

TISHER LINER FC LAW

CHASDEI DAVID CHARITY FUND LTD CONFLICTS OF INTEREST POLICY

Introduction

The purpose of this policy is to assist the board of Chasdei David Charity Fund Ltd. (CDCF) to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of CDCF and manage risk. The board aims to ensure that directors are aware of their obligations to disclose any conflicts of interest that they may have, and to ensure they effectively manage those conflicts and other conflicts in the organisation. Conflicts of interest commonly arise, and do not need to present a problem to CDCF if they are appropriately managed.

1. Scope

This policy applies to the directors and all members, employees, agents and contractors of the CDCF.

2. Definition of conflicts of interest

A conflict of interest occurs when a person's personal interests conflict with their responsibility to act in the best interests of CDCF. 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. It also includes a conflict between a person's duty to CDCF and another duty that the person has (for example, to another charity). A conflict of interest may be actual, potential or perceived and may be financial or non-financial (for example ethical or legal conflicts). 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 CDCF.

3. Responsibilities of the board

The directors must:

- avoid conflicts of interest where possible;
- where conflicts of interest do arise and cannot be avoided, disclose and carefully manage these in accordance with the process set out below (see '*management of directors' conflicts of interest*');
- be familiar with the ACNC governance standards, particularly governance standard 5 (annexed to this policy for reference);
- establish a system for identifying and managing conflicts of interest across CDCF, including amongst its members, employees, agents and contractors as relevant; and
- monitor compliance with this policy and respond to any breaches.

4. Management of directors' conflicts of interest

The board must follow the process below to manage directors' conflicts of interest:

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1) Identification and disclosure of a conflict of interest

Once an actual, potential or perceived conflict of interest is identified for a particular director, it must be entered into CDCF's register of interests and raised with the board. If all of the other directors share a conflict, the board should refer to governance standard 5 to ensure that proper disclosure occurs. The register of interests must be maintained by the secretary with a record of information relating to the conflict of interest, including the nature and extent of the conflict of interest and any steps taken to address it.

2) Action required after disclosure of conflicts of interest

Once the conflict of interest has been appropriately disclosed, the board (excluding the director disclosing and any other conflicted director) must decide whether or not the conflicted director should:

- vote on the matter (this is a minimum);
- participate in any debate; or
- be present in the room during the debate and the voting.

In exceptional circumstances, such as where a conflict is very significant or likely to prevent a director from regularly participating in discussions, it may be worth considering whether it is appropriate for the person conflicted to resign as director.

3) Considerations in deciding conflicts management

In deciding what approach to take under step 2 above, the board should consider:

- whether the conflict needs to be avoided or simply documented (including in the meeting minutes);
- whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making;
- alternative options to avoid the conflict;
- the CDCF's objects and resources; and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, CDCF.

The approval of any action requires the agreement of at least a majority of the board, excluding any conflicted director/s, who are present and voting at the meeting. The action and result of the voting must be recorded in the minutes of the meeting and in the register of interests.

5. Management of other conflicts of interest

All members, employees, agents and contractors of CDCF must notify the board of any conflicts of interest. The board is responsible for establishing a system for disclosing, managing and recording conflicts of interest across CDCF and must ensure that all relevant individuals are aware of their responsibility to disclose conflicts of interest.

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6. Compliance with this policy

If the board has reason to believe that a person has failed to comply with this policy, it will investigate the circumstances. If it is found that this person has failed to disclose a conflict of interest, CDCF may take action against them. This may include seeking to terminate their relationship with CDCF.

If a person suspects that a director has failed to disclose a conflict of interest, they must notify the board.

7. Review of policy

This policy shall be reviewed by the board every two years.

Adopted by the board of CDCF on 2 of April 2019.