

CONFLICT OF INTEREST POLICY

March 2017

PURPOSE

The purpose of this policy is to help people acting on behalf of Opportunity International Australia (Opportunity) effectively identify, disclose and manage any actual, potential or perceived conflicts of interest.

While conflicts of interest can arise, they may not present a problem to Opportunity if they are openly and effectively managed. This policy aims to protect Opportunity's integrity and ensure people do not allow their personal interests to override their responsibility to act in the best interests of Opportunity.

POLICY STATEMENT

There exists between Opportunity and its Board, staff and volunteers and the public a fiduciary duty, which carries with it a broad requirement of being accountable to its stakeholders and ensuring the appropriate level of transparency. Opportunity requires all its representatives to exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with Opportunity, or knowledge gained, for their personal or financial benefit. The interests of the organisation must be the first priority in all decisions and actions.

It is Opportunity's policy that Directors, staff and volunteers and others acting on Opportunity's behalf must declare any actual, potential or perceived conflicts of interest that could adversely affect or influence their judgment, objectivity or loyalty to Opportunity in conducting Opportunity business activities and assignments.

PERSONS CONCERNED

This policy applies to Opportunity's Directors, staff and volunteers and others acting on behalf of Opportunity, who are delegated to make decisions on behalf of Opportunity or who can influence the actions of Opportunity. For example, this includes people who make purchasing decisions, people who might be described as management personnel, and anyone who has proprietary information concerning Opportunity.

WHAT IS A CONFLICT OF INTEREST?

A conflict of interest occurs when a person's personal interests conflict with their responsibility to act in the best interests of Opportunity. Personal interests include direct interests as well as those of family, friends, or other organisations that a person may be involved with or have an interest in. It also includes a conflict between a Board member's duty to Opportunity and another duty that the board member has (for example, to another Board or charity).

While some conflicts may be obvious, others might only have the potential to

influence you, or others may perceive to influence you, even if they don't. Perception is just as important as your intention because it could affect your reputation and Opportunity's. Conflicts of interest may be financial or non-financial and may be:

- Actual – you **are** being influenced by a conflicting interest
- Potential – you **could be** influenced by a conflicting interest
- Perceived – you **could appear** to be influenced by a conflicting interest.

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

NATURE OF CONFLICTING INTERESTS

Conflicts of interest may arise through association with any of the following third parties:

1. People or organisations that provide goods and services to Opportunity
2. People or organisations from whom Opportunity leases property and/or equipment
3. Competing or affinity organisations
4. Donors, funding bodies and others who support Opportunity
5. Agencies, organisations and associations which affect the operations of Opportunity
6. Family members, friends, and other employees.

A conflicting interest may be direct or indirect, with any persons or firms mentioned above. Such an interest might arise through:

- holding office, serving on the board, participating in management, or being otherwise employed/formerly employed with any third party dealing with Opportunity
- receiving remuneration for services with respect to individual transactions involving Opportunity
- using Opportunity's time, personnel, equipment, supplies, or good will for other than Opportunity approved activities, programs, and purposes
- receiving personal gifts or loans from third parties dealing or competing with Opportunity. Receipt of any gift is disapproved except gifts of a value less than \$500, which could not be refused without discourtesy. No personal gift of money should ever be accepted (refer Appendix 2 for Gift Policy)
- owning stock, holding debt or other proprietary interests in any third party dealing with Opportunity (where control or significant influence can be exerted on the third party).

INTERPRETATION OF THIS STATEMENT OF POLICY

The areas of conflicting interest listed and the relations in those areas which may give rise to conflict, as listed above, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the Directors, staff and volunteers will recognise such areas and if in doubt, individuals should err on the side of caution and discuss with the Chair or the Chief Executive Officer.

The fact that one of the interests described above exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of Opportunity.

An interest would be considered material if it is deemed to have the capacity to affect decisions a person might make or influence a persons' consideration of a particular matter.

It is the policy of Opportunity that the existence of any actual, potential or perceived interests shall be disclosed before any transaction is entered into. It shall be the continuing responsibility of the Board, staff and volunteers to scrutinise their transactions, outside business interests and relationships for potential conflicts and to immediately make such disclosures.

DISCLOSURE POLICY AND PROCEDURE

MEETINGS OF BOARD OF DIRECTORS

Conflicts of interest is a standing agenda item at the beginning of every meeting held by the Board of Directors, Board Committees and Opportunity's Subsidiary Board of Directors, with meeting participants required to declare relevant material conflicts of interests.

If a material personal interest is declared by a Director, the rest of the Board or Committee members must decide to:

- exclude the conflicted party from further discussions and voting on the subject
- allow the conflicted party to be present at discussions but not to vote
- allow the conflicted party to be present at discussions and to vote, and/or
- determine if the conflicted party should receive any further information relating to the issue.

If the conflicted Director is permitted to participate in the discussions and/or voting, the other Directors must be satisfied that the interest should not disqualify the conflicted party from being present at discussions and/or from voting on the matter.

The minutes of the meeting must record who the conflicted party was, the nature and extent of their interest, the decision of the Board in relation to the conflict, who was present for the discussion and who voted on the decision.

MEETINGS OF LEADERSHIP TEAM

Conflicts of interest are a standing agenda item at Leadership Team meetings, with meeting participants asked to declare relevant interests and duties at the beginning of every meeting. If a material personal interest is declared, the Leadership Team members will consider the nature and extent of their interest, its relation to the decision, and decide if the conflicted party should be allowed to participate in the discussions and/or have any influence on the decision.

OTHER DISCLOSURES

Directors and members of the Leadership Team are required to complete a conflict of interest declaration on an annual basis. The Company Secretary keeps a record of these statements along with a Conflicts of Interests Register.

Any actual, potential or perceived conflict of interest must be disclosed promptly and the Conflict of Interest disclosure statement completed if the person is directed to do so by the Chief Executive Officer.

Disclosure should be made to:

- the Chief Executive Officer or Company Secretary in the case of staff, volunteers and other people acting on behalf of Opportunity
- to the Board Committee Chairs in the case of participants or non-Director members of Board Committees
- to the Board Chair in the case of the Chief Executive Officer and/or other Directors, and
- to the Chair of the Audit & Risk Committee in the case of the Board Chair.

If the disclosure relates to a Director, the matter will be brought to the attention of the Board at the next Board meeting (or sooner if deemed appropriate).

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

- the conflicting interest is fully disclosed (by completing the Conflict of Interest disclosure statement – refer Appendix 1)
- the person with the conflict of interest is excluded from the discussion, influencing the decision and/or approval of such transaction, unless the Board or the Committee has resolved otherwise, or in the case of staff the CEO has granted permission, and
- the Chair or Chief Executive Officer has determined that the transaction is in the best interest of the organisation.

The Board will determine whether a material conflict exists and in the case of an actual conflict, whether the contemplated transaction may be authorised as just, fair, and reasonable to Opportunity. The decision of the Board on these matters will rest in their sole discretion, and their concern must be the welfare of Opportunity and the advancement of its purpose.

If a conflict of interest has failed to be disclosed, Opportunity will take appropriate disciplinary and corrective action. Consequences for people who fail to comply with this policy will be determined by the Board.

APPENDIX 1: CONFLICT OF INTEREST DISCLOSURE STATEMENT

Preliminary note: In order to be more comprehensive, this statement of disclosure/questionnaire also requires you to provide information with respect to certain parties that are related to you. These persons are termed “affiliated persons” and include:

- your spouse, domestic partner, child or step-child or spouse of a child or step-child, mother, father, brother or sister or spouse or domestic partner of a brother or sister
- any corporation or organisation of which you are a Board member, an officer, a partner, participate in management or are employed by, or are, directly or indirectly, a debt holder or the beneficial owner of any substantial class of equity securities
- any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity

1. Name of Employee or Board Member: (Please print)

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2. Capacity (please tick):

Board of Directors Staff Volunteer/Intern Other (describe capacity)

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3. Have you or any of your affiliated persons provided services or property to Opportunity in the past year other than services related to your ordinary duties?

YES NO

If yes, please describe the nature of the services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person.

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4. Have you or any of your affiliated persons purchased services or property from Opportunity in the past year?

YES NO

If yes, please describe the purchased services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person.

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5. Have you or any of your affiliated persons had any direct or indirect interest in any business transaction(s) to which Opportunity was, or is, a party in the past year?

YES NO

If yes, describe the transaction(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person.

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- 6.** Were you or any of your affiliated persons indebted to pay money to Opportunity at any time in the past year (other than travel advances or the like)?

YES NO

If yes, please describe the indebtedness and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person.

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- 7.** In the past year, did you or any of your affiliated persons receive, or become entitled to receive, directly or indirectly, any personal or financial benefit from Opportunity or as a result of your relationship with Opportunity, that in the aggregate could be valued in excess of \$500, that were not or will not be compensation directly related to your duties to Opportunity?

YES NO

If yes, please describe the benefit(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person.

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- 8.** Are you or any of your affiliated persons a party to or have a material interest in any pending legal proceedings involving Opportunity?

YES NO

If yes, please describe the proceeding(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person.

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- 9.** Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe should be examined by the Chief Executive Officer or Opportunity's Board in accordance with the terms and intent of Opportunity's conflict of interest policy?

YES NO

If yes, please describe the situation(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person.

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I hereby confirm that I have read and understand Opportunity's Conflict of Interest Policy and that my responses to the above questions are complete and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate, or that I have not complied with this policy, I will notify the Chief Executive Officer or Opportunity's Board immediately.

Signature

Date

APPENDIX 2: OPPORTUNITY INTERNATIONAL AUSTRALIA GIFT POLICY

As part of its Conflict of Interest policy, Opportunity requires that Directors, staff, volunteers and interns decline to accept certain gifts, consideration or remuneration from individuals or companies that seek to do business or are a competitor with Opportunity.

- 'Responsible Person' is any person serving as a volunteer, intern, employee or a member of the Board of Directors of Opportunity.
- 'Family Member' is a spouse, domestic partner, parent, child or step-child or spouse of a child or step-child, or a brother, sister, or spouse or domestic partner of a brother or sister, of a Responsible Person.
- 'Contract or Transaction' is any agreement or relationship involving the sale or purchase of goods, services or rights of any kind, receipt of a loan or grant, or the establishment of any other pecuniary relationship. The making of a gift to Opportunity is not a 'contract' or 'transaction'.

PROHIBITED GIFTS, GRATUITIES AND ENTERTAINMENT

Except as approved by the Chief Executive Officer or Chief Financial Officer, or for gifts of a value less than \$500 which could not be refused without discourtesy, no Responsible Person or Family Member of a Responsible Person shall accept gifts, entertainment or other favours from any person or entity which:

- does or seeks to do business with Opportunity or
- does or seeks to compete with Opportunity or
- has received, is receiving, or is seeking to receive a Contract or Transaction with Opportunity.

Where gifts or hospitality valued at more than \$100 are received or expected, these must be discussed and approved by your manager and recorded in the Gifts Register.

Further guidance on accepting gifts is available in Opportunity's Corruption and Fraud Prevention Policy.