



CONFLICT OF INTEREST POLICY FOR DIRECTORS

1.0 INTRODUCTION

- 1.1 The purpose of this policy is to provide guidance to members of the AFI Board of Directors (hereinafter referred to as “directors”) in identifying and handling actual and potential conflicts of interest in the discharge of their oversight role in the organization.
- 1.2 In the course of carrying out the work and responsibilities of the Board, conflicts can arise when a director faces a choice between what is in his or her personal interest or interests of closely connected persons¹, his or her institution’s interest and the varying interest of AFI including that of donors or funders. The conflict of interest may influence his/her ability to make decisions objectively or to perform fiduciary responsibilities in the best interests of AFI.
- 1.3 AFI expects its directors to always make business decisions in the best interests of the organization and endeavor to avoid conflict of interest situations. Directors are advised to communicate any actual or potential conflict to the Chair or Vice-Chair of the Board. The Chair or Vice Chair of the Board notes the matter and informs the Secretariat for record.

2.0 FIDUCIARY DUTY

- 2.1 Members of the AFI Board of Directors must at all times recognize and discharge their fiduciary duties to AFI in good faith and avoid participating in any activity of the Board where there exists an actual or perceived conflict of interest.
- 2.2 If any member of the Board of Directors or Committee faces a situation of actual or potential conflict, he/she must disclose the conflict to the Chair or Vice-Chair. In the case of the Chair of the Board or a Committee, he/she must disclose the conflict to the Vice-Chair of the Board or the said Committee.
- 2.3 With respect to the Board’s decision-making process, a director who becomes aware of circumstances that pose an actual or potential conflict of interest must declare interest, recuse themselves from the decision-making process and take no part in the discussion or the vote. If the director advises the Chair that he or she wishes to be recused from the decision-making process, the Chair will honor the director’s decision, and the recusal will be noted in the minutes.

¹ ‘Closely connected persons’ means fiancé(e)s, spouses, lifetime partners, relatives and direct in-laws, siblings, siblings’ children, siblings’ spouses and lifetime partners, siblings of spouses and their lifetime partners, parents’ siblings, and foster parents and foster children and any person closely connected to the director as would impair or potentially impair judgment.



2.4 Directors shall not use their position on the Board or information obtained in the course of their service on the Board to obtain financial gain or advantage for themselves or members of their family or other persons associated with them.

2.5 Directors and their officers and assistants shall respect the confidentiality of the information they are made privy to in the course of their service on the Board.

3.0 EXTERNAL ACTIVITIES

3.1 Directors shall not undertake activities that will directly interfere with their responsibilities at AFI or create risks for AFI's reputation or create conflict with the interests of AFI.

3.2 When acting in the capacity of director of AFI, paid activities (money or in-kind) undertaken for subcontractors or organizations with which AFI does business, is not permissible.

4.0 DUTY TO REPORT

4.1 Any director who becomes aware of circumstances that he or she believes pose a conflict of interest for another director should:

- (a) Discuss the issue with the said director;
- (b) If the issue is not resolved to the satisfaction of both parties, inform the Chair or Vice-Chair of the facts and his/her assessment of how the potential or actual conflict can be resolved; and
- (c) If the issue is not resolved to the satisfaction of all parties, the Chair or Vice-Chair will present the issue to the Board for decision.

4.2 If a director is unsure of how to deal with a situation, he/she should seek advice and guidance from the Chair, or in the case of the Chair, he should refer to the Vice-Chair.

4.3 Any breach of this Policy should be reported promptly to the Chair of the AFI Board of Directors. Breaches of this Policy will be dealt with in accordance with AFI's Articles of Association.

5.0 CONTACT AND INFORMATION

For further information related to this policy, please contact the Secretary to the AFI Board of Directors.

Approved by the Board of Directors on 6 August 2018.