

*Quality Innovation Performance Certifications Pty Ltd (QIP Certifications) is legally obligated to manage conflicts of interest for all personal and commercial decision making under Section 191 of the Corporations Act 2001 (the Act).*

QIP Certifications shall adhere to the Act in all matters relating to the declaration and management of conflicts of interest wherever personal, family, or private interests, loyalties, or commitments conflict with those of the company.

The purpose of this policy is to protect QIP Certifications, its directors, managers, employees and contractors from any appearance of impropriety. This policy will apply to all directors, managers employees, contractors and other staff.

A conflict of interest is a conflict between a director, managers, employees or contractor's public duty to act in the best interests of QIP Certifications and his or her own private interests.

A conflict of duty (also known as a conflict of role) is a conflict of interest that can occur even if a person does not have any private interest at stake. It is a conflict between a director, managers, employees or contractor's:

- Duty to act in the best interests of QIP Certifications; and
- Their duty to another public or private sector organisation. It exists due to the person's role with the other organisation (e.g. as a committee member, employee, contractor volunteer or organisation member).

These conflicts may arise because of their membership of multiple boards and are particularly acute for directors appointed as 'representatives' of particular interest groups, membership of a profession or employment in the public service.

A conflict of interest exists whether it is:

- Real—it currently exists;
- Potential—it may arise, given the circumstances; or
- Perceived—members of the public could reasonably form the view that a conflict exists or could arise that may improperly influence the director's performance of his or her duty to QIP Certifications now or in the future.

Conflicts of interest create problems, in that they may:

- Inhibit free discussion in board or other authorised meetings;
- Lead to bias or lack of impartiality in decision making;
- Result in decisions or actions that are not in the interests of the QIP Certifications; or
- Harm public perception of the QIP Certifications and the broader community by giving the impression that QIP Certifications has or may have acted improperly.

The key principles underlying this policy are as follows:

- **Obligations and good practice:**
  - QIP Certifications board, managers, employees and contractors act in accordance with their obligations and with good governance and ethical practice.
- **Public interest:**
  - Conflicts of interest are avoided where possible. Where a conflict exists, it is declared and managed in the public interest.
- **Real, potential or perceived:**
  - A conflict of interest exists whether it is real, potential, or perceived.
- **Transparent and accountable:**
  - The process for declaring and managing conflicts of interest is transparent, accountable, and consistent with the QIP Certifications Code of Conduct contained in the Fit and Proper Person Policy and Procedure.
- **Culture of integrity:**
  - QIP Certifications fosters a culture of integrity. Directors, managers, employees and contractors are supported to raise their own conflicts of interest and to speak up if they believe that another person may have an undeclared conflict.

**A private interest** can be direct or indirect for example:

- A direct interest is held by any director, manager, employee or contractor; and
- An indirect interest is held by a relative or close associate of a director, manager, employee or contractor, for example:
  - An immediate family member (e.g. spouse, partner, child, parent, sibling);
  - A regular household member (i.e. someone who normally resides with the person); or
  - Another close associate (e.g. friend, relative, business associate, rival, enemy).

**NOTE:** A consensual personal relationship between a director and a close associate constitutes a potential conflict of interest and must be declared.

A private interest can be **pecuniary (financial)** or **non-pecuniary (non-financial)**, or a **mixture** of both. It can arise from a wide range of personal, professional, or business-related sources.

## **Pecuniary interests:**

- Include actual, potential, or perceived financial gain or loss;
- Include circumstances where money does not change hands;
- Exists if the director, manager, employee or contractor (or a relative or close associate):
  - Owns property;
  - Holds shares, investments or other business interests;
  - Has a position in a company bidding for government work;
  - Receives benefits such as concessions, discounts, gifts or hospitality from a source;

- Holds office in a corporation (public, private or trustee), incorporated association or other entity;
- Has any other relevant financial interest, for example:
- Is entitled to receive income derived from a contract;
- Is a beneficiary or trustee of a trust; or
- Is entitled to receive income from an office held for payment or reward, or a trade, vocation or profession.

### **Non-pecuniary interests:**

- May arise from personal or family relationships, or from involvement in sporting, social, or cultural activities, etc;
- May result in prejudice because of friendship, animosity, or other personal involvement with another person or group;
- Can lead to a conflict of interest; if personal values are likely to affect the proper performance of a director's public duty; and
- Can give rise to a conflict of interest if there is enmity as well as friendship.

### **QIP Certifications manages conflicts of interest by:**

- Having each director, manager, employee or contractor signing a F103 Conflict of Interest form upon appointment;
- Updating this form annually or if their circumstances change;
- Maintaining a register of conflicts of interest; and
- Updating the register after each Board meeting or each time a conflict of interest is declared.

A person who may have breached this policy must notify the National Manager – Auditing Services (NM) immediately. The NM will document the report as per the Complaints process and attach to the next Impartiality Committee Minutes for their review of the process.

If the NM is of the view that a breach has not occurred, the Impartiality Committee will still receive the report and then examine the evidence at the next scheduled meeting, recording in the minutes, whether a breach has or has not occurred.

If the NM is of the view that a breach has occurred, they will arrange for the GM – Operations to determine on an urgent basis, and record in the minutes, whether a breach has occurred.

If a breach has occurred, the GM will also notify the Board Chair and Board in writing as soon as practicable, including the possibility of action requested if the breach relates to a material conflict of interest.

Any person who believes that another person directly appointed by QIP Certifications may have breached this policy but not yet notified the NM will bring this to their immediate attention or will approach the GM, who will then notify the Board Chair.

For further details on the management of conflict of interest, please see QIPCERT.MAN.002 Governance Manual Section 10.