

Conflict of Interest and Related Party Transactions Policy

27 November 2023

Purpose

The purpose of this policy is to outline our approach to conflicts of interest and help Board Directors, Board Committee members, staff and volunteers to effectively identify, disclose and manage any conflicts of interest to help protect the integrity of The Benevolent Society.

Scope

This policy applies to all Board Directors, Committee members, staff, contractors and volunteers of The Benevolent Society and any entity that is controlled by The Benevolent Society (**we, us, our**).

Policy Statements

1. You must, at all times, act in our best interests having regard to:
 - your role with us;
 - our purpose of supporting people who are vulnerable, disadvantaged or in need; and
 - the law.
2. A conflict of interest:
 - 2.1. is a situation where a person or entity has competing interests or loyalties. A conflict may be **actual** (a conflict which has arisen in the present situation), **potential** (a conflict that may occur in the future) or **perceived** (a conflict that is seen to be a conflict but is not). We also deal with individual and organisational conflicts.
 - 2.2. may be financial or non-financial:
 - 2.2.1. a financial conflict of interest means a financial interest that could directly and significantly affect decision making, in that the person declaring the conflict may potentially, be perceived to or actually stand to gain financially as a result of the interest. For example, a person has a financial interest if they (or a relative, or a close associate) own property or share in the profits of a TBS supplier
 - 2.2.2. a non-financial conflict of interest means an interest that could be seen to have or have the potential to interfere or affect decision making or performance of the person's obligations to TBS. For example, the conflict arises from personal or family relationships with suppliers,

fundors or another person or group. Such relationships may mean that there is a tendency toward favouritism or prejudice.

2.3. also includes a conflict between a person's duty to The Benevolent Society and another duty that the person has (for example, if they hold a Board position at another charity or volunteer at another organisation that may provide similar services to The Benevolent Society).

3. A **related party transaction**, as defined under Accounting Standard AASB 124, would also be considered a conflict of interest for the purposes of this policy.

Individual

4. An individual conflict of interest is when the conflict arises from individual circumstances. Individual conflicts of interest which need to be disclosed may include:

- any employment outside of The Benevolent Society which is disclosed to TBS via the secondary employment policy;
- where you may be a Board director of other companies or organisations that may have dealings with us or provide services in markets in which we operate or plan to operate
- where you receive confidential information in a role outside of TBS such as a directorship role, a role on an advisory committee or external working party, and such role presents the opportunity for a conflict of loyalty to arise between that role and your role at TBS. In such instances you must ensure that you maintain your duty in both respective roles and do not disclose to TBS any confidential information obtained in your other role.

For example, a TBS staff member may participate in an external forum to promote discussion to create social impact change. By participating in the forum the TBS staff member is effectively wearing two hats, one being that they have been invited to participate in the forum due to their TBS role and the second being the role they play in the external forum. The TBS staff member needs to be aware at all times of their duties in terms of their respective roles and how to appropriately manage this conflict of interest. If confidential information is shared through participation in those forums then that information cannot be shared more broadly within TBS. The TBS staff member will need to fully understand their obligations so they do not inadvertently breach those duties, as this may have both professional and personal implications for that individual as well as impact TBS's reputation or place TBS at risk of using information that it had no authority to access.

- direct or indirect interests you have in businesses which supplies goods or services to us;
- you standing to benefit, financially or otherwise, from a transaction or arrangement between us and you or a third party; and
- interests of your family members, friends, or any other associates of any of these types.

Examples of individual interests that do not need to be disclosed include:

- an interest which arises because you are a member of The Benevolent Society, so long as the interest is held in common with all other members of The Benevolent Society;
- an interest which arises merely because you are a guarantor or have given an indemnity or security for all or part of a loan (or a proposed loan) to The Benevolent Society;

- an interest which relates to a directors and officers insurance policy taken out by The Benevolent Society; and
 - interests which have already been disclosed, so long as the nature and extent of the interest has not increased above that already disclosed.
5. You have an obligation to avoid conflicts of interest. However, we recognise that the existence of a conflict of interest is not uncommon. What is important is how a conflict of interest is managed.
 6. You are responsible for identifying your conflict with your manager. Your manager will work with you to identify the appropriate risk management strategy in dealing with the conflict. There is not a one-size-fits-all solution to effectively manage conflicts of interest. As guidance, a conflict may be managed and resolved by one of the following strategies set out in Appendix A. Executive Directors are responsible for the identification and appropriate management of conflicts of interest in their directorates.
 7. If you are a staff member, you must seek prior written approval and submit a Conflicts of Interests Declaration Form prior to accepting any formal Board appointment.
 8. All conflicts must be recorded in our conflicts of interest register together with the prescribed form. Staff members and volunteers should submit a Conflict of Interests Declaration Form to their manager and then to the responsible Executive for review and approval. The responsible Executive is responsible for having your conflict registered in the conflicts of interest register together with the form. The conflicts of interest register is maintained by the Group Company Secretary. For the avoidance of doubt, if an interest has been declared under the policy governing secondary employment, it does not have to also be declared under this Conflicts of Interest Policy.
 9. Appendix B sets out additional protocols for dealing with conflicts of interest arising for a Board Director. Appendix C sets out additional protocols for dealing with conflicts of interest arising for the CEO and Group Company Secretary. Appendix D sets out additional protocols for dealing with conflicts of interest arising for an Executive. Appendix E sets out protocols for dealing with conflicts of interest arising from each directorate.

Organisational

10. An organisational conflict is a situation which arises when there are competing interests arising from services within The Benevolent Society or when there are competing interests arising from The Benevolent Society and one of its subsidiaries or amongst the subsidiaries themselves.
11. We deal with organisational conflicts of interest arising from the National Disability Insurance Scheme (NDIS). The NDIS is designed to support people to pursue their own goals and to build their capacity to lead a meaningful life. We are committed to:
 - the overriding philosophy that underpins the NDIS which is that the participant retains choice and control over their services and supports including who provides these services and supports to them;
 - staff freely advocating for participants without actual or apparent fear of recourse; and

- participants freely raising concerns or complaints and choosing other service providers without actual or apparent fear of recourse.

12. Appendix F sets out specific protocols for dealing with conflicts of interest arising from the NDIS.

Related Party Transactions

13. A **related party transaction** is any transaction that involves a transfer of resources, services or obligations between The Benevolent Society and a 'related party', regardless of whether or not a price is charged for such transaction. A **related party** is a person or entity that is related to The Benevolent Society and includes any of the following:

- A person or close member of that person's family (i.e. spouse, partner, children or any of their respective dependents) who has control or joint control of, significant influence over, or are key management personnel of The Benevolent Society (which includes all TBS Board Directors and Executives).
- An entity that is controlled by, or is an associate or joint venture of The Benevolent Society.

14. Following are some examples of related party transactions:

- Buying or selling goods / services to a related party
- Lending money or providing guarantees to a related party
- Awarding grants and gifts to a related party
- Employing or having volunteer a related party
- Leasing premises or equipment to a related party
- Transferring intellectual property to a related party.

The above examples are purely illustrative and not exhaustive, and there may be others.

15. Any monetary benefits provided by TBS to employees as part of their employment contract arrangements with TBS and pursuant to TBS policies are not considered related party transactions. For example, if a TBS employee receives reimbursement for travel or meal expenses, this is part of their employment arrangement and TBS Policy, it is not a related party transaction.

16. All proposed related party transactions (other than **pre-approved transactions**) must be approved by the Board prior to the transaction being entered into:

- Board Directors must provide notification to the Board Chair
- employees must provide notification to the Chief Financial Officer, who will make a recommendation to the Board.

Once such approval is provided the Conflicts of Interest Declaration Form must be completed with the Related Party Transaction details and provided to the Group Company Secretary for recording in the Conflict of Interest and Related Party Transaction Register.

17. Pre-Approved Transactions

The following transactions are considered pre-approved transactions and do not require approval by the Board and are not recorded in the TBS Related Party Transaction Register:

- the appointment of each Board Director and Board Advisory Committee members
- any remuneration approved by the Board for Board Advisory Committee members
- reimbursement of Board Director expenses incurred in performing Board Director duties in accordance with TBS policies
- payment of indemnities, insurance premiums and legal expenses incurred in performing Board Director or Officer duties
- transactions in the ordinary course of business that do not exceed \$10,000 per annum in aggregate
- donations to TBS from a related party that do not exceed \$10,000 in value

Staff must speak to their respective Executive or the Chief Financial Officer and Board Directors should seek guidance from the Group Company Secretary, if they have any questions in relation to a particular transaction and whether it needs to be disclosed.

General

18. We will continue to monitor conflicts of interest which may arise with a view to continuously improving our policy and protocols for dealing with conflicts.

19. The Group Company Secretary has standing authority to release directions and instructions as well as develop educational information for our staff on rules to be applied for dealing with conflicts of interest and related party transactions.

20. Legal advice must be sought before there are any deviations to this policy.

21. If you have any queries, concerns, or feedback about this policy, you may contact us as follows:

Group Company Secretary
The Benevolent Society PO Box 257
Broadway NSW 2007
t 02 8262 3400
theproperofficer@benevolent.org.au

Responsibilities and policy owner

- The policy owner is the Board.
- The policy is maintained by the Group Company Secretary on behalf of the Board.
- The Board Chair has overall responsibility for the compliance of this policy at a Board level.
- The CEO has overall responsibility for the compliance of this policy at an organisational level.
- The Executive Directors have responsibility for the compliance of this policy in their directorate.

Consultation and approval

The following were consulted in the development of this policy:

- the CEO
- Executive Directors
- Risk, Quality and Safeguarding Committee

This policy has been approved by:

The Board of The Benevolent Society

Appendix A

Conflicts of Interest Management Strategies

The following table provides a brief description of the types of situation in which certain strategies would be considered most suitable, and when such options might be considered least suitable.

Management Strategy	When MOST Suitable	When LEAST Suitable
REGISTER Where details of the existence of a possible or potential conflict of interest are formally registered	<ul style="list-style-type: none"> For very low-risk conflicts of interest and potential conflicts of interest Where the act of transparency through recording the conflict of interest is sufficient 	<ul style="list-style-type: none"> The conflict of interest is more significant or of a higher risk The potential or perceived effects of a conflict of interest on the proper performance of the employee's duties require more proactive management
RESTRICT Where restrictions are placed on the employee's involvement in the matter	<ul style="list-style-type: none"> The employee can be effectively separated from parts of the activity or process The conflict of interest is not likely to arise frequently 	<ul style="list-style-type: none"> The conflict is likely to arise more frequently The employee is constantly unable to perform a number of their regular duties because of conflict of interest issues
RECRUIT Where a disinterested third party is used to oversee part or all of the process that deals with the matter	<ul style="list-style-type: none"> It is not feasible or desirable for the employee to remove themselves from the decision-making process In small or isolated communities where the particular expertise of the employee is necessary and genuinely not easily replace 	<ul style="list-style-type: none"> The conflict is serious and ongoing rendering ad hoc recruitment of others unworkable Recruitment of a third party is not appropriate for the proper handling of the matter A suitable third party is unable to be sourced
REMOVE Where an employee chooses to be removed from the matter	<ul style="list-style-type: none"> For ongoing serious conflicts of interest where ad hoc restrictions or recruitment of others is not appropriate 	<ul style="list-style-type: none"> The conflict of interest and its perceived or potential effects are of low risk or low significance The employee is prepared to relinquish the relevant private interest rather than radically change their work responsibilities or environment
RELINQUISH Where the employee relinquishes the private interest that is creating the conflict	<ul style="list-style-type: none"> The employee's commitment to public duty outweighs their attachment to their private interest 	<ul style="list-style-type: none"> The employee is unable or unwilling for various reasons, to relinquish the relevant private interest
RESIGN Where the employee resigns from their position with The Benevolent Society	<ul style="list-style-type: none"> No other options are workable The employee cannot or will not relinquish their conflicting personal interest, and changes to their work responsibilities or environment are not feasible The employee prefers this course as a matter of personal principle 	<ul style="list-style-type: none"> The conflict of interest and its potential or perceived effects are of low risk or low significance Other options exist that are workable for the employee and The Benevolent Society

Appendix B

Board Directors and Board Committee Members

Conflicts between Board Directors' and Board Committee Members' personal interests and The Benevolent Society and/or entities which are controlled by The Benevolent Society

Board Directors of The Benevolent Society and/or entities which are controlled by The Benevolent Society (**TBS Group**, each a **TBS Group entity**) which are registered with the ACNC must ensure that they are aware of their duties under the *Australian Charities and Not-for-profit Commission Act 2012* (Cth) and in particular Governance Standard 5 which among other matters, places a legal obligation on Board Directors to disclose perceived or actual conflicts.

When Board Directors or Board Committee members have a conflict of interest or conflict of duties, they must raise this with the Board Chair or Committee Chair as soon as practicable. Alternately, a Board Director or Board Committee Member may declare a conflict of interest at the start of a Board/Committee meeting. The Group Company Secretary will include in every Board and Committee agenda a 'Disclosure of Interests' agenda item.

In the event of a disclosure of a conflict relating to a Board Director:

In accordance with the constitution, where a Board Director has a material personal interest in a matter to be considered at a meeting, that Board Director must not be present while the matter is being considered at the meeting or vote on the matter, unless the Board Directors who do not have a material personal interest pass a resolution in accordance with the Corporations Act which permits that Board Director to do so.

The Board Chair will decide, in consultation with the Board Director in question, whether the personal interest is material. The Board Chair may, at his or her discretion, refer a decision on whether an interest is "material" to the Board Directors. The Board Chair or Board Directors (as applicable) decision on whether a personal interest is "material" is final.

A Board Director who is in any way interested in a contract or arrangement (other than by having a material personal interest) may, despite that interest:

- be counted in determining whether or not a quorum is present at any Board meeting considering that contract or arrangement;
- sign or countersign any document relating to that contract or arrangement; and
- remain present in the meeting and vote in relation to that contract or arrangement or any matter arising out of those things.

In the event of a disclosure of a conflict relating to a Board Committee Member, the Committee should consider whether the conflicted Board Committee Member should, in relation to the conflicted matter:

- participate or refrain from participating in any discussion on the matter;
- be present during the time of any discussion or remove themselves during the time of any discussion;
- vote on the matter or abstain from voting on the matter.

The Group Company Secretary:

- minutes conflicts of interest declared at Board and Committee meetings; and
- will enter the declarations of interests in the Conflicts of Interests register.

Board Directors and Committee members must give details of any conflicts of interests and related party transactions to the Group Company Secretary to enable the Group Company Secretary to make the relevant entry in the Conflicts of Interests register.

The Board Chair may review the register upon request at any time. All Board Directors may request a review of their interests recorded in the register and it is the responsibility of the Board Directors to update their interests on an as-needs basis.

Conflicts between TBS Group entities (same Board Directors)

From time to time, conflicts may arise between TBS Group entities. For instance, the same individuals may be appointed to the board of two or more TBS Group entities.

In these circumstances, the Board Director has a distinct responsibility to each of those entities and to contribute equally to the decisions those entities take. Their duties to each of the TBS Group entities include:

- the duty to act in good faith;
- the duty to exercise due care and skill; and
- the duty not to trade while insolvent.

If the constitution of a subsidiary entity permits, then a Board Director of a subsidiary entity may act in the interests of The Benevolent Society as the parent entity.

Where a Board Director finds themselves in a situation where they are influenced in a way that affects their ability to discharge the above duties, they must inform the Board Chair of the relevant entity. Legal advice may be sought from the Group General Counsel.

Appendix C

CEO and Company Secretary

Where the CEO has a conflict of interest or conflict of duties, they must raise this with the Board Chair as soon as practicable.

When the Group Company Secretary has a conflict of interest or conflict of duties, they must raise this with the Board Chair and CEO as soon as practicable.

The CEO and Group Company Secretary's interests will be maintained within the Conflicts of Interests Register. The Board Chair may review the register upon request at any time. The CEO and Group Company Secretary may request a review of their interests recorded in the register and it is the responsibility of the CEO and Group Company Secretary to update their interests on an as-needs basis.

Decisions relating to conflicts of the CEO will be managed at the discretion of the Board Chair and, in the case of the Company Secretary, the CEO or the Board Chair. The Board Chair may seek support from the Board, Chair of the People and Culture Committee and/or the People and Culture Committee from time to time.

Appendix D

Executives

Where an Executive has a conflict of interest or conflict of duties, they must raise this with the CEO as soon as practicable. In consultation with the CEO, a *Conflicts of Interest Declaration Form* must be completed and returned to the Group Company Secretary.

The Executive's interests will be maintained within the Conflicts of Interests Register. The CEO may review the register upon request at any time. An Executive may request a review of their interests recorded in the register and it is their responsibility to update their interests on an as-needs basis.

Decisions relating to conflicts of the Executives will be managed at the discretion of the CEO. The CEO may seek support from the Board Chair, Chair of the People and Culture Committee and/or the People and Culture Committee from time to time.

Appendix E

Directorate Interests

Executives must provide, at the discretion of the CEO, to the Group Company Secretary and CEO, a declaration of conflicts form relating to any interests arising from their directorate.

Appendix F

NDIS

We deal with conflicts of interest arising from the NDIS, including (but not limited to) the following situations:

- we provide Coordination of Supports and other direct delivery of NDIS funded supports; and
- we provide Early Childhood Approach (ECA) services and direct delivery of NDIS funded supports.
- we may co-locate with a community partner or service provider that has a conflict with our provision of services and/or supports;
- a participant chooses to move their service delivery from us to another provider or vice-versa;
- a member of staff or their family member is a NDIS participant. [This is also an individual conflict.]

We have adopted a range of conflict management strategies including the following:

- geographical and functional separation of services;
- in co-location arrangements, physical, administrative, and technological separation between The Benevolent Society and community partner/service provider
- establishment of information barriers;
- establishing protocols for protecting confidential information. Staff who are involved in matters affected by a conflict of interest will be asked to sign a specific confidentiality agreement. Staff who is or has a family member who is a NDIS ECA participant will be registered as a 'protected participant' so their information is restricted;
- declaration of the relevant conflict of interest to consumers and where relevant, their consent prior to proceeding to deliver their services and supports;
- provision of an ongoing education programme for staff to assist them in identifying and managing conflicts of interest;
- registration of conflict in our conflicts of interest register. The responsible Executive is responsible for ensuring a conflict of interest is registered in our conflicts of interest register;
- Neither we nor our staff will accept any offer of money, gifts, services or benefits that would cause any one of us to act in a manner contrary to the interests of a NDIS participant. Further, staff will not have any financial or personal interest that could directly or indirectly influence or compromise the choice of provider or provisions of supports to a participant. This includes the obtaining or offering of any form of commission by staff or us.

Additionally, we report to the National Disability Insurance Agency on how we manage conflicts of interest as required under our contract terms.