conflict;
- iv. the Charity's objects and resources; and
- v. the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, the Charity.

8.3 All conflicts of interest related to financial purposes, such as payments and purchases, must be presented to the Board. A minimum of three quotes from different suppliers, along with a detailed description of the product or service, must be provided to ensure that the price is market competitive. The need for the purchase or payment must be justified through a needs analysis and documented.

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 Conflict of Interest Register.

9. Management of Funds used by Family and Friends

In a scenario where SEAPC Limited manages and controls by family members/friends, while activities are predominantly executed by these individuals, there exists a potential risk of undermining the organisation's Public Benevolent Institution (PBI) status, particularly concerning the 'public' and 'institution' requirements. To mitigate this risk, the board, composed predominantly of non-family members and inclusive of SEAPC US representatives, plays a pivotal role. It is imperative that unrelated board members actively engage in board meetings, oversee the charity's operations, and ensure proper governance.

In instances where conflicts of interest arise, such as described in the provided scenario, they must be formally disclosed to the board, documented in the Conflicts of Interest Register, and subject to board approval. Conflicted parties should abstain from participating in relevant board deliberations or voting. Periodic reassessment of such arrangements by the board is necessary to ensure effective risk management, aligning with directors' duties, the Corporations Act, and the ACNC Governance Standards for responsible persons.

When considering travel expenses related to charity activities, the board should thoroughly document the rationale behind such expenditures, taking into account individuals' connections, expertise, and

contributions to the charity's objectives. Additionally, expenditures should not exceed what an unrelated party would charge for similar services, and formal documentation of agreements between SEAPC Limited and involved individuals is advised to promote transparency.

Expenses incurred by officers in carrying out charity activities should be reimbursed only if pre-approved by the board and deemed reasonable, ensuring they reflect market rates or better. If travel includes non-charity related activities, expenses should be proportionally allocated, with the charity covering only costs directly associated with charity-related endeavours. This includes adhering to tax-deductibility regulations to demonstrate that donations made to the charity are appropriately allocated and utilised for charitable purposes.

SEAPC Limited must adhere to these guidelines rigorously to uphold transparency, accountability, and regulatory compliance, safeguarding its charitable status and ensuring effective governance.

10. 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 SEAPC. Any breaches or suspected breaches of this policy must be reported promptly to the relevant authorities for investigation and resolution. Consequences for policy breaches vary depending on the severity of the violation and may include disciplinary action or termination of employment.

If a person suspects that a Board member has failed to disclose a conflict of interest, they must notify the Board and the person responsible for maintaining the Conflict of Interest Register.

11. Confidentiality

11.1 Reports or disclosures made in accordance with this policy will be treated confidentially and in line with applicable privacy requirements. Information will only be shared with authorised individuals on a need-to-know basis or as required by law.

12. Training

12.1 Regular training on this policy and related procedures is mandatory for all employees and Board members to ensure compliance and understanding of their obligations. Training records will be maintained to track completion and ensure ongoing adherence to the policy.

13. Policy Definitions

13.1 The policy includes definitions of key terms such as conflict of interest, executive leadership team, personal and consensual relationships, non-token gifts, benefits, and hospitality, among others, to provide clarity and consistency in interpretation.

14. Sources of Obligations

14.1 This policy aligns with the requirements of SEAPC's governance documents, regulatory standards, and relevant laws.

15. Contacts

For questions about this policy, contact the Board via email on info@au.seapc.org.



END OF DOCUMENT