

HSANZ CONFLICT OF INTEREST POLICY

1. Purpose

The purpose of this policy is to help Council members of Haematology Society of Australia and New Zealand (HSANZ) to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of HSANZ and manage risk. HSANZ Council member for the purposes of the law means Director.

The HSANZ Council is committed to the transparent disclosure, management and monitoring of existing and potential conflicts of interest. All Council members have a duty to avoid actual or perceived conflicts of interest under the *Corporations Act 2001*. This means that a Director must avoid being placed in the actual, apparent, or potential situation of making a decision in relation to HSANZ's business that might be affected by another business or material personal interest of the Director.

This policy is inclusive of material personal interests and related party transactions and is closely related to the requirement of Directors to act in good faith and the improper use of their position, and inside information.

2. Objective

The HSANZ Council (called the 'Council' in this policy) aims to ensure that Council members and Members are aware of their obligation to disclose any conflicts of interest that they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of HSANZ.

3. Scope

This policy applies to the Council members and members of HSANZ.

4. Definition of conflicts of interests

Introduction

Conflicts of interest are undergoing increasing scrutiny, both internally and externally by auditors and the media. The Companies Act 2006 states that directors have a duty to avoid conflicts of interest. Therefore it is important that all council members understand what constitutes a conflict of interest, and how it may be managed to ensure the probity and integrity of the board.

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 the charity (HSANZ). Personal interests include

direct interests, as well as those of family, friends, or other organisations a person may be involved with or have an interest in (for example, as a shareholder). It also includes a conflict between a board member's duty to HSA NZ and another duty that the board member has (for example, to another charity). A conflict of interest may be actual, potential or perceived and may be financial or non-financial.

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

Pecuniary or non-pecuniary?

A pecuniary interest is one in which the board member has a direct financial involvement. A non-pecuniary interest represents no personal financial gain for the board member.

Real/actual or perceived/potential?

An actual or real conflict of interest arises in a situation where financial or other considerations compromise an individual's objectivity or ability to perform his or her responsibilities to the company. Perceived or potential conflicts of interest exist in situations where the board member, or their family or friends, has financial interests or relationships with another individual or organisation, which may result in his or her activities on the board appearing to be biased against the company by that interest or relationship.

If you think you have a conflict of interest, ask yourself: 'Would a reasonable person make the same decision in light of the same facts and circumstances?'

5. Policy

This policy has been developed to address conflicts of interest affecting HSA NZ. Conflicts of interest are common, and they do not need to present a problem to HSA NZ as long as they are openly and effectively managed.

It is the policy of HSA NZ, as well as a responsibility of the Council, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to HSA NZ.

HSA NZ will manage conflicts of interest by requiring Council members to:

- avoid conflicts of interest where possible
- identify and disclose any conflicts of interest
- carefully manage any conflicts of interest, and
- follow this policy and respond to any breaches.

5.1. Responsibility of the Council

The Council is responsible for:

- establishing a system for identifying, disclosing and managing conflicts of interest across the HSAZ
- monitoring compliance with this policy, and
- reviewing this policy on an annual basis to ensure that the policy is operating effectively.

HSAZ must ensure that its Council members are aware of the ACNC governance standards, particularly governance standard 5, and that they disclose any actual or perceived material conflicts of interests as required by governance standard 5.

5.2. Identification and disclosure of conflicts of interest

Once an actual, potential or perceived conflict of interest is identified, it must be entered into HSAZ's register of interests, as well as being raised with the Council.

Where every other Council member shares a conflict, the Council should refer to ACNC Governance Standard 5 to ensure that proper disclosure occurs.

The register of interests must be maintained the Executive Officer. The register must 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).

5.3 Confidentiality of disclosures

All Council members will have access to the information disclosed

6. Action required to manage conflicts of interest

6.1. Conflicts of interest of Council members

Once the conflict of interest has been appropriately disclosed, the Council (excluding the Council member who has made the disclosure, as well as any other conflicted Council member) must decide whether or not those conflicted Council members should:

- vote on the matter (this is a minimum),
- participate in any debate, or
- be present in the room during the debate and the voting.

In exceptional circumstances, such as where a conflict is very significant or likely to prevent a Council member from regularly participating in discussions, it may be worth the Council considering if it is appropriate for the person conflicted to resign from the Council.

6.2. What should be considered when deciding what action to take

In deciding what approach to take, the Council will consider:

- whether the conflict needs to be avoided or simply documented
- whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making

- alternative options to avoid the conflict
- HSAZ's objects and resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of HSAZ.

The approval of any action requires the agreement of at least a majority of the Council (excluding any conflicted Council member/s) who are present and voting at the meeting. The action and result of the voting will be recorded in the minutes of the meeting and in the register of interests.

7. Compliance with this policy

If the Council has a reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances. If it is found that this person has failed to disclose a conflict of interest, the Council may take proportionate action. This may include seeking to terminate their relationship with the HSAZ.

Contacts

For questions about this policy, contact the Executive Officer by email hsanz@hsanz.org.au or your local Councillor

This policy will be reviewed every two years

As at 1 July 2021