

# Conflict of Interest



Australian Association of Graduate Employers Limited

(ACN 003 547 680)

# Conflict of Interest

## Australian Association of Graduate Employers Ltd

**Policy Name:** Conflict of Interest Policy

**Policy Description:**

This policy is designed to clarify obligations to disclose and avoid conflicts of interest, and to provide guidelines for the enforcement of this Conflict-of-Interest Policy.

**Applies to:**

This policy applies to all AAGE Board of Directors, committee members, staff members, officers of the volunteer association and any other consultants or employees involved in professional activities with AAGE.

It also applies to staff members and their immediate families, who must not benefit materially from the organisation beyond receipt of salaries, fringe benefits, and reimbursement for authorised expenses.

**Definitions**

Conflict of Commitment	Arises when an individual engages in a professional service or activity contracted outside of AAGE, and this interferes with the individual’s paramount obligations to AAGE and AAGE’s Purpose/Vision. Conflicts of commitment primarily involve questions of obligation and effort but are often tied to financial remuneration or other inducements, and in such cases may also constitute conflicts of interest.
Conflict of Interest	<p>Refers to any real, potential or perceived situation in which material personal interest or other considerations may compromise a Board member or employee’s professional judgement in administration, management, instruction, research and other professional activities.</p> <p>A conflict of interest occurs when a person’s personal interest’s conflict with their responsibility to act in the best interests of the AAGE</p> <p>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 an employer member). It also includes a conflict between a board member’s duty to the AAGE and another duty that the board member has (e.g.: as an employer member). A conflict of interest may be actual, potential or perceived and may be financial or non-financial.</p> <p>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 AAGE</p>
Material personal interest	1. A commercial interest in any entity with which the AAGE has a transaction or arrangement;

	<p>2. A compensation arrangement with an organisation or with any entity or individual with which the AAGE has a transaction or arrangement; or</p> <p>3. A potential commercial interest in, or compensation arrangement with, any entity or individual with which the AAGE is negotiating a transaction or arrangement.</p>
Compensation	Includes direct and indirect remuneration as well as gifts, favours, and non-financial benefits that are not insubstantial.
Related party	<p>“Related party” is defined as:</p> <ul style="list-style-type: none"> <li>• members of your immediate family, which includes your spouse, children, siblings, and parents;</li> <li>• estates, trusts, partnerships, limited liability companies, corporations and other entities in which you or any member of your immediate family has a present or vested future beneficial interest or serves as an officer, director, or trustee, other than entities in which you and your immediate family members in the aggregate own less than five percent in value of all traded securities.</li> </ul>

### Relevant policy statements and/or principles

Directors, committee members, staff members, and officers of the volunteer association are responsible for disclosing any real, potential or perceived conflicts of interest and/or commitment.

A conflict of interest and/or commitment may constitute a breach of the employment contract or Directors duties and could result in appropriate sanctions including the termination of employment if warranted.

### Responsibility of the board

The board is responsible for:

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

### Procedure:

AAGE’s conflict of interest process shall include:

- Maintaining a Conflict of Interest policy with associated operational protocols and a Register of all Declarations of Interests
- Conflict of Interest protocols as part of induction activities
- Annual review by all Directors, committee members, staff members, and officers of the volunteer association of their familiarity with this policy
- A centralised Declarations of Interest Register recording the conflict and related response action/s updated annually
- Processes within meetings (Board in the case of Directors and CEO, and Management in the case of staff, and Committee meetings in relation to the AAGE committee) to identify and

Review date: 1 June 2023

- record declarations of interest and their subsequent transfer to the centralised Declarations of Interest Register
- Regular review by the CEO and Board of potential themes emerging in the centralised Declarations of Interest Register and identification of associated response/improvement actions

### **Declarations of Interest/s**

If a conflict of interest exists when an individual has a material personal interest, either direct or indirect, in a proposed transaction or arrangement involving AAGE, the individual should disclose that conflict before action is taken on the matter.

In the event of any Board member, AAGE Team Member and Committee member having a conflict of interest and/or commitment, they will not vote or use his or her personal influence on the matter and will not be present when the matter is discussed by the board. The minutes of the meeting will reflect that a disclosure was made, and the abstention from voting or any other resolution action undertaken.

The interested Director(s), AAGE Team Member and Committee member will disclose to the Board or Committee as the case may be, preferably in writing, the material facts as to his or her material personal interest in the transaction or arrangement and in any corporation, partnership, association or other organisation involved in the transaction or arrangement prior to the meeting at which the Board or Committee acts upon the transaction or arrangement.

New Board members will be asked to provide a Conflict of Interest Declaration statement as part of their recruitment/onboarding process.

### **Conflict of Interest Response Actions**

The interested director(s) AAGE Team Member and Committee member will absent himself or herself from the meeting while the transaction or arrangement is discussed and acted upon.

A disinterested director, or other disinterested party familiar with the transaction or arrangement, will present evidence of the fairness of the proposed transaction or arrangement, such as competitive bids or comparable price quotations.

The vote of a majority of the disinterested directors participating in the meeting and constituting a quorum, after reaching a decision regarding whether the proposed transaction or arrangement is fair to the organisation, will be required for approval of the transaction or arrangement. The minutes for the meeting will reflect that a disclosure of interest was made and that the interested Director(s) abstained from voting and was not present during the Board's consideration of the transaction or arrangement.

### **Conflict of Interest Exemptions**

Reimbursement of expenses actually incurred by any Director, Officer or employee in the course of performing his or her duties will not be deemed a Conflict of Interest.

### **Compliance with this policy**

- If the board has a reason to believe that a person subject to the Policy has failed to comply with it, it will investigate the circumstances and if needed appoint of an impartial external party to review.

- If it is found that this person has failed to disclose a conflict of interest, the board may take action against them. This may include seeking to terminate their relationship with the AAGE.
- Gifts managed in accordance with the Sponsorships, Partnerships, Endorsements and Gifts Policy are not considered Conflicts on Interest