Effective Altruism
Australia

CONFLICTS OF INTEREST POLICY

PURPOSE

The purpose of this policy is to prevent actual, potential, or perceived conflicts of interest from compromising EAA's integrity through the effective identification, disclosure and management of conflicts of interest and related party transactions. These situations present the risk that a director will make a decision based on, or affected by, these influences, rather than in EAA's interests.

This policy supports EAA to meet obligations under ACNC Governance Standard 5.

SCOPE

This policy applies to the directors of EAA. Specific provisions relating to Related Party Transactions also apply to Key Management Personnel.

DEFINITIONS

- A **conflict of interest** occurs when a director's personal interests conflict with their responsibility to act in the best interests of EAA. Personal interests include direct interests, as well as those of family, friends, or other organisations a director may be involved with or have an interest in (for example, as a shareholder). It also includes a conflict between a director's duty to EAA and another duty that the director has (for example, to another charity). A conflict of interest may be actual, potential or perceived and may be financial or non-financial.
- **Key Management Personnel** are persons having authority and responsibility for planning, directing and controlling the activities of EAA, directly or indirectly, including any director and senior executive officers, as defined under Australian Accounting Standard AASB 124 Related Party Disclosures and applied under ACNC reporting guidelines. EAA's operations manual is the source of truth for which staff members are currently considered Key Management Personnel and will be reviewed each year as related party transactions are reported in the annual financial statements.
- A **related party** is a person or organisation connected to EAA through control, influence, key management roles or close family relationships. This includes:
    - A director or a close member of their family (such as spouses or dependants).
    - A member of EAA's Key Management Personnel or a close member of their family (such as spouses or dependants).
    - An organisation connected to EAA that has control or significant influence over EAA (such as a parent entity), or an organisation that EAA has control or significant influence over (such as a subsidiary).

    - Another organisation where an EAA related party controls the organisation, holds significant influence over it, or serves as a member of its key management personnel.
- A **related party transaction** is any transfer of resources, services, or obligations between EAA and a related party, regardless of whether a financial price is charged. Related party transactions can lead to perceived, potential or actual conflicts of interest. Conflicts of interest may arise when a related party has an interest that can conflict with EAA's interests.
- A **restricted access arrangement** is a formal variation to standard disclosure access granted in exceptional circumstances where a conflict involves highly sensitive personal or commercial information. This may include masking specific sensitive details in the general register or limiting digital access to the entry to specified officeholders (such as the Chair and Secretary).

POLICY

Conflicts of interest are common, and they do not need to present a problem for EAA as long as they are openly and effectively managed.

It is the policy of EAA, as well as a responsibility of the EAA board, that ethical, legal, financial or other conflicts of interest are avoided where possible, and that any such conflicts that do arise are openly disclosed and effectively managed so they do not compromise the director's obligations to EAA.

EAA manages conflicts of interest by requiring directors to:

- avoid conflicts of interest where possible
- identify and disclose any conflicts of interest
- carefully manage any conflicts of interest, and
- follow this policy and respond to any breaches.

Responsibility of the Board

The Board is responsible for:

- establishing a system for identifying, disclosing and managing conflicts of interest
- monitoring compliance with this policy, and
- reviewing this policy at least every three years to ensure that the policy is operating effectively.

EAA directors must be aware of the ACNC Governance Standards, particularly Governance Standard 5, and disclose any actual or perceived material conflicts of interests as required by Governance Standard 5.

Identification and disclosure of conflicts of interest

Once an actual, potential or perceived conflict of interest is identified, it must be entered into EAA's register of interests, as well as being raised with the Board.

If all directors share the same conflict of interest, EAA must evaluate whether it can still meet its compliance obligations under ACNC Governance Standard 5. The Board must take proactive, reasonable steps to ensure that all directors continue to uphold their core legal duties—specifically, acting in good faith, exercising due care and diligence, disclosing material personal interests, and ensuring the financial affairs of the charity are managed responsibly—despite the shared conflict.

EAA may:

- obtain professional advice,
- consider whether there are any relevant exceptions in its constitution or legislation,
- consider appointing new directors; and
- instruct its directors to consider whether they can continue in the role.

The register of interests must be maintained by the Secretary. The register must record information related to a conflict of interest (including the nature and extent of the conflict of interest and any steps taken to address it).

Identification and management of related party transactions

EAA tracks related party transactions involving directors, Key Management Personnel, or their close family members.

Any proposed related party transaction involving contracts for services, asset transfers, shared employee arrangements, or non-routine financial commitments must be declared prior to execution. These transactions must be reviewed and approved by the unconflicted members of the Board to ensure they are in EAA's best interests and conducted on terms no less favorable to EAA than standard arm's-length terms.

Routine donations made via standard public channels and expense reimbursements within approved budget limits do not require prior Board approval.

EAA will maintain a register of related party transactions. When a related party transaction may give rise to a perceived, potential or actual conflict of interest, it will be recorded in EAA's register of interests.

Confidentiality of disclosures

The register of interests will be kept confidential and secure. It will be accessible to all directors and the financial controller to ensure proper oversight and financial management.

In exceptional circumstances, a director may request a restricted access arrangement from the Secretary. Any such arrangement must be formally approved by the Board. The Board will grant approval only if it is satisfied that the restriction is legally necessary or required to

protect legitimate privacy, and that the arrangement will not compromise the Board's collective ability to identify, monitor, and manage the underlying conflict of interest.

The register of related party transactions will also be kept secure and accessible to directors, the CEO, the financial controller, and the bookkeeper. Information in this register will be kept confidential except where summary disclosure is required by law, accounting standards, or ACNC reporting obligations in EAA's annual financial statements.

ACTION REQUIRED FOR MANAGEMENT OF CONFLICTS OF INTEREST

Board Exclusion and Voting Restrictions

In accordance with the *Corporations Act 2001* and EAA's Constitution, any director who has a material personal interest in a matter that is being considered at a board meeting must not:

- be present while the matter is being considered, or
- vote on the matter.

The director may only be present or vote if the remaining directors (who do not have a material personal interest in the matter) pass a formal resolution that explicitly permits their presence or participation. To meet requirements under the *Corporations Act 2001*, this resolution must:

- identify the director, the nature and extent of the director's interest in the matter and its relation to the affairs of the company; and
- state that those directors are satisfied that the interest should not disqualify the director from voting or being present.

The exact wording of any such resolution, along with the times of the conflicted director's exit and re-entry, must be recorded in the meeting minutes. The action and result of the voting will be recorded in the minutes and register of interests.

Criteria for Granting an Exception

When deciding whether to pass a formal resolution allowing a conflicted director to be present or vote, the remaining unconflicted directors may consider:

- whether the conflict needs to be avoided or simply documented
- whether the conflict will realistically impair the disclosing director's capacity to impartially participate in decision-making
- alternative options to avoid the conflict
- EAA's objects and resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of EAA.

Ongoing or Systematic Conflicts

Where a director has a conflict of interest that is ongoing, systemic, or of such significance that it prevents them from regularly participating in board discussions or decision-making, the Board may determine that the conflict cannot be practically managed. In these exceptional circumstances, the Board may request the relevant director to resign.

COMPLIANCE WITH THIS POLICY

If the Board has a reason to believe that a director has failed to comply with this policy, it will investigate the circumstances.

If it is found that the director failed to disclose a related party transaction or conflict of interest, the Board may take action against them. This may include their removal as a director of EAA.

If a director suspects that another director has failed to disclose a related party transaction or conflict of interest, they must discuss with the director in question and, if the concern remains, bring to the attention of the Secretary.

ADOPTION

The EAA Conflicts of Interest Policy is to be maintained by the EAA Board, ensuring it is reviewed at least every 3 years.

The EAA Board approved and adopted the EAA Conflicts of Interest Policy on 28 April 2022. Any subsequent revisions are to be recorded in the following table:

Revision Number	**Date Approved**
EAA Conflicts of Interest Policy	28 April 2022
Revision 1	11 August 2026
Revision 2	*Due by 11 August 2029*