



R S L N S W

Respecting, supporting and remembering
our veterans and their families

BOARD CONFLICTS OF INTEREST & RELATED PARTY TRANSACTIONS

VERSION	1.0
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1. Purpose

The purpose of this policy is to assist RSL NSW's directors to execute their fiduciary and legal duties in relation to conflicts of interest and related party transactions.

It aims to help both RSL NSW and its directors avoid any actual, potential or perceived impropriety arising from directors' conflicts because RSL NSW recognises that these conflicts have the potential to:

- negatively affect Board dynamics by inhibiting free discussion in Board meetings;
- result in poor organisational governance, risking organisational transparency and accountability and leading to decisions or actions that may not be in the interests of the organisation;
- harm the reputation and public perception of RSL NSW by giving the impression that RSL NSW or its directors have, or may have, acted improperly.

2. Policy Objectives

The objectives of this policy are to:

- set out clear and consistent rules and protocols for addressing situations where directors have the ability to influence decision-making to their own advantage;
- ensure that directors are aware of their obligation to disclose any conflicts of interest they may have and to comply with this policy;
- ensure that directors effectively manage any conflicts of interest as representatives of RSL NSW;
- ensure transparency, accountability and prudence in the conduct of the Board's activities.

3. Scope

RSL NSW's Board Conflicts of Interest and Related Party Transactions policy applies to anyone who is a director of RSL NSW.

RSL NSW may vary or update the information contained in this document and other policies and procedures at its discretion. It is to be read in conjunction with the RSL NSW Act, the Constitution of RSL NSW and the law. In particular, it is noted that:

- RSL NSW is a charity registered with the Australian Charities and Not-for-Profits Commission (ACNC). All charities are required to meet a set of ACNC governance standards which set out core minimum standards of governance for all registered charities. Under governance standard five, a charity must ensure that its board members are aware of and are subject to a set of duties - one of which is to disclose perceived or actual conflicts of interest. Meeting the governance standards is a requirement of registration with the ACNC, and the ACNC may take action if a charity does not meet the standards; and
- Clauses 9.48-9.54 of the RSL NSW Constitution and Part 4 clause 12 of the RSL NSW Act specify how conflicts of interest are to be managed.

4. Principles

RSL NSW manages directors' conflicts of interests in order to protect the reputation and interests of RSL NSW and its Members. Good conflict of interest management may also protect the Directors of the organisation from legal action as a result of their holding that office.

Directors are expected to avoid actual or perceived conflicts of interest wherever possible, and where not avoidable, to manage them.

It is the responsibility primarily of every director and not the Chair or any other person to disclose and

determine whether they have a conflict of interest and to act in accordance with RSL NSW's policies and governing law.

All conflicts of interests of directors and awarding of benefits for directors and related parties will be managed in a responsible, ethical and transparent fashion.

Where material conflicts have been disclosed and/or related party transactions identified all directors have a shared responsibility to manage the situation in the best interests of the organisation.

5. Policy Statement

Directors must notify all other directors immediately of any Conflict of interest. After disclosure of the Conflict of Interest, the interested director must not, unless the Board otherwise determines, participate or be present in any determination by the Board as to how the Conflict of Interest should be managed. The determination must be conducted without the affected director being present or participating.

The process to be followed for determining and managing conflicts is set out in **Appendix A**.

6. Implementation and Breach

The Company Secretary will administer implementation of this policy including preparation and adoption of applicable processes and procedures.

The Company Secretary will report to the Board, via the Chair, any instances of non-compliance.

In the event that a director becomes aware of a breach of RSL NSW's policies regarding conflicts of interest or related party transactions, it is the duty of that director to immediately notify the Company Secretary or the Chair. The Chair or the Company Secretary should notify the Board of any breach as soon as practicable.

7. Definitions

Conflict of interest – any actual, potential or perceived situation in which the duties (including legal and ethical duties), interests or loyalties of a director which arise from their business activities, personal relationships or offices held may or will compete with their duties and obligations to RSL NSW and in which serving one **interest** could involve working against another.

Related party – a director or their close family member (spouse, sibling, parent or child, or spouse's parent or child or sibling's child) or an organisation controlled by the director or a close family member. The definition includes anyone meeting this description within the last 6 months or who has reasonable prospects of fitting the description in the near future (such as a fiancée), and any person acting in concert with a director.

RSL NSW Act means the RSL NSW ACT 2018 (NSW).

8. References & Resources

Legislation, Standards, etc related to this policy

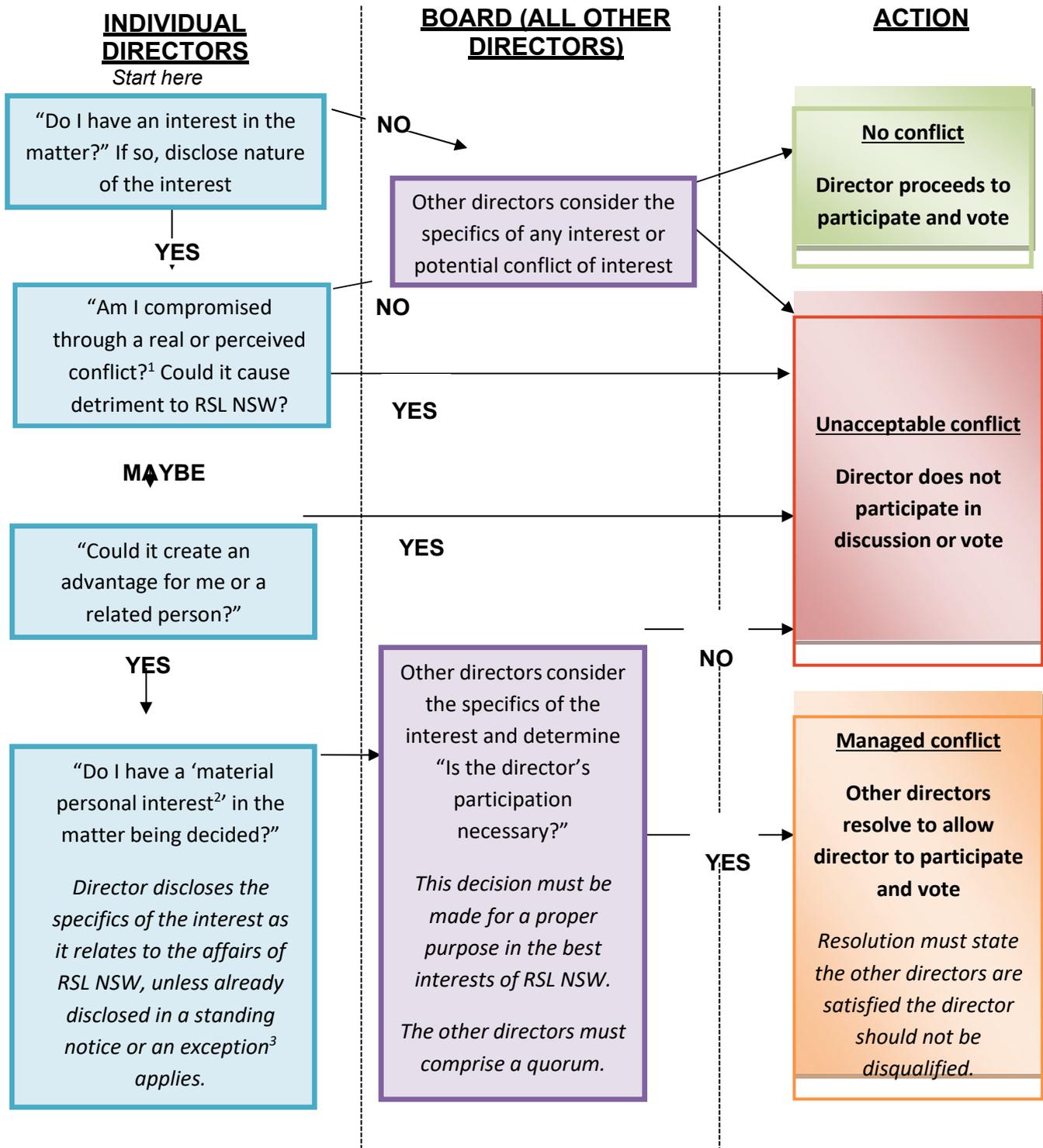
RSL NSW Act (2018)
RSL NSW Constitution
RSL NSW Board Charter

Appendix A - Voting decision tree

9. Document Control

Number	Version	Position Responsible	Approved By	Scheduled Review
1	1.0	Company Secretary	Board	September 2022

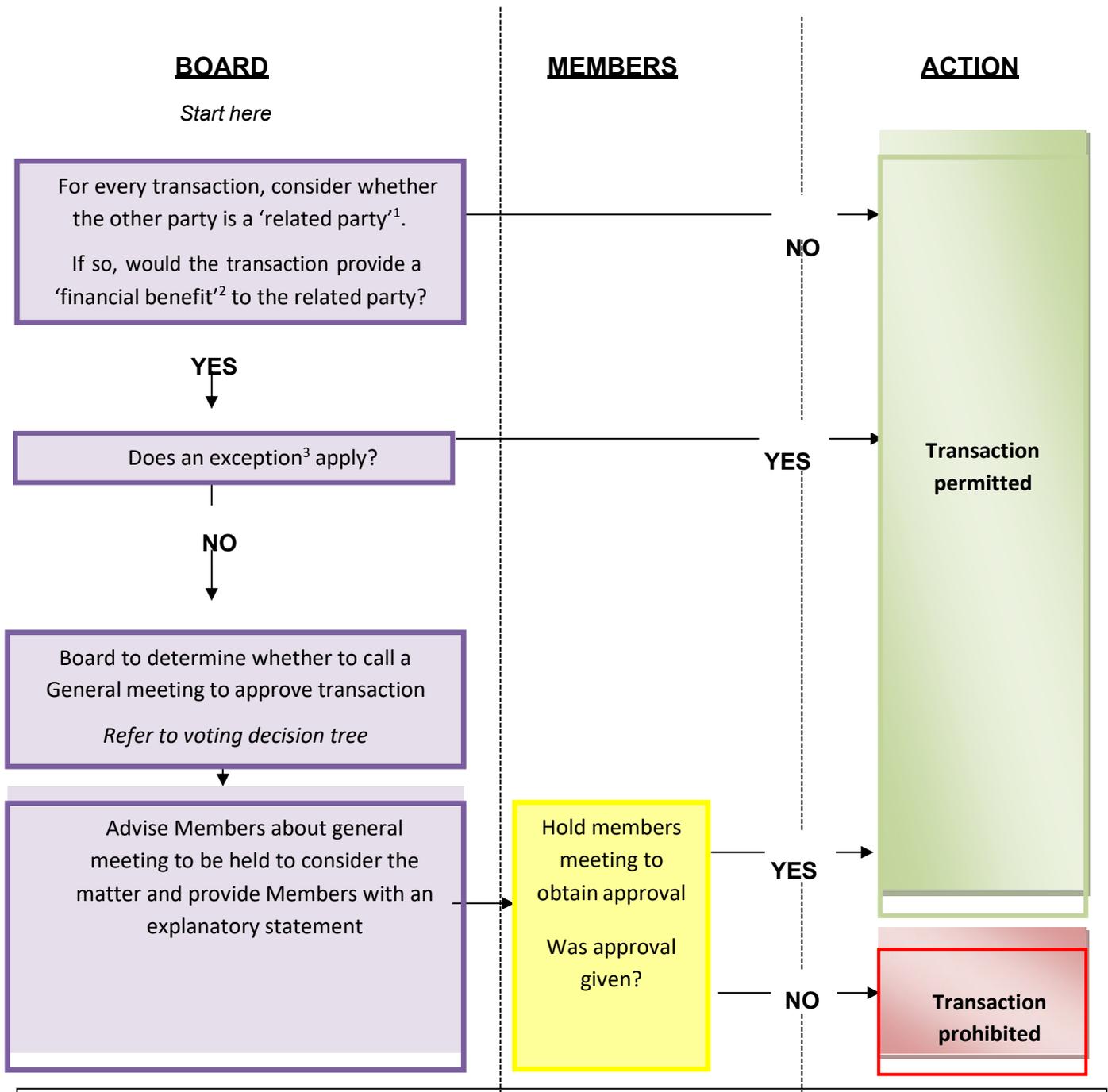
CONFLICTS AND VOTING DECISION TREE



Notes:

- 1 A conflict may exist even if the director does not stand to receive a personal benefit.
- 2 ‘Material personal interest’ (refers to an interest which is of a real and substantial kind and has the capacity to influence the vote of the director about the matter at hand. The nature of the interest may be financial or non-financial, e.g. relationship, reputation, political allegiance etc.
- 3 Exceptions to disclosure requirement include: when the interest is common to every member; director’s remuneration; a transaction approved by members; D&O insurance contract; organisation indemnity.

DIRECTORS' BENEFITS AND RELATED PARTY TRANSACTIONS DECISION TREE



Notes:

- 1 'Related party' is a director or their close family member (spouse, parent or child, and spouse's parent or child); an organisation controlled by the director/close family member; or any of these within the past 6 months or likely to become one in the future; or an entity acting in concert with a related party.
- 2 'Financial benefit' is a very broad concept which includes direct or indirect benefits, monetary and non-monetary amounts, advantages, favourable terms, promises, release of obligations etc.
- 3 Exceptions: member approval is not needed if a transaction is at arm's length or the terms are no more favourable than normal terms; remuneration approved by members; payment of expenses; legal costs involved in defending a director's liability case; the benefits are in capacity as a member and do not discriminate unfairly against other members; amounts totalling \$5,000 or less.
- 4 If applying the 'arm's length terms' exception, consider obtaining independent expert's opinion on whether the terms are arm's length.