



PALMERA

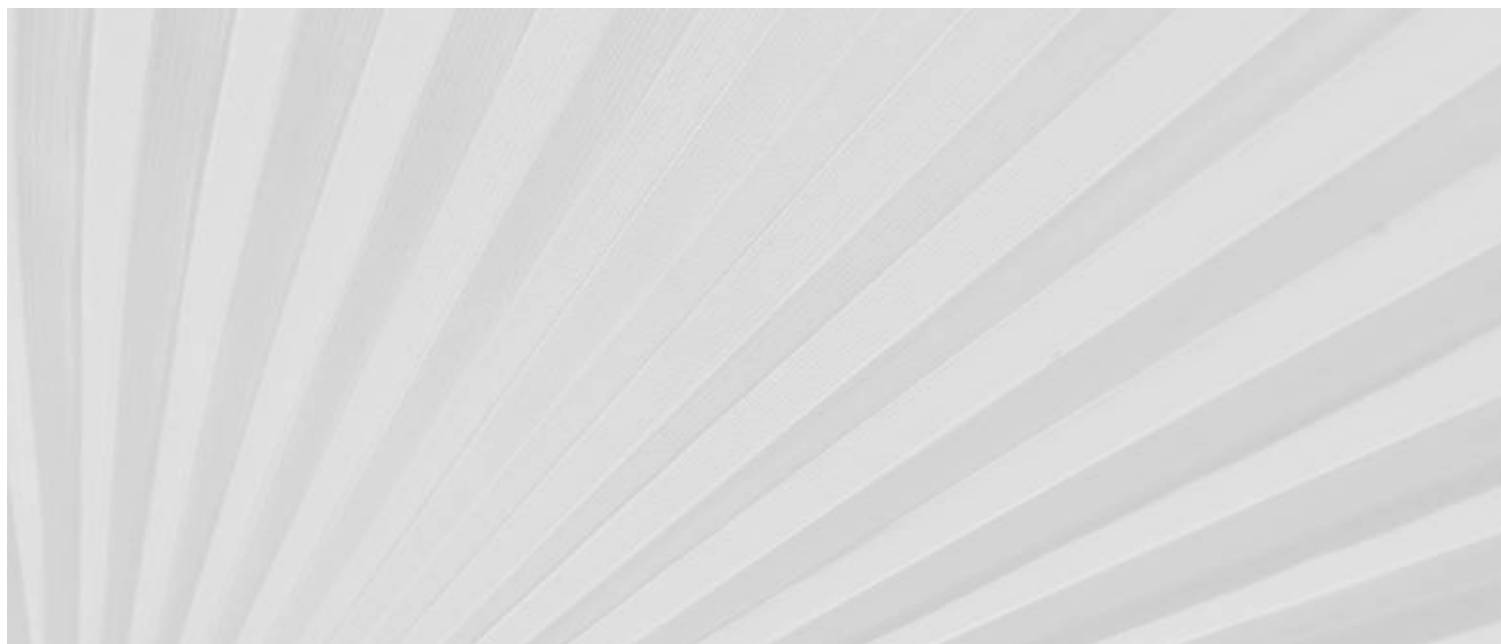
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Conflict of Interest Policy

Palmera

OCTOBER 2016, **VERSION 2**



1.1 Introduction

The purpose of this Conflict of Interest Policy is to protect Palmera Projects' (**Palmera**) interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a volunteer, officer or director of Palmera.

This policy has been developed because conflicts of interest commonly arise, and do not need to present a problem to the charity if they are openly and effectively managed. It is the policy of Palmera, as well as the responsibility of the Board of directors of Palmera, that ethical, legal, financial conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to Palmera.

This policy is intended to supplement, but not replace the applicable laws and guidelines governing conflict of interest applicable to non-profit organisations, including the *Corporations Act 2001* (Cth), the *Australian Charities and Not-for-profit Commission Act 2012* (Cth) and the Australian Council For International Development (**ACFID**) Code of Conduct.

1.2 Definitions

Interested Person The following individuals are interested persons for the purposes of this Policy:

- Board of directors of Palmera (the **Board**);
- Officers of Palmera (including paid staff and volunteers) (**Officers**);
- Members of the Executive Committee;
- Members of Board delegated-committees.

Financial Interest A person has a Financial Interest if the person has, directly or indirectly, through business, investment or family:

- (a) an ownership or investment interest in any supplier or NGO partner with which Palmera has a transaction or arrangement;
- (b) a compensation arrangement with Palmera or with any supplier or NGO partner with which Palmera has a transaction or arrangement; or
- (c) a potential ownership or investment interest in, or compensation arrangement with, any supplier or NGO partner with which Palmera is negotiating a transaction or arrangement.

"Compensation" includes direct and indirect remuneration as well as gifts or favours that are not insubstantial. A Financial Interest is not necessarily a conflict of interest. Accordingly, a person who has a financial interest may have a conflict of interest only if the Board decides that a conflict of interest exists.

Personal Interest A Personal Interest includes any direct or indirect interests (including those of family, friends, or other organisations a person may be involved with or have an interest in) which conflicts with that person's responsibility to act in the best interests of the Palmera and that may be actual, potential or perceived and may be financial or non-financial.

A Personal Interest is "material" if it might affect, or might reasonably be thought by others to affect, an Interested Person's judgment or conduct in carrying out his or her duties on behalf of Palmera, or Palmera's decisions or actions, or if it is otherwise adverse to the interests of Palmera.

1.3 Guiding principles

No member of the Board, or any of its delegated committees and no Officer shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation with Palmera. Each Interested Person shall disclose to the Board any Financial Interest or material Personal Interest which he or she may have in any transaction or arrangement anticipated by Palmera and, if considered appropriate in accordance with this policy, shall refrain from participation in any decision on such matter.

It is the Board's responsibility to review all relevant information and determine whether a conflict of interest exists, and measures to be taken to remove the conflict.

1.4 Conflict of Interest Avoidance Procedures

(a) Duty of Disclosure (for Interested Persons)

Each Interested Person must disclose, in connection with any actual or possible conflict of interest, the existence of any Financial Interest or material Personal Interest to the CEO as soon as they become aware of the actual or possible conflict.

Once the Financial Interest or material Personal Interest has been identified, it must be entered into Palmera's register of interests (**COI Register**), as well as being raised with the Board. The Board and the CEO will then make a determination as to what action (if any) should be taken to address the conflict.

The COI Register must be maintained by the Company Secretary / Head of Legal and 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).

(b) Conflicts of interest of Board members

(i) Disclosure procedures for Board members

In order to prompt consideration of any actual or potential conflicts of Board members, Palmera has in place the following disclosure procedures:

1. Conflict of Interest Checklist:

- This form will be emailed to each Board member and Executive Committee member when the Palmera's project managers are contemplating a new NGO partnership and prior to the Board meeting where such partnership is to be considered.
- Each Board member and Executive Committee member must declare that there is no actual or potential conflict of interest with the NGO partner at the Board meeting (see step 2 below).
- The Chairperson will then sign the Conflict of Interest Checklist on behalf of each Board Member and Executive Committee member.

2. Standing item on the board agenda:

- Conflict of Interest is to be a standing item on the agenda for all Board meetings
- If there is no business at the Board meeting which considers any anticipated partnerships with NGOs or supplier arrangements, then the minutes of the meeting can note this fact.
- If the business of the Board meeting does consider anticipated partnerships with NGOs or supplier agreements, then each Director must declare whether

they have any conflict of interest in relation to the partnership or supplier agreement.

- A record of any disclosure is to be made in the Board minutes of the meeting.

(ii) Procedures for addressing the conflict of interest

If, after undertaking the procedures outlined in (ii) above, a conflict of interest has been disclosed by a Board member, the Board (excluding the Director disclosing and any other conflicted Board member) must decide whether or not those Board members should:

- vote on the matter;
- participate in any debate or discussion; or
- be present in the room during the discussion and voting on the matter.

In exceptional circumstances, including where a conflict is very significant or likely to prevent a Board member from regularly participating in discussions, the Board may consider whether it is appropriate for the Board member to resign from the Board.

In deciding what approach to take in addressing the conflict of interest, the Board will consider:

- whether the conflict needs to be avoided or simply documented (ie in the record of minutes for the meeting);
- whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making on the matter;
- alternative options to avoid the conflict including alternatives to the proposed transaction or arrangement, provided that such alternative transaction or arrangement is:
 - with a person that does not give rise to a conflict of interest; and
 - not less advantageous to Palmera;
- Palmera's objects and resources; and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, the charity.

(iii) Minutes of Board proceedings

The minutes of the Board and all Board delegated committees shall contain:

- the names of the persons who disclosed or otherwise were found to have a Financial Interest or material Personal Interest in connection with a proposed transaction or arrangement, the nature of the Financial Interest or material Personal Interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed; and
- the names of the persons who were present for discussions and consensus decisions relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any consensus decisions taken in connection with the proceedings.

1.5. Violations of the Conflicts of Interest Policy

If the Board has reasonable cause to believe an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the Board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

1.6 Document Control

Date created	2013
Date last reviewed and updated	October 2016
Signed off by	
Approved by board (if necessary)	Yes
Date next review	October 2019

Date	Version	Revision Description	Reviewed/Updated by
2013	1	Original	Abarna
October 2016	2	Revised	Sagar / Abarna