

***Waitaki Power Trust***


***100% Shareholder of Network Waitaki Limited***



# **Managing Conflicts of Interest**

Waitaki Power Trust

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| <b>Name of Policy</b> | Managing Conflicts of Interest |
| <b>Effective Date</b> | August 2024                    |

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|                     | <b>Designation</b> | <b>Signature</b>   |
| <b>Written By:</b>  | Lichelle Guyan     |  |
| <b>Approved By:</b> | Trustees           |  |
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| Version 2                 |                               |                     |              |                    |
|                           |                               |                     |              |                    |

## 1. Purpose

To outline of how to recognise and manage conflicts of interest in order to protect the Trust from the risks, implications and consequences if not declared or managed appropriately.

## 2. Scope

This document outlines the policy and procedures that need to be followed when a conflict is declared. This policy also applies to potential conflicts that may exist when appointing NWL Directors.

## 3. Objectives

To understand:

1. When a conflict may exist
2. How to record conflicts of interest
3. How to assess and record decisions on specific conflicts.

## 4. Definitions

The following definitions apply to this document:

**BoardPro** – a system for recording WPT conflict of interests

**NWL** – Network Waitaki Limited

**OAG** – Office of the Auditor General

**The Template** – the record of conflict of interests' template

**WPT** – Waitaki Power Trust

## 5. What is a conflict of interests?

A conflict of interests can arise:

- 5.1 Where two different interests overlap (e.g. a conflict between their duty as a trustee and a personal interest in a transaction)
- 5.2 Where a trustee has multiple interests, one of which will or might impact the motivation to act in another (Institute of Directors)
- 5.3 When there is a clash between an individual's personal interests and their professional responsibilities, leading a potential bias, unethical behaviour, or compromised decision-making

It is important to identify and address conflicts of interest to maintain trust, transparency, and ethical standards in various settings, such as businesses, organisation, government entities and most importantly, with our consumers.

Trustees have a duty to avoid a conflict as per section 34 of the Trusts Act 2019.

A trustee must avoid a conflict between the interests of the trustee and the interests of the beneficiaries.

***Some examples of a conflict:***

- being a current or (recent) former advisor, director, or partner of another business or organisation;
- using confidential information received in their capacity as trustees
- trustees taking up opportunities offered to but declined by the company
- being a relative, close friend or business associate of person being considered for a director's role
- being a member of a club, society, or association that could benefit from the decision
- owning or occupying a land, value may be affected by the company activity piece of land;

## 6. Types of Conflict

There are four different types of conflict:

Financial;

non-financial;

Conflict of role; and/or

predetermination

When assessing the type of conflict consider the following:

### Financial:

- Do you stand to gain or lose financially from the decision?
- Does someone close to you – like an immediate family member or a business you are involved with – stand to gain or lose financially from the decision?

### Non-financial:

- Might you be affected personally in some other way (other than financially) that might make you biased or appear biased?
- Is someone close to you or an organisation you are involved with likely to be affected by the decision you make?
- If so, is there a risk that you will be seen to be biased in your decision because of this relationship or association?

### Conflict of roles:

- Will a second organisation you have a role in (entity B) be affected by the decision you are making for the public organisation you work for (entity A)? If so:
- Is there a risk that you will be seen to be acting in the interests of entity B rather than entity A?
- If you participate in this decision, is there a risk that you might breach obligations you owe to either entity – for example, a duty of loyalty or confidentiality?

### Pre-determination:

- Does it look like you have already made up your mind?
- Is there anything you have previously done or said that might make people think you are not going to listen fairly to all the relevant information before you make your decision?

More information is available from the OAG – click on the links

[Managing Conflicts of Interest](#)  
[Overview - Conflicts of Interest](#)

## 7. Process to record and manage conflict of interests

The process for a conflict is simple as long as the conflict is identified.

An actual or perceived conflict should be declared as soon as identified. Some conflicts exist because of interests in commercial operations, and these should be recorded as ongoing conflicts until the conflict no longer exists.

- **Identify** – the conflicted trustee identifies that they have a conflicting interest
- **Declare** – the conflict is recorded in BoardPro and discussed with the Chair prior to the next meeting.
- **Assess** – what sort of conflict
- **Manage** – the trust collectively agrees on how the conflict should be managed

## 7.1 Identity

- 1.1 when you identify a conflict, review the policy and procedure to determine if it should be declared.
- 1.2 If you are unsure if a conflict exists, contact and discuss with the Chair
- 1.3 Move to 1.2

## 7.1 Declare

- 1.1 record the conflict in BoardPro
- 1.2 review the record of conflict of interests template and complete the key points for discussion at the meeting
- 1.3 move to 1.3

## 7.1 Assess

- 1.1 consider what type of conflict you have (noting there might be multiple conflicts)
- 1.2 prepare the template to the secretary to include in the meeting agenda
- 1.3 the secretary will note the new entry in BoardPro and/or the template and add the conflict to the meeting agenda for discussion
- 1.4 the secretary will complete the template at the meeting
- 1.5 the trustee with the conflict will explain the extent of the conflict, if the conflict is actual or perceived and why
- 1.6 trustees will have an opportunity to ask questions to be confident they are informed prior to making a decision on how to manage the conflict

## 7.1 Manage

- 1.1 The Trust will determine and consider:
  - the right of a conflicted trustee to receive notice of any board meeting at which the matter that is the subject of the conflict is to be considered
  - the right to attend meetings
  - the right to be included in the quorum
  - the right to participate in discussion
  - the right to vote
- 1.2 Management of the conflict will be recorded in the template and a date for review determined. This could be ongoing, annual or a set date
- 1.3 The template will be filed in BoardPro under documents – Conflicts of Interest and the decision captured in the meeting minutes.