

 <p>Community Trust South TE POU ARATAKI POUNAMU O MURIHIKU</p>	Trustee Conflicts of Interest		15.0
	POLICY & PROCEDURES		
	Section	Governance	
	Date Last Reviewed	28.07.2021	
	Date of Next Review	28.07.2024	

Introduction

Given the size of the Trust's community, the varied interests and roles of Trustees, situations involving interests and conflicts of interest, whether actual or perceived, are unavoidable. To maintain the integrity of the Trust, honesty, transparency and openness will guide Trustees in the identification, disclosure, and management of any interests in compliance with the [Community Trust South Trust Deed](#).

This policy outlines the main provisions of the Trust Deed but is not necessarily a definitive statement of the full Deed therefore if a Trustee is in doubt, it is recommended that they refer to the actual wording of the [Community Trust South Trust Deed](#).

15.1 Identifying interests

15.1.1 As per [Community Trust South Trust Deed 9.1](#) a Trustee will be interested in a transaction to which the Trust is a party if the Trustee:

- is themselves a party to the transaction, or will derive or may derive a **material** financial benefit from the transaction;
- has a material financial interest in a party to the transaction;
- is a director, officer, or trustee of a party to the transaction, or of a person who will or may derive a material financial benefit from the transaction (other than a party that is wholly owned by the Trust);
- is the parent, child, spouse, civil union partner, or de facto partner of a party to the transaction, or a person who will or may derive a material financial benefit from the transaction; or
- is otherwise directly or indirectly materially interested in the transaction.

15.1.2 There is no definition of 'materiality' provided in the Trust's Deed therefore in determining whether an interest in a transaction is material consideration will be given to, but not necessarily limited to, the following:

- i. The amount or percentage of the transaction and associated interest.
- ii. The level of control or potential influence associated with the interest.
- iii. The level of personal gain associated with the interest.

15.1.3 A Trustee is not interested in a transaction solely by virtue of being a member of the community in the Trust's specified area that will derive a benefit from the transaction.

15.1.4 As per [Community Trust South Trust Deed 9.1 \(c\)](#) and the [Companies Act 139 \(c\)](#) a Trustee appointed as a director of Invest South Limited is not interested in a transaction between Invest South GP Limited and the Community Trust South as Invest South GP Limited is wholly owned by Community Trust South, except where there is a personal financial interest e.g., director remuneration.

15.1.5 Guidance on the types of transactions where a Trustee is potentially materially interested can be found in Appendix A. To note this list is not an exhaustive list and is merely provided for guidance purposes only, if there is any uncertainty refer 15.2.5.

15.2 Disclosing conflicts of interest

- 15.2.1 As soon as a Trustee becomes aware that he or she is interested in a transaction or proposed transaction to which the Trust is a party or has an interest which requires disclosure under a Trust policy, he or she must disclose the following information to his or her co-Trustees:
- a. the fact of the Trustee's interest in the transaction;
 - b. if the monetary value of the Trustee's interest is able to be quantified, the nature and monetary value of that interest; and
 - c. if the monetary value of the Trustee's interest cannot be quantified, the nature and extent of that interest.
- 15.2.2 A disclosure of interest by a Trustee (and the nature and extent of any monetary value of that interest) must be recorded in the Trust's Register of Conflicts of Interest.
- 15.2.3 Trustees who perceive that any other Trustee has, or may be perceived to have, an interest in a transaction that has not been notified to the Board, should draw this to the Board Chair's attention (or the Deputy Chair if the matter concerns the Chair), as soon as possible. Where this is not possible for reasons of timing, the matter should be drawn to the attention of the Board meeting at which the non-declaration of a conflict becomes apparent.
- 15.2.4 With reference to the Trust's Generosity Policy, in the interests of transparency, Trustees shall disclose any pecuniary remuneration or any sums of money or payments in kind whether directly or indirectly they have received because of their role as a Trustee. Trustees will also disclose any other generosity or benefit received because of their role as a Trustee.
- 15.2.5 Due to the lack of certainty about what is considered material, the prudent approach for Trustees is to disclose their interests if they are in doubt as to whether they stand to derive material benefits and interests.

15.3 Managing conflicts of interest

- 15.3.1 As per Community Trust South Trust Deed Schedule 5.1, a Trustee who is interested in a transaction entered into, or proposed to be entered into, by the Trust must identify and declare the interest without prompting at the beginning of the meeting under the Declarations of Interest agenda item **and** reiterate the interest when the specified item is to be discussed, and may not:
- a. vote on a matter relating to the transaction;
 - b. attend the portion of a meeting of Trustees at which a matter relating to the transaction arises, and be included among the Trustees present at the meeting for the purpose of a quorum for the part of the meeting discussing and voting on the transaction. The Board, excluding the Trustee interested in the transaction, may request the Trustee provide information prior to their departure from the meeting. In such instances the Trustee's comments will be recorded in the minutes of the meeting.
 - c. sign a document relating to the transaction on behalf of the Trust; and
 - d. do anything else as a Trustee in relation to the transaction;

except that a Trustee may vote, be counted in a quorum, sign a document, or do anything else in respect of the following matters:

- a. policies relating to payments and reimbursements to Trustees generally;
- b. the authorisation of such payments and reimbursements (whether or not the Trust has a policy in place);
- c. insurance for Trustees; and
- d. if at any time permitted and only to the extent permitted, the granting of indemnities to Trustees.

15.3.2 Interests Register

- i. The Trust will keep a Register of Trustees' Interests:
 - Trustees will initially disclose interests on appointment (refer Appendix B for guidance on the types of interests that should be disclosed on appointment).
 - Trustees will update their interests in BoardPro on an ongoing basis when an interest is identified.
 - The register of interests will be included in the Boardpack, reviewed at each Board meeting, and reviewed annually by the AFRM Committee.
- ii. The Trust will keep a Register of Conflicts of Interest:
 - Disclosure of an interest by a Trustee (and the nature and extent of any monetary value of that interest) will be recorded in the Register of Conflicts of Interest.
- iii. The Register of Trustees' Interests and Register of Conflicts of Interest will be publicly available on the Trust's website. However, the Register of Conflicts of Interest publicly available on the website will exclude the monetary value of the Trustee's interest for privacy reasons.

15.3.3 A written record of declarations of interests made at meetings will be included in the minutes.

15.3.4 Generally, because of the potential for conflict (or perceptions of conflict), the Trust will refrain from appointing Trustees to bodies that may seek Trust financial support. In the instance that a Trustee is the Trust's nominee or appointee on an external body, that Trustee shall not be deemed to have a conflict of interest and shall be permitted to participate in Trust decisions relating to that body.

Policy Version Control	Action	Date Amended
1.0	Major rewrite re: new Trust Deed	28.07.2021

Appendix A: Guidance on the types of transactions where a Trustee is potentially materially interested

Grants/Loans/Scholarships:

- Where a Trustee is a director, officer or Trustee of the organisation which is making a grant, loan or scholarship request or enquiry
- Where a Trustee is the parent, child, spouse, civil union partner, or de facto partner of someone who is a director, officer or Trustee of the organisation which is making a grant, loan or scholarship request or enquiry
- Where a Trustee is an employee of or provides service under contract to the organisation which is making a grant, loan or scholarship request or enquiry
- Where a Trustee is the parent, child, spouse, civil union partner, or de facto partner of someone who is an employee of or provides service under contract to the organisation which is making a grant, loan or scholarship request or enquiry

Investment:

- Where a Trustee is a director, officer, or Trustee of a company the Trust is considering making a direct investment in
- Where a Trustee is the parent, child, spouse, civil union partner, or de facto partner of someone who is a director, officer, or Trustee of a company the Trust is considering making a direct investment in
- Where a Trustee is a shareholder in a company or other business entity the Trust is considering making a direct investment in, depending on the level of the shareholding
- Where a Trustee is the parent, child, spouse, civil union partner, or de facto partner of someone who is a shareholder in a company or other business entity the Trust is considering making a direct investment in, depending on the level of the shareholding
- Where a Trustee is a beneficiary or Trustee of a Trust which is a shareholder in a company the Trust is considering making a direct investment in, depending on the level of the shareholding
- Where a Trustee is the parent, child, spouse, civil union partner, or de facto partner of someone who is a beneficiary or Trustee of a Trust which is a shareholder in a company the Trust is considering making a direct investment in, depending on the level of the shareholding

Procurement (subject also to the Outsourcing and Procurement Policy):

- Where a Trustee is a director, officer, or Trustee of the organisation with which the Trust is considering a contract for service
- Where a Trustee is the parent, child, spouse, civil union partner, or de facto partner of someone who is a director, officer, or Trustee of the organisation with which the Trust is considering a contract for service

Appendix B: Guidance on types of interests to disclose on appointment

- Positions held as an Executive Officer or similar of a community not for profit organisation, business, or other type of organisation
- Positions held as a Trustee, secretary, or treasurer of a community not for profit organisation or other type of organisation
- Positions held as a Director of a company
- Membership of political parties, trade, or professional organisations
- Positions held by close family (i.e. parent, child, spouse, civil union partner, or de facto partner) of a community not for profit organisation or other type of organisation