

Conflict of Interest Policy

Global
Policy Owner: Chief Executive Officer

1. PURPOSE

- 1.1. This policy covers the responsibilities and requirements of declaring and managing perceived, potential and actual conflicts of interest in all related entities of The Fred Hollows Foundation (The Foundation) and these obligations apply to all directors, trustees, officers, managers, staff and volunteers of The Foundation.
- 1.2. This policy outlines how The Foundation will comply with our global standard, based in Australian law. The duty to avoid conflicts of interest is derived from Governance Standard 5 of the Australian Charities and Not-for-Profits Commission which requires responsible persons, including directors, to disclose any situation where they may appear to have a conflict between their duty to act and a personal (private) interest, and should not discuss or vote on any matter where there is such a conflict. The Foundation's Constitution and [Global Corporate Governance Charter](#) reflect these responsibilities.
- 1.3. The board directors and company secretary of The Foundation and its related legal entities, The Foundation's Senior Leaders and other decision-makers, must comply with the standard legal and statutory duties of their office. In particular, the board directors, company secretary, and other decision-makers are expected to consider carefully whether a conflict of interests may arise in connection with any other activities, positions, employment, consultancies, relationships or interests they may pursue in other areas of their lives.
- 1.4. All Personnel, including Board Directors, must follow the process for managing conflicts of interest set out in the Conflict Management Procedure.

2. GUIDING PRINCIPLES

The following principles must be applied by all Personnel:

2.1. Duty of Care, Loyalty and Good Faith

In line with ACNC Governance Standard 5 and The Foundation's governing documents, directors must act:

- in good faith and in the best interests of The Foundation;
- with due care, diligence and for a proper purpose;
- without using their position or information gained to advantage themselves or others, or cause detriment to The Foundation.

2.2. Managing Reputational Risk

All Personnel must recognise and proactively manage the risk of reputational harm to The Foundation. This includes maintaining best practice in stakeholder relationship management and ensuring all communications are clear, transparent and aligned with organisational values. Any actions or decisions made should consider the potential impact on The Foundation's public image and trust and strive to uphold the organisation's reputation at all times.

2.3. Transparency and Accountability in Board Interests

References

All board directors must uphold transparency and accountability by regularly considering and proactively disclosing any interests, relationships, or benefits that may relate to The Foundation's operations. This includes declaring potential, actual, or perceived conflicts of interest as they arise and, seeking guidance from the Board Chair or other designated role bearer, in accordance with the Managing Conflicts of Interest Procedure.

3. COMMITMENTS UNDER THIS POLICY

The Foundation is committed to:

- 3.1. identifying actual, perceived and potential conflicts of interests and manage those conflicts appropriately.
- 3.2. educating its board directors and Personnel regarding identification, declaration and appropriate management of conflicts of interest.
- 3.3. maintaining a Procurement Policy implemented by a manual and procedures to guide all costs and obligations incurred with third party suppliers. All actual, perceived and potential conflicts must be disclosed in accordance with that process.

External / Outside Directorships

- 3.4. The Foundation is supportive of Personnel serving as directors on external boards provided that conflict of interest, reputational risk, and time commitment considerations are carefully examined and deemed acceptable. The Foundation regards serving on an external board as an important professional development step for Personnel that helps them understand the role of Boards and the responsibilities of directors.
- 3.5. Any actual, perceived or potential Conflict of Interest must be managed in accordance with this Policy and the Managing Conflicts of Interest Policy.
- 3.6. It is important that any outside board that a Foundation Personnel member serves on does not present a reputational risk to The Foundation by being contrary to The Foundation's mission and values, and/or damaging to the community. As such we will not knowingly partner with corporates that operate within any 'no-go' industry sectors and any such company will not be deemed a suitable external board. See Managing Conflicts of Interest Procedure for list of 'no-go' sectors.

4. RESPONSIBILITIES & ACCOUNTABILITIES

4.1. Directors

- 4.1.1 Directors must undertake all duties and responsibilities, including management of conflicts of interest, as outlined in the Corporate Governance Charter and this Policy.

4.2. Chief Executive Officer

- 4.2.1 The CEO is responsible for ensuring this Policy is upheld and will inform the Board of The Foundation of any concerns relating to conflicts that may present risk to The Foundation, its Personnel, beneficiaries, partners, reputation, operations or other activities.
- 4.2.2 The CEO will hold relevant Senior Leaders accountable to this Policy.

4.3. Senior Leaders

- 4.3.1 Senior Leaders will promote the existence of this Policy to all Personnel.
- 4.3.2 Senior Leaders will ensure Foundation and Divisional procedures, practices, plans and operations align with this Policy and that all relevant Personnel are aware of this Policy and their responsibilities under it.
- 4.3.3 Senior Leaders are responsible for monitoring and responding to any conflict risk or concerns arising within The Foundation's business activities. Senior Leaders will include risks and incidents on the Divisional risk register and seek the advice of the Policy Owner on issues of contention.

References

4.4. Policy Owner

- 4.4.1 The Policy Owner is responsible to ensure the Policy complies with The Foundation's obligations and contemporary practice and will update this Policy as required.
- 4.4.2 The Policy Owner will be responsible for addressing any issues arising in relation to this Policy and will be or arrange a point of contact for all Personnel for any issue of contention.
- 4.4.3 The Policy Owner will inform the CEO of any key risk to The Foundation regarding conflicts and will record risks and incidents on the organisational risk register.

4.5. All Personnel

- 4.5.1 All Personnel will adhere to the principles and commitments under this Policy and any related procedures and will take all reasonable care to ensure that their actions or omissions are not in breach of this Policy nor directly or indirectly encourage others to breach this Policy.
- 4.5.2 All Personnel are responsible for identifying and responding to any conflict-based risk or concerns arising within The Foundation's business activities. Any matters of contention must be reported to the CEO.

4.6. All associated stakeholders

All associated stakeholders operating with or on behalf of FHF are responsible to understand and abide by the principles and relevant commitments under this Policy and to advise the primary contact point within FHF of any issues that may arise.

5. MONITORING

- 5.1. A report on the implementation of this policy will be submitted to the Board no less than every three years across The Foundation's business activities. The Policy Owner is responsible for compiling this report and submission to the Board.
- 5.2. This Policy will be reviewed every three years and the Policy Owner is responsible to undertake this review.
- 5.3. The Enabling Services Division has oversight of all Governance and Operational Policies and will ensure the Policy is listed on the Policy Register and provide support to the Policy Owner to ensure monitoring and reporting obligations are met.

6. DEFINITIONS

Conflicts of Interest - A conflict of interest may occur when your duty to act in the best interest of The Foundation or loyalties 'conflicts' (or may conflict) with the opportunity or potential to obtain a personal benefit (or a benefit for someone related to you).

There are three types of conflicts, which should be self-assessed:

- (a) **Actual conflict**, where a director, trustee, officer, executive, manager, staff and volunteer is likely to gain a personal advantage for themselves or a relative or a friend, because of their position as a director;
- (b) **Perceived conflict**, where others may reasonably perceive a conflict and that perception may create a risk for the organisation with regard to reputation or financial assets.
- (c) **Potential conflict**, where a process has been set in train that, in the future, may create a conflict of interest.

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.

Personnel - A person who carries out work in any capacity for The Foundation which includes paid employees, contractors, sub-contractors, consultants, work experience students or volunteers including board directors and board committee members of The Foundation and its related entities.

CONTROL OF DOCUMENTATION

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References