



Australian Institute of  
**Project Management**

# CONFLICTS OF INTEREST POLICY

## DOCUMENT CONTROL CERTIFICATE

<b>Version/ Amendment</b>	<b>Date</b>	<b>Nature of Version/Amendment</b>
Version 1.0	March 2021	Approved by the Board – 24 February 2021

## **Conflicts of Interest Policy**

A conflict of interest is not prohibited in law nor is it something that needs to be avoided as it may be in the interest of the Company. However, a conflict of interest must be fully disclosed to the Board and/or Members of the Institute because a Director has a fiduciary duty and a statutory obligation through the **Business Judgement Rule** to exercise independent judgement throughout their decision making process and to act in the best interests of the Company.

It is a matter of good governance for Directors and senior management to convey the message to Members of the Institute that integrity will not be compromised in any business dealing where a conflict of interest may exist, whether actual or perceived, or through a related party.

### **Purpose**

The Conflicts of Interest Policy is to ensure that directors make good unbiased judgement and act in good faith to any topic discussed at board level. To meet the policy directors are expected to disclose all interests that may have a material impact on a decision being made. The desire to act impartially is critical to performing an obligation as a director and officer of the company.

Failure to meet the standards imposed in this policy will result in instant removal from the board of directors.

### **Procedure Responsibility**

The Governance and Ethics Committee will develop the process and will monitor declaration of interests through the Company Secretary.

### **Procedure**

All directors are to make an annual declaration of interests on items that may be deemed to be 'material', which includes:

- Other directorships and committee memberships
- Shares in a public company where holding is greater or equal to 5%.
- Shares in a private company worth more than \$20M and where ownership is greater or equal to 5%.
- Any work being undertaken for or on behalf of the AIPM where there any form of consideration. (Material)
- Work being undertaken on behalf of a Corporate Member either directly or indirectly under contract
- Spouse, partner, siblings, parents and children that may be working with the AIPM or a related body.

At the start of every board meeting or directors meeting the Chair of the meeting will request that directors disclose any potential conflict of interest and if deemed Material they may be requested to leave the board meeting during the period for any discussion and vote related to the potential conflict. Regardless, the Company Secretary will update the directors records on Disclosure.

The Company shall always be made aware of any material interests Directors may have that could materially interfere with, or could reasonably be perceived to interfere with the exercise of a Director's unfettered and independent judgement. If a Director has a concern about a Director's independence the director should discuss with the Chair of Governance and Ethics who will deal with the situation through due process. If it is discovered that there is an undisclosed material conflict of interest then disciplinary action will be discussed with the board.

## **Assertions that a Director has a Conflict of Interest Policy**

As stated, although a conflict of interest is not prohibited in law if not disclosed it can be damaging to the director, the board members and to the company. Avoidance of responsibilities and taking advantage of the position that a director has within the Company and Institute, even if just perceived, must be avoided at all costs.

### **Purpose**

The Remaining Conflicts of Interest Policy is to detail a process of handling a non-disclosure or one where the director believes it to be non-material.

### **Procedure Responsibility**

The Governance and Ethics Committee will develop the process and will monitor declaration of interests through the Company Secretary.

### **Procedure**

All directors make declarations of interests on all items as discussed in the Conflict of Interest Policy. If a Director or a Member of the Institute believes that a Director (or Executive Officer) has an undeclared actual or perceived conflict of interest or is a related party then the following procedure is to be followed:

- The Director or Member will make a written statement to the Chair outlining the reasons why the Director or member of the Institute considers that the Director has a conflict of interest or is a related party to a transaction
- The Chair will contact the Director concerned and request written response to the assertion
- If the Chair considers that there is a case to answer he/she will table the assertion to the director and will request the Director to immediately declare an interest.

Disciplinary action may be undertaken by the board if the breach is deemed to be serious.