



**RETIREMENT BENEFITS FUND BOARD**

**POLICY SUMMARY**

**BOARD MEMBER CONFLICT OF INTEREST**

**Version 1.0**  
**January 2007**

# Board Member Conflict of Interest

Approved by: Governance Committee,  
17 January 2007

A conflict of interest policy can form only part of the overall governance framework of an organisation. It would be very difficult to devise a policy that would eliminate the need for judgement and experience on the part of Board Members. What can be provided is a set of guidelines that allows Board Members to deal with any foreseeable situations in a routine manner. Ideally, the guidelines should be simple and memorable enough to be used as “rules of thumb”, rather than a complex document that must be referred to constantly.

## Adopted Policies: -

1. The chair of Board and Committee meetings is to remind Board Members at the outset of each meeting of their obligation to declare conflict of interest;
2. Where a Board Member considers that a conflict of interest exists with respect to an agenda item, he or she shall disclose this fact to the meeting;
3. Once disclosed, the President of the Board or in his absence the Acting Chair of the meeting, must decide if it is a major or minor conflict of interest\* and whether the Board Member should be excluded from deliberation/attendance;
4. Where a conflict of interest is disclosed to the meeting by a Board Member, the Board Member’s name, the existence and classification of a conflict (minor or major) and the action taken shall be recorded in the Minutes under the appropriate agenda item;
5. If a major and ongoing conflict of interest arises for a Board Member in respect of his or her position as a Board member (rather than just specific items of business) the Board Member concerned should consider taking whatever action is necessary to resolve the conflict (including resignation from the Board); and
6. An outline of the Board’s conflict of interest policy shall be included in the Annual Report to the Parliament.

## \* Note: -

Many organisations classify conflicts of interest as either ‘minor’ or ‘major’ to allow the Board members to respond differently to varying degrees of conflict.

In deciding which classification to use, consideration should be given as to whether a Board Member's decision will actually be affected by the conflict. If so, the conflict should be classified as major. If not, consideration should be given as to how the situation would appear to a reasonable independent person. Where such a person, upon being given the details of the situation, could believe that the Board Member's decision will not be affected, then the conflict can be classified as minor.