

POL 3005.26 Conflicts of Interest Policy

Version:	1.8
Effective Date:	28 June 2023
Administered by:	Head of Risk & Compliance
Reviewed by:	Compliance & Operational Risk Committee and Board Risk Committee
Approved by:	Board

References

POL 3005.39 Code of Ethics
INF 539 Disclosure of Gifts Register
INF 526 Conflicts of Interest Register
FRM 2611 Disclosure of a Conflict of Interest

Definitions and Interpretation

Conflicts of interest include:

- Circumstances where some or all of the interests of Members to whom the Credit Union provides financial services are inconsistent with, or diverge from, some or all of the interests of the Credit Union or its Directors, Management and Staff. This includes actual, apparent and potential conflicts of interest.
- Transacting, processing or making adjustments to an account of a related party, regardless whether the related party has previously been disclosed or not.
- A conflict of interest also arises where the personal interests (including business shareholding, association with family or friend, previous employment or other private interest) of a Director, Manager or Staff member are, or may be, in conflict with their Credit Union duties and responsibilities. As a general rule this duty is breached when a Director, Manager or Staff member has acted improperly – either directly or indirectly - for financial gain and/or the Credit Union has suffered a loss or experienced economical or reputational loss as a result.

The Credit Union's POL 3005.39 Code of Ethics provides further guidance about the identification of conflicts of interest and the acceptance and disclosure of gifts.

Policy Background

The Board, Management and employees of Police Credit Union are committed to maintaining good governance practices, ensuring that high levels of independence and segregation of duties exist across all areas.

Policy

Board, Management and **All Employees** shall manage actual and potential conflicts of interests in its business in accordance with APRA prudential standards, ASIC licensee requirements and the Corporations Act. The **CEO** shall maintain clear conflicts of interest management arrangements ensuring that Board, Management and employees operate efficiently, honestly and fairly and maintain a strong reputation of integrity in the provision of financial services and credit facilities.

It is the responsibility of **Directors, Management** and **All Employees** to identify any conflicts of interest that may arise, whether actual or potential.

All Managers are required to provide written disclosures of actual or potential conflicts of interests on appointment, and to update the disclosures annually by completing FRM 2611 Disclosure of a Conflict of Interest. In addition, all Directors, Management and Staff are required to disclose any actual or potential conflicts of interest as soon as they become aware of such a conflict.

A register of disclosed conflicts of interest shall be maintained by the **Head of Risk & Compliance** as per INF 526 Conflicts of Interest Register. The Conflicts of Interest Register shall be tabled at each Board Risk Committee meeting.

Directors are required to complete and return an annual Director Independence Evaluation and Conflicts of Interest Declaration Form to the **Chair of the Board Remuneration and Governance Advisory Committee**. A **Director** who has a material personal interest in a matter that relates to the affairs of the Credit Union must give the other Directors notice of the interest and where the matter is being considered at a Board meeting the Director must not be present when the matter is being considered at the meeting; or vote on the matter unless the **Board** reasonably resolves otherwise. At the commencement of each Board meeting, **Directors** are required to declare an interest in any matter being addressed by the Board, or a matter relating to existing arrangements that the Credit Union has in place or is listed on the agenda of the meeting.

Directors, Management and **All Employees** must avoid situations where there is a real possibility of conflict between their personal interests and the interests of the Credit Union. Where a conflict or potential conflict arises, full disclosure must be made to the employee's Executive Manager or, in the case of the CEO or Directors, the Chair of the Board.

The **Head of People & Culture** shall ensure that all disclosed actual or potential conflicts of interest are recorded in the staff member's personnel file.

For Directors all disclosed actual or potential conflicts of interest are to be recorded in the minutes of the Board meeting.

In addition to the required disclosures and declarations described above, all **Directors, Management** and **All Employees** must abide by POL3005.39 Code of Ethics, including in relation to the acceptance of gifts. All gifts received which exceed \$100 in value must be approved by the **Executive Manager** and will be recorded in a register maintained by the **Head of Risk & Compliance**, as set out in INF 539 Disclosure of Gifts Register. All gifts of value of greater than \$500 must be approved by the **CEO**.

Disclosing a conflict of interest allows the issue to be dealt with at an early stage and counteracts potential criticism or disciplinary action. The object of notification is to protect the Director, manager, employee and/or the Credit Union.

Annual Policy and Control Attestation:

In completing this attestation and as the Responsible Officer for the implementation of this policy, I confirm that following reasonable enquiries and to the best of my knowledge, other than previously reported exceptions and/or those provided in support of this attestation, each listed policy requirement has been completed by the Assigned Officer. Any known material exceptions have been reported to the Chief Risk Officer.

Krys Kowal

Signed

Krys Kowal, and dated **28 June 2023**