

BOD - Policy 3 - Conflict Of Interest

Board members will act in the best interest of Headway and exercise their duties in good faith. The Board seeks members who reflect different perspectives and experience. The Board expects Board discussions to be thorough and well informed as well as respectful of a range of potentially competing views in order to set the best course of action for Headway.

The Board recognises the legal duty of Board members to avoid conflicts of interest, or create a perception of conflict or lack of objectivity, that may interfere with their obligations to Headway. Given Headway purpose, Headway specifically seeks Board members who have a direct association with disability and who can provide the perspectives and insights that come with this association. Some Board members may therefore be participants of Headway services, either directly or indirectly.

Such relationships may give rise to actual, possible or perceived conflicts of interest and must be declared and minuted. Other sources of conflict of interest may include other Board memberships, trusteeships or material shareholdings, interests in commercial contracts or relationships of Board members with stakeholders of Headway Gippsland Inc. Inc. Incorporated, its commercial partners, relevant government agencies or competitors.

During Board discussions, Board members need to make an assessment of whether a Board member for whom relevant issues arise is simply voicing a different view or has a real conflict between his or her interests and the interests of Headway. An assessment may also be required as to whether a conflict constitutes a conflict of interest in the legal sense or is a potential conflict in a broader sense, thereby raising different issues.

Policy

All Board members have a duty of disclosure in respect of any conflict of interest, whether the matter is one of material personal interest or a duty to a third party, or other personal interest.

All Board members must comply with the Headway Constitution in respect of any matters to do with conflict of interest, to act in good faith, to exercise their duties with care and diligence and not to use their position as a Board member improperly to gain advantage for themselves or others.

When a new Board member joins the Board, they must notify the Board in writing:

- any relevant relationship, contract, agreement or understanding with a Corporation or firm and the nature and the extent of that interest;
- any trusteeships;
- any interests in contracts or proposed contracts with Headway.
- any relevant personal or other relationships that might indicate or give rise to an actual or perceived conflict of interest;

Board members shall disclose any changes to this information in writing as soon as practicable. Such changes shall be recorded in the minutes of the meeting at which Board members are advised of the change.

Procedure

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Where a Board member finds that there is a conflict of interest or there is the potential for a conflict of interest to arise, the Board member will take all practicable steps to avoid that conflict of interest.

If it is not possible to avoid the conflict of interest, or the real possibility of a conflict of interest remains, the Board member will inform the Board. Alternatively, if the Chairperson or a Board member believes that a Board member has a conflict of interest, or that there is a real possibility that a conflict of interest could arise, the matter will be raised with the Board member concerned. This could occur between Board Meetings or at a Board Meeting.

Any declaration of an actual or potential conflict of interest must be recorded in the minutes of the meeting at which the declaration was made.

Where an actual or potential conflict of interest has been raised with a Board member by the Chairperson or another Board member, there is a duty to report the discussion and its outcome to the Board and this must be recorded in the meeting's minutes.

In any situation of actual or potential conflict of interest, the Board will discuss and decide whether

- a) the Board member may not be present during discussion or vote;
- b) the Board member may be present but unable to speak when the matter is discussed;
- c) the Board member may be present and able to speak during the discussion, but not vote on the matter;
- d) the Board member may be counted towards a quorum for a vote on the matter; or
- e) the Board member may be present and able to speak during the discussion, and vote on the matter.

The Board's decision as to whether (a), (b), (c) (d) or (e) shall apply must be made by a Board resolution and be recorded in the meeting's minutes.

In any event, a Board member always retains the right to receive notice of any meeting at which the issue of a conflict of interest is to be considered.

A Board member is not disqualified from having an interest in a corporation or contract in which Headway is interested.

A Board member of Headway who is in any way, whether directly or indirectly, interested in a contract or proposed contract with Headway must, as soon as practicable after the relevant facts have come to his or her knowledge, declare that interest at a meeting of the Board. If the Board member has done that, the contract remains valid and the Board member does not have to account to Headway for any profit he or she makes under the contract. A Board member who has an interest of this type must not vote on any matter concerning the contract.