

PADUA COLLEGE LIMITED
ACN 072 693 700 ABN 20 072 693 700

Policy Title	Version Number	Date Issued
Process for dealing with conflicts of interests of Board members	1.0	May 2014 Reviewed June 2015

Purpose

(1) The purpose of this policy is to establish a process for dealing with and avoiding situations where present and past directors of the Board of Padua College Limited fall into a conflict of interest between their duties as directors, and their own personal, or business interests.

(2) Clause 30 of the Constitution (Articles of Association) of Padua College Limited specifically deals with conflicts of interest for directors of Padua College Limited. It recognises that directors owe a fiduciary duty to Padua College Limited, which has the effect that they are to put their duty to the company ahead of their own interests. That clause recognises that a director may validly have an interest in what is defined in clause 1(r) of the Constitution as a '*questionable contract*', meaning a contract in respect of which a director directly or indirectly has an interest.

(3) Clause 30 provides that a questionable contract shall be satisfactory if the director who has an interest in the questionable contract informs a meeting of the Board of his/her interest; and does not at any time in which he/she has an interest, vote as a director in respect of the contract.

(4) This policy intends to ensure transparency to the entire community of Padua College (including the members of Padua College Limited, the Board of Directors, and the parents of students and staff) that value for money is demonstrated in the contracts entered into by Padua College Limited, where present or past directors have an interest.

Application of policy

(5) This policy applies to contracts which Padua College Limited may enter into, in which a present or past director has an interest.

(6) This policy is in addition to, and not in substitution for clause 30 of the Constitution of Padua College Limited. Where there is any inconsistency between this process and the Constitution of Padua College Limited, the Constitution will prevail.

Policy

(7) A present or past director of Padua College Limited may express an interest in a contract that Padua College may be proposing to enter into. As soon as the director forms that intention, the director must inform the Board.

(8) The Board may become aware that a past director is expressing an interest in a contract that Padua College Limited may be proposing to enter into.

(9) Once the Board becomes aware of an interest of a present or past director as described in paragraphs (7) and (8), the Board must take action to ensure that any bid or tender proposed by the present or past director expressing an interest in the contract is tested against the relevant market for value for money, before awarding the contract.

(10) The testing of the market may take the form that the Board sees fit as relevant to the proposed contract, including for example, putting the proposed contract to open tender, seeking advice from an independent person with expertise in the relevant market, or seeking advice from other organisations which may have entered into similar contracts or tender processes.

(11) As well as not voting in respect of any questionable contract, the present or past director who may have an interest in such a questionable contract must not be involved in testing the market for the questionable contract.

(12) A present or past director who has an interest in a questionable contract must not be involved in the Board's deliberations about award of a questionable contract, or the results of testing the relevant market.

(13) The Board must provide to the members of Padua College Limited any information the members seek on the process of testing the relevant market, or the process of awarding a questionable contract to a present director, or a contract to a past director.

(14) The Board may authorise publication to the community of Padua College about the awarding of a questionable contract, or a contract to a past director, as the Board sees fit, or as required by the members of Padua College Limited.