

# **Webinar Transcript**

## **Identifying and managing conflicts of interest**

So hi, everybody. Welcome to our webinar today titled Identifying and Managing Conflicts of Interest. Our webinar team today is Julie Garland McLellan, Steve Bowman and Phoebe Kitto. Hello. My name is Sean MacDonald and I shall be your moderator background for the next forty five odd minutes. Firstly, though, thank you for attending today. We always appreciate the effort you make to be here for our live events, the ones that we put on for you every week on Thursdays.

During the session, if you have any questions, please try and use the Q and A button on your toolbar just enables us to keep a track of the questions as they're coming through. Finally, if you stay through till the end, which of course we hope you will do, we have a special treat for you by answering our one minute short survey. You will go in the draw to win one of our beautiful weekly gift hampers worth over four hundred dollars Now, for those not too familiar with BoardPro, we are a board software provider, sometimes called a board portal. And we serve just over thirty thousand users around the world and we're represented in about thirty four different countries these days.

And we enable organizations to prepare for and run their board meetings more efficiently and effectively with less time and deliver more impact and value for the organization.

And as much as we are software provider, part of our wider mission here at BoardPro is to make the fundamentals of governance free and easy to implement for all organizations, but especially those organizations with resource constraints.

And one of the many ways we do this is by providing access to hundreds of governance templates, guides and white papers, which you'll find funnily enough in the resources section of our website. And these webinars that we put on every Thursday also are a great way of accessing really good governance information and knowledge without the time commitment and costs associated with in person events.

For the next forty odd minutes, just sit back and relax and try and add to the discussion by asking as many questions as you would like. A full recording of the webinar along with the slide deck and the transcript will be sent to you tomorrow.

So let's get into it starting with our team introducing themselves. I will have you first Julie, let's go with you first.

Hi, good morning, good evening if you're joining from Jamaica.

Really happy to be here, Kyora.

You probably know me most as the person who puts out the Director's Dilemma newsletter. It's the world's most widely read newsletter for directors. But I am half the time a board member and the other half of the time a consultant and advisor to boards and directors.

Over to you, Stephen.

Hi, everyone. Steve Bowman here from Conscious Governance. I've been working with boards and senior executives for, I don't know, forty five years or so, and have really seen an awful lot of amazingly good strategies techniques and behaviors around board tables and so one of the things I enjoy doing is sharing those stories sharing those incidents sharing those examples particularly around board behavior, board evaluations, strategy and so on. So looking forward to this discussion. Over to you Phoebe.

Oh, thank you so much Stephen. My name is Phoebe Kitto and I'm a Director from Human Resource Dynamics.

So we provide HR and industrial relations support to businesses. We work with a lot of boards, particularly in remote and regional areas in dealing with HR matters.

But I am also a member of three boards as well, so very much in the not for profit sector, so very much aware of the challenges and also the fabulous things that come from being part of a board.

Right. Over to you, Julie.

Right. Well, I thought I might start by just referring to one of the governance greats, Bob Garrett, wrote that lovely book, The Fish Rots from the Head and the first of his five fundamental things that boards must get right is that the director's primary loyalty is to the company as a separate legal entity. And that concept endures across most jurisdictions around the world. There are a few places where you have shareholder primacy, but most places around the world, it's organization primacy.

And I might just clarify here that when we talk about conflicts of interest, we are talking about when a director has an interest in a matter on which they're deciding and therefore the interests of the company and the interests of the director could be different. We're not talking about conflict between individual directors. We could talk about that, but that's a whole different webinar topic. So maybe we'll do that one next year.

Any comments from Steve or Phoebe?

I think the issue of conflict of interest, this is why it's such an important topic, is not just from the legal perspective but it's a way of actually managing conversations and getting the most out of people.

But on the other hand we've also seen many examples of where it's misused or used for the dark side to you know shut down conversations or you you can't do that there's a conflict there

No there isn't. Yes there is. No there isn't. Yes there is. And there goes half an hour of the board meeting.

Julie's got some great tips and techniques that we will talk about how to deal with the behavioural aspect of it as well. Julie?

Oh yes, the dark side within him, strong it is, I'll put my Yoda ears on for you.

Really importantly, legally as a director, you must act in good faith.

If you say something for one reason, for example, I don't think you should be involved in this because you've got a conflict, but what you actually mean is I don't want the board to hear what you say because I've got a conflict and I don't want an opposing viewpoint floating around the boardroom table, you're not operating in good faith. Technically you're breaking the law.

So try to remember that managing conflict is one thing, stifling debate is another.

Managing conflict is good, stifling debate is bad.

And here's the thing, everywhere I have looked around the world at different legal jurisdictions, I haven't found one where it's actually illegal to have a conflict of interest.

They usually say it's illegal to act from your conflict of interest or not to manage or not to declare and in some very sensitive environments they will actually stipulate how you manage them. As you can imagine, the Department of Defense and places like that will be very sensitive about conflict of interest. But conflicts are a good board. People often say no conflict, interest.

Caesar's horse did not have any conflicts with anything on the Senate agenda, but I don't think he would have made a reasonable Senator.

Think too, Julie, sorry, just to come in with some of that. I think there's a conflict of interest, but there's also a perception of conflict of interest. So I might be, I don't think there's any conflict of interest, my association or relationship, but other people may. So it's about putting it on the table and having the discussion to declare why you don't think it's a conflict of interest when other people may perceive that it's a conflict of interest. And that's really important being upfront with those conversations right at the beginning before you're in the weeds.

Yeah, I mean, Corporations Act recognizes conflicts of interest as real potential or perceived.

It also recognizes ties of affection and duty.

So, and I often find directors with more conflicts because of a conflict of duties than because they are dishonestly roting the company.

But the perception, a perceived conflict is a conflict, put it there. My favourite board is the Victorian Environmental Water Holder.

Because if you understand trading water rights where the water may or may not be there and you may or may not get it at the time at which you've paid for it, but you're still entitled somehow.

I really struggle with water rights, so does the government, but everybody on that board, to be able to understand water is either a trader or an investor or an irrigator. So they have a positive duty in their enabling legislation that every member of the board has a positive duty to raise any conflict perceived or otherwise of any other director and that's a really good way of getting some of those perceptions up there and again there is no problem with a perceived conflict of interest because later on we will see how you categorize them. But yeah, it's an issue, isn't it?

By the way, please type in the Q and A, I love answering questions. One of the things that I find makes conflicts of interest so exciting as a topic to assist boards with is that there are so many different definitions, particularly when you start reading your constitutions or your memoranda or your bylaws, people talk about pecuniary, they talk about direct or indirect, they talk about substantial, they talk about influential.

And here's the thing, if you are wiggling around with your definitions of what does this word mean, what does that word mean, you're probably not operating in good faith.

Know that the clear example of this would be President Clinton. I expect most people on this call are old enough to remember him looking down the camera and going: I did not have sexual relations with that woman, Monica Lewinsky.

And what they didn't realize was that before that conversation, he had defined what sexual relations were and who that woman was, because then he was able to claim honestly without getting impeached that he had. But that to me is whilst it's technically honest, it's actually dishonest and you don't want to descend into that. So I prefer to say anything that might prevent your free decision making on a topic is likely to be a conflict of interest. And we've got a lovely comment in the chat from Louise. Thank you, Louise, for breaking the ice. How to deal with nepotism as a CEO. So I am assuming that that's when the board are trying to put their cronies into your organization or when the CEO is trying to put family members and cronies into the organization.

I know how I deal with it, but maybe we'll float to Phoebe because I think that's more in your wheelhouse.

Yeah, look, I think before I moved to Far North Queensland, would say a pretty hard line with nepotism, like we just shouldn't just don't go there, like if you cannot have family members or relations coming into the business and causing the conflict, it is ideal.

But I have certainly learned working with small communities and regional areas, that's just not an option, particularly when you're dealing with First Nation corporations, with boards. It is family organisations. So I don't have as much of an issue with nepotism or with family being involved, nepotism not implying that there's something wrong with that relationship, employing or engaging either directors or employees.

But you have to have very clear policies around it. There needs to be full transparency and absolutely there needs to be declarations when it comes to performance management, promotion, entitlements, making decisions. So it's fine to have family members there, but you have to be all over as a board how you're managing that.

One of the things that I often find, Julie and Phoebe, is that people go straight to the words conflict of interest and automatically assume it's bad. It's not good.

One of my biggest bugbears is when you look at agendas and I'd see thousands and thousands of agendas a year and you see the heading that says 'conflict of interest' or 'Declaration of Conflict of Interest' and that to me is such a misnomer because we should be talking about the interests and then decide whether or not there's a conflict.

And so when you're looking at do I have an interest in something that might be real or perceived or potential into the future?' Now I think I might have a conflict but I want the board's view on this too. And so what often happens is that if you've got on your agenda this heading that says declaration of conflict of interest sometimes people are not even thinking about it because they're looking at all the negative things whereas if you had something that said declaration of interest I have an interest in this because I sit on this board now board how do you want to deal with that that's a much more hygienic way of actually dealing with conflict of interest rather than regarding it as a negative. Julie?

Yeah, agree. An alignment of interest is technically a conflict of interest, even though it's not a conflict, it's an alignment. If you can get your head around that, you'll have no trouble with Alice through the looking glass.

But I had a case where I was chairing a board, major shareholder sat on the board, company needed to raise capital and major shareholder underwrote the capital raising because that allowed him to increase his stake in the company more than the six percent that he's allowed under the CREEP provisions, but transparently and openly, but it also meant that we could raise capital more quickly, more efficiently and at a better price because an underwritten offer is generally perceived as lower risk and therefore better value than a non underwritten offer. So he had an interest in the offer as well as an interest in the company, but they were aligned and synergistic. We kicked that poor man out of the boardroom pretty much every meeting, so that we could talk about things without him and then we brought him back in and told him what we had decided.

And then after everything was done and dusted, the share price tripled, which was very nice. And then a shareholder popped up and said: Oh, you knew that this was going to happen because you were on the board and there was this conflict of interest and now I want to buy shares at the offer price.

And we just wrote back and said: No, there's this thing called the stock exchange. You can put an offer there to buy shares at any price you want and good luck getting call filled if you put in an offer at one third of the price.

But we didn't say that bit in the letter. And then he wrote to the ASX and he wrote to ASIC and we wrote to them, we said: Here's our share trading policy. Here's our conflict of interest policy.

Here is the decision register with notes that there was a conflict in these decisions and would you like copies of the minutes for each of those meetings so that you can see that this gentleman was out of the room? They both wrote back and said: No, thank you.

The ASX actually wished us success, which was very nice of them. If we hadn't managed that conflict, that could have cost us a fortune in legal fees or it could have tempted to do something that was very unfair to other shareholders who had taken the risk at the time or to other shareholders who were buying shares at three times the price that this one might have gotten, which I think is totally unethical.

So Julie, do you recommend that your reasoning is to determine whether it's a conflict of interest or not or how to manage it?

That just goes into the minutes, or do you include a summary of what that is into the register to the side? Like what or does it not really matter? Is it up to each board?

I would put it in I would put all interests in the register.

I love Stephen's calling them interests. Some of my government boards, you call them what the law says you'll call them, so they're conflicts.

But put them in the register, but refer to them in the minutes when you're making decisions and make sure that the minutes note that in accordance with the policy, this conflict was managed in this manner, which I think is really, really important.

Setting up registers is very good business and there are of course a set of registers that you can use on the BoardPro portal.

There's a lovely question from Virginia, What about the instance where there's a paid member of the organisation who's also appointed as a special skills director based on the role they have in the organisation interested in our views?

Who wants to jump for that one?

I'll kick into that one. That's often where you have not uncommon in some organisations where you have a staff member who's also a director. Now, if it's a CEO, then they're called managing director. They manage and they're also a director.

We have one at the moment a union where there is the president is also the CEO. Right? This is in Australia.

So it's not unusual for that to occur. We just need to work with that person to understand for them to understand how they act as a director is a little bit different than how they act as a staff

person. But there's nothing inherently wrong with it and it's certainly not a I wouldn't regard it as a conflict of interest unless you're talking about things such as salary gaps and things that will impact on that person. So it's more understanding that inherently if you have a staff member who's also it's not unusual. It just needs to be managed differently and maybe even assign that person a mentor so that if they do start to fall over into the operational side of things because that's sort of their day job the mentor can gently bring them back again.

I think too just to add on to that, it's just so important that the board understand their policies and I sometimes find that they're overprescriptive in what they can do and they can't do and the steps in their policies, and so they're making a decision which makes good sense to the situation, but it doesn't align with their policy because they've got too much information or extra steps, or they can't do this in their policy and that just needs to be tidied up.

It's a prickly problem and Shaun behind the scenes is giving us a little nudge with the slides.

I think the law itself and the regulations and the bylaws and all of the other things that you are constrained by externally are quite tough. As a board, you need to take responsibility for your own policies and whilst they must comply with the law and the regulations, don't make it any more difficult than it has to be. I get very unpopular with remuneration consultants because I always say, I like to see the board in exceptional circumstances have discretion to grant additional bonus or to claw back a bonus that's been earned, but they feel it's not deserved for some other reason.

It's very rarely used, but it's nice to have that power and the same with conflicts of interest.

Actually saying that if there is a discussion about the application of this policy, the policy can be amended because it's the board's policy.

If it's in the constitution, now you've got to go to your members and you might even have to have a special vote, a special resolution at an EGM to change it. But your own policies are yours. You've got to make them fit you.

Don't push yourselves through purgatory with policies that don't fit.

On that note, Julie, just a word of advice to everyone who's listening to this: Pull out your conflict of interest policy, have a look to see who approved it, and I guarantee that eighty percent of them are approved by the staff. They have to be board policies. They therefore have to be reviewed and signed off by the board because legislation says so. They are one of these things that actually says this is a board responsibility so you don't have the HR department or you don't have the CEO or the general manager signing off on these things.

The board policies have to be cited, reviewed and signed off by the board because then it's very clear who owns what. Julie?

Yeah. And the other thing to look for is just make sure that it does cover the board.

I see so many that talk about this is what staff should do. And then when you go up into director land, there's no rules.

So even if you've got one that was written by the staff, just check that it actually is intended to constrain the board. Your power is huge, but it's not limitless. It shouldn't be.

Absolute power corrupts.

So quite important to think through.

In Australia, it is definitely on the director themselves to give the other directors notice of their interest. I much prefer going one step further because sometimes you're so busy trying to help the company acting from an ulterior motive that you forget that there's actually a conflict. Came across one lovely gentleman, not for profit company in the residential aged care. He had a commercial laundry. So he did all of their laundry at cost.

And it wasn't in the conflicts register. I said, why not? And he said, I do it at cost, it's a favor. You couldn't Well, on.

What's cost? How much of your overheads does it cover?

How healthy would your business be without it? Because it's quite a big contract, it's a large amount of volume.

When was it last tested? When did they last go to market and check comparable prices?

There is nothing in the law that says they have to, but it just if anybody starts pointing fingers or worse still throwing mud, it's kind of nice to have that sort of thing well and truly documented so that you can turn around on a dime and say: this is all above board, This is how we handled it. Here are the policies. Here are the records that show they were enforced.

Do you think?

We've got a great question there.

Oh, have we?

Julie. Oh, Peggy. Would you recommend a separate conflict of interest policy for the board and one staff or cover both in the same document? Okay, my views would be you have one document but then you cover different things. So for example gifts and that would be a different policy but it's an operational policy because it doesn't really cover the board as such. But certainly conflict of interest, I haven't seen too many where they separate staff and board.

But when you start to look at what are some of the conflicts that staff could have, well, it's the receiving of gifts, it's a bribery, it's a range of other things. There are different operational policies you can have for that. Julie?



I like to see everybody covered by the same policy. I really like one rule for everybody.

For example, gifts in the recent well, not that recent, I'm showing my age, time was going fast at my age but when the casino in Western Australia was under investigation, it turned out that they had bought, I think, a yacht or maybe just a big boat for the gaming regulator, the Commissioner of the gaming regulator. Now, I am assuming that there would not have been enough in the delegations for staff members to buy and give away a yacht without board approval.

But again, that thinking through who is friends with whom, why are gifts being given, why are they being received, I always declare if I've received a gift, even if it's as simple as a book or in one memorable case, a piece of HBI. Hot briquetted iron. It's very, very Swiss gift.

Richard asked a question there, why wouldn't the board be covered by gifts as well? They would be, but it's typically an operational policy rather than a board policy.

Can I just put on a bit of a practical HR lens too? Like I think it's one thing to have policies, and I agree, less is more, like having thousands of policy just confuses everybody. So one policy that covers is really important. However, what you might ought to look at, which is really important, is your communication strategy and education to your staff as to what those policies mean.

So if you do have quite a comprehensive policy that's got a lot of information that relates to the directors or to the board, It does also include aspects of it to the staff. You might want to pull that out and look at how you do your training and your education to the staff. You also might want to pull out the parts that really do relate to the board and look at how you're doing training and updating, because there's been some really interesting test cases come through this year where organisations have had policies in place, but they haven't stood up because there's no clarity around the training and the communication and the embedding of these into the workplace culture.

So they say, well, can't rely on that. So I think that's really important to think about that aspect of it as well.

Yeah, just because it's on the website doesn't mean it's been communicated. And just because you gave them a paper copy and put it in their darling little hands, doesn't mean they read it, understood it and know how to apply it.

I love there is a document which was produced many years ago now by the audit office of New South Wales called Gifts, Benefits or Just Plain Bribes and the reason I love it is because it's got stories of how mostly property developers have carefully groomed planning approval people within councils with tiny gifts, bigger gifts, bigger gifts, they've absolutely got them to a point where they're too embarrassed to finally say, oh hang on, I should declare this, because they've received so much over time. So really important, establish a policy and as Phoebe says, I hope I'm pointing at Phoebe on your screens, don't just establish it, make sure you verify it, sign off on it, review it and train people in how to use it.

Identify your interests, have your standing registered, but also at the beginning of every board meeting and as matters arise in between things, make sure you make those ad hoc declarations. So anybody who gets appointed to a new board on the first of January, on the second of January should be sending the company secretary a little memo to say: I've got a new interest.

Once you know what the interests are, it's fairly easy to categorise and assess them. We go through this in detail in the masterclass, but we don't have time for that in the webinar. But the really good thing is once you've categorized and assessed them, you decide how to handle conflict in that category.

You're not deciding live on a real conflict with a real person attached to it. You're deciding at the concept and then it's much easier to apply when it comes up in real life. Really important, it's no good having it and doing it. If your minutes don't say you did it, you can't prove you did it and the law might just assume you didn't.

So keep records. BoardPro portal has a whole interests register module, which is very good, but just show an interest and every so often get someone to audit it for you.

Next slide, Sean. Hey, we're giving you a nudge back.

And this is the thing.

Very often when you think somebody else, oh, does that person actually have a conflict? You feel a little bit inhibited about mentioning it because, oh, they be upset? Will they be insulted? Will they think I'm calling them dishonest? I can assure you that if this man ever manages to start that chainsaw, he will not be upset that you risked embarrassing him by telling him that this was not the way to go about starting a chainsaw.

He'll be upset that you didn't mention it earlier.

And yet I see people with conflict of interest and everybody around the table knows that there's a conflict, but they all tiptoe around because they don't want to embarrass someone. Get it out on the table.

Non audience attendee question. Is it common practice for organizations to have a register interest and another register for conflict? No, have one or the other. Like policies, you want a few registers that everybody knows where they are and how they work and how to use them. So that would be my advice.

Sean, you'd like to pop on screen and answer the question too?

Just in terms of the register itself?

Yeah, so well inside BoardPro, there is a register module which we promote and it's a fantastic way of just keeping all of your interests in one place, whether you call them conflicts or interests.

They're really easy to find and they sit alongside your agenda and your board pack and your minutes module. A really simple way of, you know, keeping all of your interests in one central place.

I think one of the things that people often forget when they talk about conflicts of interest is that if you have a register of what your interests are, then a particular item comes up in a board paper or an agenda item. That's what you then decide whether or not there's going to be a conflict for that particular agenda item coming up. And in fact what's happened in some cases is where the Chair has seen the Register of Interest, thinks there's a conflict here, they've chatted with the person who potentially might have the conflict and they don't provide that part of the board pack to that individual so that they're actually managing that interest the potential perceived or real of that interest by not actually distributing to that individual that specific part of the board pack. Because often it's too late if you say oh I think you might have a conflict but you've got all of the material anyway.

So we just need to be a little careful and clever about how we go about looking at conflict of if there is a declared interest and the board feels there might be a conflict there then it's for that particular item on the agenda rather than a generic thing. You can quarantine it to some extent. Julie?

Yeah, I agree. Get it on the agenda, get it into your registers, and don't worry about whether it's an alignment or not. It's an interest, just decide it's an interest, it's severe, it's moderate, it's insignificant.

However you've decided to categorize, treat it as such And if you've got these things in registers, you can get ahead of the game. If they only pop up during meetings, then you're always playing catch up. And I'll answer my own question. Yes.

Perceived questions perceived conflicts are as dangerous as real ones. And there's a great comment from Jeff in the chat about communicative benefits. Just have an eye that when people get a coffee a day or a coffee a week, it adds up. Especially in Sydney, a five dollars coffee, my goodness, you'd be lucky.

Next slide please.

Can I just add in there too that I have sometimes seen situations where boards have been no one's wanting to make some hard decisions and they're all declaring there's a conflict?

I think that probably does go to the heart that there's probably maybe some issues with the board makeup with it if we're not able to make some of the hard decisions. But that is something that is a you really just have to sit down and explore and sometimes bring an external person in to assist you in navigating that situation. I'm not sure if you've had that Julie, to be able to make some good decisions, as a board with some good governance. But you can't just lay it on and I can speak personally for myself where I've come in as the HR consultant and the board have said, oh we've all sort of got a conflict, therefore you're going to have to make a decision with the CEOs whether or not to terminate their employment. Well, that's not my role and it's not my

risk to take that as HR I can provide advice to them. But yeah, they may have some conflicts, but they're going to have to work through those as to how they can make a good decision.

Yeah, you cannot be on a board and be a good director if you do not occasionally use courage.

If you have no backbone, don't go in the boardroom would be my short answer. And I have seen a board where everybody had a conflict, they had to approve a grant within a certain amount of time, there's no way that a minister could have appointed new directors and in the end what they did was they noted all of the conflicts, noted that they were aware that the board did not have a quorum unless it included the conflicted parties, noted that they'd got external probity advice that the grant had been properly investigated, properly adjudicated and that it must be passed and then they made the decision to award the grant. And they let the Minister know by email that this is what they had done because, as you say, it was a rural board, they had to give the grant at that time. And this is the thing, directors need to have access to information, they need to participate in discussions, they need to make decisions, that's what they're there for.

If they can't do that all the time, then they should get out of the board meeting. I've got a very good technical question from Lance on the fact that directors can vote on matters where you absolutely have to. It's just that it's dangerous.

The ASX will unwind transactions.

There are some transactions that can't be unwound because they have already had their impact.

It is best if you can exclude directors like that from the matter because the rest of the Board is in danger when you start making and allowing conflicted decisions to be made.

You would have to go to a qualified lawyer with the absolute specifics of your circumstance and get legal advice because it's different for each company and each situation. You're well into technical legal advice there. My advice is be very careful and if you need really hard technical advice about can I or can't I, just ask yourself whether that's because you haven't done the ethical thinking first?

Make sense?

Conclusion because, oh, as always, we're running out of time.

Don't worry about being embarrassed. Conflicts of interest are a normal part of board business.

It's no worse than a director who sneezes.

It's going to happen at some stage, it doesn't matter if it's real, perceived, potential, monetary, emotional an interest is an interest and the important thing is that you prove that you thought

about it, that you identified it and that you ethically managed it and every single director can make a difference. You don't have to be the chair, you don't have to be the managing director.

If you have courage, you can make a difference.

There's an interesting question here from Kerry Ann, says if the Chair thinks there's a conflict of interest from another Board member because they're on another sporting board the sporting bodies that are in direct competition for land issues, can the board members still participate in discussions without voting? Now the issue there is it's the board's choice how to deal with that conflict. The individual can say I'm conflicted therefore I don't want to be part of discussions and I don't want to have to vote. That's their right to do as a Director but the Board has the right to say we believe that you could potentially be conflicted here so we are saying do not participate in discussions and don't vote or participate in the discussion but don't vote. It's the board's decision not the individual's.

So back to you Julie.

Yep really, really good answer, totally agree.

As a board it's up to you to decide.

Final question from an anonymous oh sorry Phoebe?

That that and that, again, comes back to you don't want a policy to say they have to be excluded because there's a conflict of interest because you may want them to be excluded. We just don't know what that there is a conflict, and we're taking that into account. Sorry, Julie.

Yep. Whole board discuss, whole board decide. And you're there because in theory you've got good judgment and common sense. If only common sense was common, we wouldn't need webinars. However, good question from an anonymous attendee, interested to hear how other boards handle director remuneration discussions. Obviously, everyone in the room is conflicted. There is actually a little wrinkle in the legislation that says where everybody has the interest as a result of their position on the board or as members of the organisation, then they are entitled to simply declare and make the decision.

So if you've all got a decision, an interest because you will want to get paid, then you are entitled to have those discussions and make the best decision you can.

I think this comes back to the PUD test too, doesn't it? You've got to be able to say this is how we made the decision as to what we were going to do on what basis with it. Would it pass the PUB test around the process that you went through with it?

Yep.

And the final question, when the board chair becomes the CEO, how how do you handle the conflicts of interest?

Easiest way, have another chair.

And I know people lose CEOs and somebody has to step in and run the organization and I have had an executive chair in a sporting board do an excellent job whilst we went through the process of recruiting. But just make sure that you document and manage every conflict as it arises or better yet, as you think about it before it arises.

Thanks Julie. Right on time. Fantastic. I don't think we have any other questions, do we?

No, Sarah said thank you. Oh, you're so You might have noticed I enjoy this.

So please feel free to connect with our presenters, everybody on LinkedIn. I'm sure they'll look forward to your connection. And if you'd like to put it be put in touch with any of them, any of our panelists, I should say Julie, Stephen or Phoebe, please indicate your interests on the survey at the end of the webinar as you exit.

We have some great webinars coming up over the next few weeks. One I would like to draw your attention to is on the twenty ninth of January from dozens and dozens of requests. We have a special webinar we are running with Giselle McLaughlin on how to be a great board chair. I'd highly recommend this is actually a from a masterclass that is a very successful masterclass that we've run over the last eighteen months with Giselle. So I highly recommend that webinar to you.

So you'll receive an email from me tomorrow, which will include a recording of the video today, which is the webinar video, obviously. It'll include the presentation slides and a transcript. So as you leave the webinar, please don't forget read just to complete the one minute survey and you'll go in the draw for our beautiful gift hamper.

Thank you again for attending everybody. I hope you enjoyed the session today. Thank you, Julie, Stephen and Phoebe for your great conversation. I really enjoyed it today. Thank you. Look forward to seeing you all at our next webinar. Everybody have a great day.