

Board Conflicts Policy

1. A Member is considered to have an interest in respect of a matter if he or she:
 - (a) may derive a financial benefit from the matter;
 - (b) is the spouse, civil union partner, de facto partner, child, or partner of a person who may derive a financial benefit from the matter;
 - (c) may have a financial interest in the person to whom the matter relates;
 - (d) is the partner, director, officer, board member, or trustee of a person who may have a financial interest in a person to whom the matter relates; or
 - (e) is otherwise directly or indirectly interested in the matter.
2. A person is not interested in a matter:
 - (a) only because he or she is a member or officer of a wholly-owned subsidiary of FMA or of a subsidiary that is owned by FMA together with another parent Crown entity or entities;
 - (b) because he or she receives an indemnity, insurance cover, remuneration, or other benefits authorised by the CE Act or another Act; or
 - (c) if his or her interest is so remote or insignificant that it cannot reasonably be regarded as likely to influence him or her in carrying out his or her responsibilities under the CE Act or another Act.
3. Members must disclose all interests and potential interests to the Board. Each Member is obliged to disclose any interests he or she considers may be a conflict of interest. Members should take a broad and honest approach to identifying their interests and when considering potential conflict of interest situations. The Board strongly encourages Members to consult with the Board on a full and frank basis, whenever they are uncertain as to whether a conflict of interest or potential conflict of interest may exist. This will allow guidance to be given and will ensure the transparency. Members are also referred to the decision of the Supreme Court in *Saxmere Company Limited v Wool Board Disestablishment Company Limited* [2010] 1 NZLR 35.
4. The Board maintains a register of all interests declared by its Members and will review the register at the commencement of each Board meeting. In advance of the Board papers being prepared each month, each Member's individual list of interests is sent to him or her for updating or confirmation. This will be returned to the secretary before Board papers are

dispatched, allowing FMA to remove or redact papers from packs to be sent to Member as necessary. Each Member's updated list is sent out with that person's Board papers. As a standing agenda item at the meeting Members confirm that their interests are correctly recorded. The interests register will be available to senior Staff, who check it as part of the process for forming Divisions.

5. Disclosure of interests can also be made through a "standing disclosure" if the Member has an ongoing interest in a matter which could be the subject of regular discussion by the Board. Standing disclosures must be updated as soon as there is any material change to the interest disclosed.
6. A Member who is interested in a matter:
 - (a) must not vote or take part in any discussion or decision of the Board or any Committee relating to the matter or otherwise participate in any activity of FMA that relates to the matter;
 - (b) must not sign any document relating to the entry into of a transaction or the initiation of the matter; and
 - (c) is to be disregarded for the purpose for forming a quorum for that part of a meeting of the Board or Committee during which a discussion or decision relating to the matter occurs or is made.
7. The Board must notify the Minister of a failure to comply with any of the conflict of interest rules in this policy.
8. The Chairperson may, by prior written notice to the Board permit one or more Members to remain involved in a matter to which they have an interest if the Chairperson is satisfied that it is in the public interest to do so. Such permission may be subject to any condition which the chairperson considers necessary. All such permissions must be disclosed in FMA's annual report.
9. The Chief Executive and the Staff will be expected to be aware of the interests contained in the register. The Chief Executive and Staff must ensure that Members who have declared an interest will not be provided with information relating to that interest unless the Board has determined that the interest does not pose a conflict or the Member has been permitted to act.
10. Members must also have regard to the provisions relating to conflicts and potential conflicts of interest in the Board Code of Conduct and Ethics adopted by the Board, as amended or replaced from time to time.