Incorporation No: A0031117T ABN: 94 539 710 877

Conflict of Interest Policy[1]

OVERVIEW

Conflict of interest arises whenever the personal, professional, or other interests of FOSC Inc members, contractors or collaborators (aka personnel) are potentially at odds with the best interests of Friends of Steele Creek Inc.

This policy:

- ensures that all FOSC Inc personnel act with honesty and integrity, and do not allow external influences to compromise FOSC Inc's interests;
- sets out the procedures for the identification and management of *actual* or *potential* conflicts of interest.

FOSC Inc may take appropriate action, where necessary, to minimise any risks due to a conflict of interest. Any personnel who breach this policy may be subject to disciplinary action.

General expectations

FOSC Inc personnel have duties, obligations and responsibilities to FOSC Inc that should not be compromised by their external, personal or financial interests or duties to any external entity.

Gifts or other benefits must not be accepted by personnel (from suppliers, contractors, and others) without permission from the president or secretary.

FOSC Inc personnel must notify the president or secretary of any conflict of interest or potential conflict of interest that arises (whether in respect of themselves or another FOSC Inc member). When notified of a conflict of interest, the committee will deal promptly with the conflict as per this policy and put in place arrangements that protect the interests of FOSC Inc.

[1] This policy is based on a template provided by Maribyrnong River and Waterways Association.

Personal relationships

FOSC Inc requires that personnel disclose actual, potential, or perceived conflicts of interest arising from the existence of a personal relationship (for example where a family member is a supplier, or where two FOSC Inc personnel are in a personal relationship). This requirement is based on the potential for, or perception of, a decision being biased or prejudiced, either in favour of or against, a person with whom there is a personal relationship. FOSC Inc seeks to assure its personnel that no undue advantage or disadvantage will occur because of the existence of a personal relationship. Personnel must immediately cease to be involved in any decision-making in respect of the person with whom they have a personal relationship until the committee determines how the conflict of interest should be managed.

Conflicts of commitment

Personnel must not use the equipment or resources of FOSC Inc (i.e. tools, plants, photos, documents, etc) for any purpose other than to carry out their duties for FOSC Inc (save where the President or Secretary has provided express permission to do so).

Where conflict of interest commonly occurs

There are a number of areas where a conflict of interest commonly occurs and are considered high risk. These include, but are not limited to:

- procurement processes, tenders, and contracts;
- gifts or other benefits;
- personnel development, conditions of service, recognition, and reward.

Examples of a conflict of interest

- A member decides to hire a contractor/supplier/collaborator who is a family member or close friend;
- A member decides to enter into a contract, on behalf of FOSC Inc, with a business contractor/supplier in which the member holds a financial interest;
- Employees engaging in activities that will bring direct or indirect profit to a competitor;
- A person serving the interests of two or more clients whose interests are in conflict;
- A person is in possession of confidential information about one customer and taking on another project or role where there is a real risk of that confidential information being disclosed without the customer's permission;
- Members using connections obtained through the company for their own private purposes;
- A member uses company equipment or means to support an external business;
- Members acting in ways that may compromise the company's integrity (e.g. taking bribes or bribing others).

Identifying and reporting conflicts of interest

- FOSC Inc personnel are responsible for assessing their own private and personal interests and whether they conflict or have the potential to conflict with the FOSC Inc's interests.
- All conflicts of interest or potential conflicts of interest, regardless of their character or level, must be disclosed to the Secretary as soon as practicable.

- If a FOSC Inc person is in doubt if a conflict exists, they must raise the matter with the Secretary who will refer the matter to the FOSC Inc committee.
- FOSC Inc personnel must notify the secretary as soon as practicable if relevant circumstances relating to the declared conflicts of interest change.
- FOSC Inc personnel are also required to report to the Secretary all conflicts of interest they have observed or are otherwise aware of involving other personnel.
- The FOSC Inc committee is responsible for being aware of areas of conflict of interest, and assessing risks.

Conflicts of Interest Register

The Secretary is responsible for recording all declared conflicts of interests (including potential conflict of interests) into a Register of Conflicts of Interest.

The Register of Conflicts of Interest should include the following information in respect of each case of conflict of interest:

- The duties and personal interests that give rise to the conflict;
- The circumstances which give rise to the conflict;
- When the conflict of interest arose, or in the case of a potential conflict of interest, when the conflict of interest is expected to arise;
- The names of all stakeholders who may be affected by the conflict of interest (such as members, contractors and collaborators);
- The proposed action taken to effectively manage the conflict (see below).

Procedure for managing conflicts of interest

The FOSC Inc committee is responsible for managing conflicts of interests.

The appropriate action to be taken in effectively managing conflicts of interest will depend on the particular circumstances of each case.

The FOSC Inc committee determines and implements the most appropriate action for effectively managing the conflict of interest in each case. Management action to be taken (including any subsequent changes in management action taken) must be documented in the Register of Conflicts of Interest.

Some factors to be considered in determining the appropriate action to be taken include:

- The significance and consequence of the conflict of interest including likely impact on the company's business and reputation;
- The impact of the proposed management action on the conflicted FOSC Inc person and other key stakeholders;
- The extent of the conflicted FOSC Inc person's involvement in the relevant decision-making process;
- Whether another person is capable of carrying out the duties of the conflicted person.

Action that may be taken to effectively manage the conflict of interest include (but is not limited to) the following:

(a) No action required. This may be appropriate where, following a risk assessment, there is no real conflict of interest nor reasonable likelihood of a conflict of interest eventuating, or the conflict relates to an insignificant matter.

(b) Forfeit the conflicted interest. The conflict of interest may be resolved by forfeiting the conflicted private interest. For example, a person may be required to relinquish an inducement.

(c) Relieve the person of certain duties. The conflict of interest may be resolved by relieving a FOSC Inc person of the duty that gives rise to the conflict. For example, the decision-making responsibility may be temporarily transferred to another person until the conflict of interest no longer exists.

(d) Other action. There are a number of other specific measures that may be taken to effectively manage the conflict of interest without necessarily resolving the conflict of interest, including:

- Appointing an independent person to supervise the decision-making process;
- Restricting the conflicted person's access to information; and
- Withdrawing a conflicted person from participating in key or critical decisions.
- The FOSC Inc committee should continue to monitor and regularly review the conflict of interest and record any change in the management action initially taken.

Disciplinary consequences

Failure to declare a potential, actual or perceived conflict of interest or to take any remedial action directed by FOSC Inc, in the timeframe directed by FOSC Inc, may result in disciplinary action (see FOSC Inc Rules 2023)