



OUR POLICIES

Approved by: Lille Fro Foundation Board

Date: 13 September 2024

CONFLICT OF INTEREST AND DUTY

Board members are chosen partly for their active involvement in other organisations. At times, this can create a conflict between the interests of Lille Fro Foundation Limited (ACN 135 5001 521) (**Lille Fro**) and personal interests or responsibilities to other organisations. These conflicts can be of two kinds:

- A conflict of interest - when a member has a material financial or other interest in a Board decision or discussion either directly or through another organisation: it is mainly about money.
- A conflict of duty - when a member has a duty to another organisation, for example as a director or employee that is related to a Board decision, discussion or public stance: it is about split loyalty.

Members have an annual duty to record all relevant private interests and duties in Lille Fro's Register of Interests of Board members (see below). The Register includes the following:

- Board memberships
- Directorships
- Employment or other close relationships with other NGOs, charities, institutions and companies, both non-profit and profit making
- Broad description of financial interests of members or their immediate families that are material in the sense that either the interest exceeds 1% of an organisation or the interest exceeds 1% of a member's or their family's wealth.

The Register excludes the following:

- Property
- Government savings schemes and holdings in pension funds or trusts under management by a third party
- Membership as a passive supporter rather than a leader or active member of other organisations such as charities or political parties.

The Register serves as an annual reminder of the issue. However, it is of limited value on its own without constant vigilance of possible conflicts of interest or duty. The following provides some practical guidance on behaviour at Board meetings, based on recommendations by the UK National Council for Voluntary Organisations (NCVO)¹:

- Any member who has a private interest or duty, as covered by the Register of Interests, in a matter under discussion at a Board meeting, should declare the nature of their interest or duty and withdraw from the room, unless they have a dispensation to speak.
- If a member has any other interest or duty which does not create a real danger of bias, but which might reasonably cause others to think it could influence their decision, they should declare the nature of the interest or duty, but remain in the room, participate in the discussion and vote if the Chair, in consultation with other members present, agrees they can do so.

¹ UK National Council for Voluntary Organisations (NCVO). Accessed on 3 December 2014 at: <http://www.ncvo.org.uk/practical-support/governance>

- If in any doubt about these rules, members should consult the Chair.

CONFLICTS OF INTEREST AND DUTY: ILLUSTRATION OF GOOD PRACTICE

The Table below offers practical guidance of good practice, outlining the appropriate and inappropriate actions of a Lille Fro Board member.

It suggests appropriate behaviour and good practice for a Lille Fro Board member who is employed by, or is a director of, a profit-making organisation “Z”. The table covers the general principles rather than every specific situation. In most cases, the same guidance applies if Lille Fro and Z are interchanged or if Z is a non-profit making organisation.

Appropriate	Not Appropriate
Take part in Board discussions on the balance of investments to be held in equities (if Z is a public limited company).	Offer opinions on investing in Z.
Pass on information in Z about Lille Fro projects seeking support.	Take part in any discussion in Lille Fro or Z about Z giving money to Lille Fro.
Suggest people in Z that people in Lille Fro might find helpful to contact	Influence Z colleagues to give preference to Lille Fro projects or proposals
Suggest Lille Fro staff as possible speakers at a Z event.	Take part in consideration of Lille Fro staff to act as consultants for Z.
Refer Lille Fro staff to sources of information about Z.	Seek to recruit Lille Fro staff to work in Z.
Mention Lille Fro Board membership in biographical details of Z managers, eg on the Web.	Imply Z support for Lille Fro or Lille Fro support for Z.
Speak about one’s role as a Lille Fro Board member in a Z internal conference on social responsibility.	Cite Lille Fro Board membership in public as evidence of Z’s social responsibility
Describe Lille Fro’s public position on issues as agreed by the Board.	Describe Board debates or divisions of opinion that preceded agreement on public positions on issues.

A good general test for conflicts of interest or duty is to ask whether Lille Fro’s reputation would be damaged if a member’s connection with, for example, a member of staff, a company or a campaigning organisation, were made public.

REGISTER OF INTERESTS OF BOARD MEMBERS

Template

Name: _____ **Date:** _____

Interests exceeding 1 % of an organisation or exceeding 1 % of a Board member's or their family's wealth:

Other memberships on Boards:

Other material interests, duties and memberships:

Note: the following need not be declared in the Register:

- Details of interests such as value or number of shares
- Ownership of property
- Investments in government savings schemes
- Holdings in pension funds or trusts under management by a third party
- Membership as a passive supporter rather than a leader or active member of other organisations such as charities or political parties.

