



CONFLICT OF INTEREST POLICY

The purpose of this policy is to document the procedures in place to manage actual, potential and perceived conflicts of interest.

August 2021

Policy

The Board must effectively manage actual, potential and perceived conflicts of interest ensuring the integrity of Board decisions and reputation of Board members.

Purpose

The purpose of this policy is to document the procedures in place to manage actual, potential and perceived conflicts of interest.

Scope

This policy applies to all Board members, employees and contractors of KRI.

Maintenance of this policy

Changes to the procedures outlined in this Policy must be authorised by the KRI Board. This policy will be reviewed and amended if necessary, at least once every year. The Board may amend the policy at any time that it sees fit.

Process

The process for handling a conflict of interests or conflicts of duties consists of three steps:

1. Identify – the conflicted Board member identifies they have conflicting interests with regard to their roles and responsibilities
2. Declare – following a conversation with the chair or the KRI Board the conflict is declared to the KRI Board and recorded in KRI's interest register
3. Manage – the KRI Board collectively agree on how the conflict should be managed, which may involve abstention from voting, being absent while the matter is discussed, or simple being aware and transparent that the conflict exists. It's about preserving individual and KRI organisational integrity.

What is a Conflict of Interests?

"A conflict of interest occurs when a Board member has multiple interests, one of which will or might impact the motivation for an act in another.

For example, can I provide paid services to KRI beyond my role as a Board member.

Currently, there is no codified statutory obligations in the Incorporated Societies Act 1908 regarding declarations of interest. However, irrespective of whether particular legislation applies, common law requires Board members to carry out their duties fairly and free from prejudice.

Identify

The Companies Act (S139) identifies where a Director / Board member is "interested in a transaction". These include:

- Where the Board member is a party to the transaction or has a material financial interest in a party
- Where the Board member or an entity they are a Director / Board member of may derive a material financial benefit
- Where the Board member is closely related to someone who may derive such a benefit, or

- Where the Board member may be otherwise directly or indirectly interested in the transaction.

One way to ask whether a conflict of interests may exist is to ask whether a ***“reasonably informed objective observer would infer from the circumstances that the Board member’s judgement is likely to be influenced to KRI’s best interests”***. This tells us two things:

1. The test for a conflict of interests is an objective one. We are asking whether a reasonable observer might see a conflict.
2. That the potential for a conflict of interest is equally important to recognise. Note that the question asked is whether the circumstances make it likely that a Board member’s judgement will be influenced, not necessarily that it has been or will be so.

What is the difference between an actual and potential conflict of interest?

An actual conflict is where circumstances are or could be perceived to influence a Board member’s judgement to the detriment of KRI.

A potential conflict occurs where it is reasonably probable that in the future, an actual conflict will come into play.

Declare

Once it has been established that a Board member has an actual, perceived or potential conflict of interest two things must occur:

1. It is the responsibility of the Board member concerned to declare their interest to the KRI Board. Disclosure to be recorded in the minutes of the Board meeting at which the conflict of interest was declared and to be recorded in KRI’s interest register.
2. The KRI Board is then collectively responsible for the decision as to what action is to be taken.

Manage

Once a real or potential conflict of interest has been identified and declared, the KRI Board has a collective responsibility what course of action should be taken.

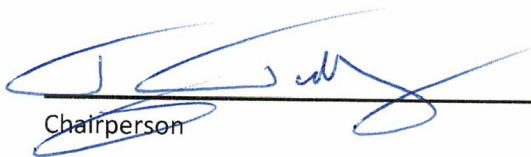
In dealing with conflicts of interest the KRI Board should consider legislative requirements and best business practice or convention. In most conflict of interest scenarios, the KRI Board has two options:

1. The Board agrees the conflict exists, and
 - (a) The Board member withdraws from the meeting for the course of the discussion and doesn’t vote, or
 - (b) The Board member stays for the course of the discussion and doesn’t vote, or
 - (c) The Board member stays for the course of the discussion and votes.
2. The Board agrees there is no (or no significant) conflict.

It is important the KRI Board ensures minutes accurately reflect all decisions / declarations, including the rationale for the chosen course of action. The minutes are the collective memory of the Board

and evidence of the decision-making process. In cases where the judgement of the Board or a Board member is questioned, they are also evidentiary.

This policy is due for review October 2021 or earlier as required.



Chairperson

15 August 2021
Date

Register of Interests

Date of Disclosure			
Type of Disclosure	Conflict of Interest		
Board Member Name			
Details			
Approved by Board	Yes	No	N/A
Annual Report Disclosure	Yes	No	N/A
If No Board Resolution	Yes	No	N/A