

GOVERNANCE POLICY MANUAL

Policies and Procedures (Governance)

GOV.4

Confidentiality and Conflict of Interest Policy

Applicable to	Asian Aid Organisation Ltd and its associated entities
Date of Board Endorsement	16 December 2007
Review	Annually and as required
Scope	This policy is part of the Asian Aid Organisation Ltd Policy Framework and included in the Governance Policy Manual
Document Reference #	GOV 4
Policy Administrator	Senior Management Team

Introduction

Asian Aid Organisation Ltd is a charitable organisation whose board members are chosen to serve the purposes to which it is dedicated. All Directors and staff have a duty to conduct the affairs of Asian Aid in a manner consistent with such purposes and not to advance their personal interests.

Purpose

This policy is intended to permit Asian Aid and its Directors to identify, evaluate and address any real, potential or apparent conflicts of interest that might in fact or in appearance, call into question their duty of undivided loyalty to Asian Aid.

Authorisation: Approved by the Asian Aid Organisation Ltd Board of Directors 16 December 2007

Policy:

Definition:

A conflict of interest occurs whenever the financial or personal interests of a board member are, or appear to be inconsistent or at odds with the interests of Asian Aid.

Examples of conflict of interest:

- When a Director's personal, financial or other interests may benefit from their performance as a director
- A job or business in which the information gained at Asian Aid would be useful
- Shares or ownership in a business with which Asian Aid had a trading relationship
- Shares or holding in Real estate which Asian Aid was intending to lease

Covered Persons

This policy applies to Asian Aid's Directors and CEO. Each covered person shall be required to acknowledge, not less than annually, that he or she has read and is in compliance with this policy.

Covered Transactions

This policy applies to transactions between Asian Aid and any person regarded as a covered person, or between Asian Aid and another party with which a covered person has a significant relationship. Such significant relationships would include the following:

- a) the other party is a family member, including spouse, parent, sibling, child, stepchild, grandparent, grandchild, great grandchild, in-law or domestic partner
- b) the other party is an entity in which the covered person has a material financial interest. This includes entities in which the covered person and all individuals or entities which have a significant relationship with the covered person, own in aggregate, more than 10%
- c) the covered person is an officer, director, trustee, partner or employee of the other party

A covered transaction also includes any other transaction in which there may be an actual or perceived conflict of interest, including any transaction in which the interests of a covered person may be seen as competing, or at odds with the interest of Asian Aid.

Duty to disclose, refrain from influence and recusal:

When a person covered by this policy becomes aware of a covered transaction, he or she has a duty to take the following actions

- a) immediately disclose the existence and circumstances of any such transaction
- b) refrain from using his or her personal influence to encourage the foundation to enter the covered transaction
- c) physically excuse himself or herself from any discussions regarding the covered transaction including board discussions and decisions on the subject. The board may invite the covered person to answer questions pertinent to the subject under discussion.

In order to assist Asian Aid in identifying potential areas of conflict of interest, each Director shall complete a conflict of interest statement annually. Further, they shall update the statement as necessary to reflect changes during the course of the year. Completed statements shall be available by inspection by any Director and may be reviewed by Asian Aid's Auditor and Legal Specialist.

Approval For Covered Transactions

To the degree permitted by the constitution of Asian Aid, the organisation may enter covered transactions where the board determines, acting without the participation or influence of the covered person and based on comparable market data, that such transaction is fair and reasonable to Asian Aid. The Board shall document the reasons for this determination in the minutes of the meeting at which the transaction is considered and shall consult with legal or other advice as appropriate to ensure the integrity of the decision.

Administration Procedure:

This policy shall be administered by the CEO on behalf of the board, which shall be responsible for the following:

- a) reviewing reports regarding conflict of interest questionnaires
- b) receiving disclosures of proposed covered transactions
- c) reviewing proposed covered transactions to determine whether they meet the described standards
- d) maintaining minutes and other documentation as may be necessary and appropriate
- e) reviewing the operation of this policy and making changes from time to time as deemed appropriate

Breaches of the Conflict of Interest Guidelines

Where a conflict of interest involving either staff or a director becomes apparent to any member of the Board or the CEO, the Board shall consider how the matter should be dealt with. Options include referral of the matter to the Australian Security Investments Commission (ASIC) or may need to be dealt with via other legal process. Consultation with an appropriately qualified legal specialist may be undertaken to ensure a sound decision.

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Annual Conflict of Interest Statement

Asian Aid Organisation Ltd requires each Director to annually to:

- 1) review Asian Aid Organisation Ltd Conflict of Interest Policy
- 2) to disclose any possible personal, familial or business relationship that reasonably could give rise to a conflict of interest or the appearance of conflict of interest
- 3) to acknowledge by his or her signature that he or she is acting in accordance with the letter and spirit of such policy

The information provided on this form shall be available for inspection by the Board, Asian Aid's appointed Auditor and Legal Advisor, but shall otherwise be held in confidence except when, after consultation with the applicable Director, the Board determines that Asian Aid Organisation Ltd's best interest would be served by disclosure.

Please respond to the following questions to the best of your knowledge:

- 1) Please list all organisations of which you are an officer, director, partner, trustee or employee and describe your affiliation with such entity.
- 2) Please list all entities in which you have a material financial interest as defined in the policy
- 3) Please list all business dealings that you, your family members and or entities listed in questions 1 and 2 have had with Asian Aid Organisation Ltd in the past year.
- 4) Please list any proposed business dealings between Asian Aid Organisation Ltd and you, your family members and or entities listed in questions 1 and 2. Please describe each such relationships and the actual or potential financial benefits as you can best estimate them.
- 5) Are you aware of any other relationships, arrangements, transactions or matters which could create a conflict of interest or the appearance of conflict of interest. If so, please describe

Declaration

I have received and read Asian Aid Organisation Ltd's Conflict of Interest Policy. I understand the requirements and my duty as a Director. I am currently in compliance with the policy and agree to remain in compliance at all times.

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Signature

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Name.

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Date