

THE EAST AFRICAN FUND LIMITED

ACN 620 147 775

Conflict of interest policy

1. Purpose

The purpose of this policy is to ensure that actual, potential and perceived conflicts of interest are identified and managed effectively in order to protect the integrity of The East African Fund Limited ('EAF') and manage risk.

2. Objective

The EAF Board (called the 'board' in this policy) aims to ensure that all people who work with EAF are aware of their obligations to disclose any conflicts of interest that they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of EAF.

3. Scope

This policy applies to:

- the board members of EAF
- employees (whether full time, part time, casual, permanent or temporary), and
- volunteers, contractors and consultants.

4. Definition of conflicts of interests

A conflict of interest occurs when a person's personal interests conflict with their responsibility to act in the best interests of the charity. 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 (for example, as a shareholder). It also includes a conflict between a person's duty to EAF 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.

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 the charity and must be managed accordingly.

5. Policy

This policy has been developed because conflicts of interest commonly arise, and do not need to present a problem to the charity if they are openly and effectively managed. It is the policy of EAF as well as a responsibility of the board, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to EAF.

EAF will manage conflicts of interest by:

- avoiding conflicts of interest where possible
- identifying and disclosing any conflicts of interest
- carefully managing any conflicts of interest, and
- following this policy and responding to any breaches.

5.1 Responsibility of the board

The board is responsible for:

- establishing a system for identifying, disclosing and managing conflicts of interest across the charity
- monitoring compliance with this policy, and
- reviewing this policy on an annual basis to ensure that the policy is operating effectively.

The charity must ensure that its board members are aware of the ACNC governance standards, particularly governance standard 5, and that they disclose any actual or perceived material conflicts of interests as required by governance standard 5.

5.2 Identification and disclosure of conflicts of interest

Once an actual, potential or perceived conflict of interest is identified, it must be entered into EAF's register of interests, as well as being raised with the board. Where all of the board members 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, and record information related to a conflict of interest (including the nature and extent of the conflict of interest and any steps taken to address it).

5.3 Confidentiality of disclosures

Information disclosed to the board is confidential to the board and will not be made available to other parties unless approved by the board or required by law.

6. Action required for management of conflicts of interest

6.1 Conflicts of interest of board members

Once the conflict of interest has been appropriately disclosed, the board (excluding any conflicted board member/s) must decide whether or not those conflicted board members 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 board member from regularly participating in discussions, it may be worth the board considering whether it is appropriate for the person conflicted to resign from the board.

6.2 What should be considered when deciding what action to take

In deciding what approach to take, the board will consider:

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

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

7. Compliance with this policy

If the board has a reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances.

If it is found that this person has failed to disclose a conflict of interest, the board may take action against them. This may include issuing a warning or seeking to terminate their relationship with the charity.

If a person suspects that a board member has failed to disclose a conflict of interest, they must notify the board via the Chairman or the Secretary.

Contacts

For questions about this policy, contact the board via email at info@eaf.org.au.

Version Control

Version	Board Approval	Description
1.0	30 January 2018	Initial policy based on ACNC template to meet the Governance Standards
2.0	28 January 2020	Amended to extend policy to employees, contractors, volunteers and consultants