



CONFLICT OF INTEREST POLICY

1. BACKGROUND

The ability of decision makers and influencers (Directors, Advisors, Commission Members, Staff) of the International Life Saving Federation of Europe (ILSE) to make deliberate, thoughtful, and disinterested decisions may be affected by other interests - personal and professional.

The ILSE is entitled to a decision maker's best judgement, which should not be clouded by conflicting interests. It is imperative for directors to remember that the ILSE depends on the trust of donors, volunteers, and other supporters. Even the appearance or suggestion of conflict can damage the reputation of the ILSE and its ability to further its mandate of saving lives.

The appearance of reality is critical, and a perceived conflict of interest of a decision maker could have devastating consequences for the ILSE, even if the questionable transaction fails to meet the relatively narrow legal definition of conflict of interest. In terms of the public perception of the ILSE, it is important that not only are conflict of interest situations identified and managed, but that they are seen to be handled in a manner which is fair, consistent, above-board and transparent.

This conflict of interest policy does not prohibit conflicting interests, but provide a formal process to manage conflicting interests successfully. The policy has two basic purposes: first, it allows approval of contracts or transactions by disinterested decision makers who have knowledge of the circumstance of a transaction, so that decisions are both informed and disinterested. Second, the policy ensures that a contract or other transaction between the ILSE and an individual decision maker who revealed his or her interest, and which was voted by a quorum of disinterested directors, cannot be challenged if it is fair to the ILSE.

2. DEFINITION OF CONFLICT OF INTEREST

Throughout this policy, conflict of interest broadly refers to any situation in which a decision maker of the ILSE is influenced in an organisational decision by personal, financial, business, or other concerns unrelated to the ILSE's best interests. It also deals with situations where it could be perceived that a decision maker is in a conflict situation as described above.

3. STATEMENT OF POLICY

No decision maker shall use his or her position, or the knowledge gained therefrom, in such a manner that a conflict between the interest of the organisation or any of its affiliates and his or her personal interest arises. Each decision maker has a duty to place the interest of the organisation foremost in any dealings with the organisation and has a continuing responsibility to comply with the requirements of this policy. The conduct of personal business between any director and the organisation and any of its affiliates is prohibited, except when approved pursuant to the policy set out below.



Decision makers may not obtain for themselves, their relatives, or their friends a material interest of any kind from their association with the organisation, except when approved pursuant to the policy set out below.

If a decision maker has an interest in a proposed transaction with the organisation in the form of a significant personal financial interest in the transaction or in any organisation involved in the transaction, or holds a position as trustee, director, or officer in any such organisation, he or she must make full disclosure of such interest before any discussion or negotiation of such transaction.

4. PROCESS FOR DEALING WITH A CONFLICT SITUATION

A decision maker is considered to have a conflict about a proposed transaction of the ILSE in the following circumstances:

- The decision maker has an interest in the proposed transaction in the form of a significant personal financial interest in the transaction or in any organisation involved in the transaction, or holds a position as trustee, director, or officer in any such organisation.
- A member of the immediate family of a decision maker has an interest in the proposed transaction in the form of a significant personal financial interest in the transaction or in any organisation involved in the transaction, or holds a position as trustee, director or officer in any such organisation (immediate family is considered to include a spouse, child, parents, grandparents, brother or sister, or any family member financially dependent on the decision maker).
- In any other circumstance where the decision maker, or any other decision maker, believes that a real or perceived conflict may be present.

It is the responsibility of a decision maker to declare circumstances where a conflict exists. Furthermore, any decision maker may also identify situation where they believe that another decision maker has a conflict.

All conflict of interest situations involving a transaction with a financial value or benefit more than 1,000 Euro must be approved by the Board of Directors. Conflict situations involving transactions below this threshold must be approved by two (2) disinterested ILSE directors, if such transaction does not represent a series of transactions (in such cases the series of transactions must be approved the Board of Directors). In considering conflict situation, the Board of Directors must consider the following guiding principles (International Life Saving Federation 3 ILS Policy - POL-16, Conflict of Interest Policy):

- The process for selecting the other party to the transaction and whether appropriate tendering has been undertaken to identify appropriate parties and to validate the value if the transaction.
- The business needs of the ILSE for entering the transaction and whether such needs are best satisfied by the party that has caused the conflict situation to arise.



- Notwithstanding the above principles, whether entering the transaction with the party could be perceived by a reasonable person to represent an unacceptable conflict and where such perception could damage the reputation of the ILSE.

When the Board of Directors is discussing a transaction involving a conflict of interest:

1. The conflicted decision maker may not participate in such discussion as an advocate on their own behalf, either formally at the Board of Directors meeting or informally through private contact, communication and discussion, unless such participation is approved by a unanimous vote of the other Directors.
2. Except where the participation of a conflicted director in the discussion of the matter has been approved as set out in 1. above, the decision maker should not be present at that portion of a meeting when matters in which they have an interest are considered.
3. The conflicted decision maker may not participate in the vote on the matter.
4. For the transaction to be approved, there must be a simple majority vote of the disinterested directors present at the meeting. For such a vote to be held, there must be a minimum of three (3) disinterested Directors present at the meeting.

All discussions related to conflict of interest situation will be clearly documented in minutes of the Board of Directors meeting.

5. GIFTS

From time to time, decision makers may be the recipient of gifts during conducting activities on behalf of the ILSE. The following applies with respect to gifts:

- Any official gift accepted by an individual decision maker acting as an ILSE representative is the possession of the ILSE.
- Any gift received as personal recognition for the individual decision maker can be received for the personal benefit of such decision maker – the decision maker must declare any gifts with a value greater than 100 Euro to the ILSE Board of Directors.

A decision maker must decline to accept any gift, or a series of gifts, where the receipt of such gift or gifts could be perceived in a manner that would damage the reputation of the ILSE. No gift can be accepted in circumstances where the party providing the gift is, or could be perceived to be, attempting to influence a decision or vote on the ILSE in matters concerning the ILSE or any other body that the ILSE has a voting interest in.

In no circumstances, can a decision maker accept a gift from another party that has a commercial relationship with the ILSE unless such receipt is approved by the ILSE Board of Directors following the procedures for conflict of interest set out in this Policy.



6. DISCLOSURE

Decision maker must sign the attached forms dealing with conflict of interest and, if not previously disclosed, will make disclosure of particular transactions before any relevant Board of Directors or committee action.

7. IMPLICATION OF BREACH OF CONFLICT OF INTEREST POLICY

If it is determined that a decision maker has violated this Policy, the circumstances of such violation will be reviewed by the disinterested ILSE Directors. If decided upon unanimously by the disinterested directors, the decision maker who has violated the policy will be asked to resign from the Board of Directors.

The Board of Directors will take whatever steps it feels are appropriate under the ILSE legislation to deal with any situation that cannot be resolved through the process described in the preceding paragraph.

8. APPLICATION OF GUIDELINES FOR VOLUNTEERS BELOW THE DIRECTOR LEVEL

The above guidelines will also apply to conflict situation that may arise involving Commission Members, Advisors and Staff of the ILSE. Accordingly, commission members and staff will also be required to complete annual declarations in the attached form dealing with conflict of interest.