



# **CONFLICT OF INTEREST AND CONFLICT OF LOYALTY POLICY**

**Purpose**

This policy document has been created to address how IASIO's Board will deal with conflicts of interest and conflicts of loyalty when they arise. The purpose of having this policy is to provide clarity for individual Board members about the behaviour expected from them on such occasions; the Board as a whole, as to how it should address any declared or perceived conflicts should they arise; the Chair as to his/her role in the process and members (and other stakeholders) and for the purpose of providing information on the approach of the Board to this issue. This policy will also apply to all subgroups of the Board whose memberships may include non-Board members (for example the Research and Policy Group).

In developing this policy it is acknowledged that conflicts of interest and conflicts of loyalty may arise from time to time for Board members and that this is normal. This policy should be read in conjunction with the Board Code of Conduct.

### **Principles**

- i. A conflict of interest arises when a Board member's private or business interests compete with his or her professional duties, in this case, Board membership of IASIO.
- ii. A conflict of loyalty arises where a Board member is potentially influenced by considerations other than the best interests of the organisation. Conflicts of loyalty may be sufficiently serious to amount to conflicts of interest.
- iii. Conflicts of interest and conflicts of loyalty will arise from time to time and that this is normal. When they arise, they are to be dealt with as outlined in this policy.
- iv. Board members have a duty to act independently in a personal capacity in promoting the aims of the organisation in line with the governing documents. While Board members may be nominated by a particular individual or group, they must not act as a representative of that group in acting as a Board member.
- v. Each Board member must familiarise themselves with the definitions of conflicts of interest and loyalty as provided for here as well as the vision, mission and values of IASIO.

### **Procedure**

- i. At the start of every Board meeting there will be an agenda item addressing potential conflicts of interest and loyalty with respect to items scheduled for discussion and decision at that meeting.
- ii. Each Board member, and anyone else present, must declare if they believe they may have a conflict of interest or a conflict of loyalty on a matter to be decided at the meeting in advance of any consideration.

- iii. The Board member declaring such a conflict will refrain from influencing or seeking to influence a decision in relation to the matter and will take no part in any consideration of the matter.
- iv. If the matter clearly amounts to a conflict of interest, the Board member shall recuse him or herself, withdrawing from the meeting for so long as the matter is being discussed or considered by the Board or committee and will not to vote or otherwise act as a Board member in relation to the matter.
- v. If the question as to whether the matter actually amounts to a conflict of interest is unclear, the Board will give some consideration to whether the matter raised to amounts to a conflict of interest, having regard to the vision, mission and values of IASIO.
- vi. If there is no consensus on (v) above the Chair will ultimately decide on an appropriate action for dealing with any concerns expressed, up to and including asking the relevant person to leave the room for the relevant discussion/decision.
- vii. The Board member concerned will subsequently be informed of the decision.
- viii. The outcome of any matter raised as a potential conflict of loyalty or conflict of interest will be recorded in the minutes for that meeting. They will also be recorded in the 'Register of Directors' Interests' which is maintained by the Chief Executive Officer / Company Secretary.
- ix. The 'Register of Directors' Interests' will be circulated to all Board members annually.