

CONFLICT OF INTEREST POLICY

1. Why we have a policy

There is a legal obligation for Trustees and Executive to act in the best interest of the Foundation.

Recognising that conflicts of interest will arise, the aim of the policy is to minimise the Foundation's exposure to the following risks:

- Lack of free and objective discussion of funding, investment or supplier appointment/transaction opportunities.
- Engaging in financial decisions which may not be in the Foundation's best interest.
- The impression that the Foundation or Trustee, member of staff, adviser or consultant has acted improperly.

The objective of the policy is to encourage transparency and honesty to protect the interests of the Foundation and individuals concerned.

2. Types of Conflicts of Interest

Direct and indirect conflicts of interest in an organisation the Foundation is considering or already has a financial relationship with ("third party") can arise in many forms. This is most likely to apply to applications and approvals for grants, investments and supply of other services and goods. The following is a guide to help you identify potential conflicts of interest:

Direct financial gain, such as:

- You receive payment for the provision of a service to the third party.
- An organisation you have a financial interest in has a contract for the provision of services to the third party.
- You are a paid board member of the third party.
- You have a financial interest in the third party through a loan, shares or other financial instruments.

Indirect financial gain, such as:

- Third party employment/remuneration of a person with whom you have some financial interdependence such as a spouse, partner or associate.
- Your spouse, partner, or associate has a financial interest in a third party through a loan, shares or other financial instruments.

Non financial gain

- You or a spouse, partner or associate is an unpaid director, trustee or board member of the third party organisation
- You or spouse, partner or associate is a recipient of the third party's services.
- You are currently acting as a mentor to (e.g.) a staff member of an organisation.

Conflict of loyalty, such as:

- You or spouse, partner, or associate is a member of the third party organisation.
- You or spouse, partner or associate is a former consultant/adviser, employee, director or trustee of the third party.
- A former colleague is an employee, board member or service provider of the third party.

All 'material' conflicts of interest must be disclosed. A material conflict of interest would be defined as one that an ordinary prudent person would reasonably conclude as potentially influencing his/her judgment with respect to a grant application/decision, investment or supplier appointment/transaction.

3. Executive, Adviser and Consultant Protocols

Where a member of staff, adviser or consultant is aware of any form of conflict of interest then the following must occur:

- a) You must declare the conflict of interest to the Chief Executive by email.
- b) A verbal declaration must also be made to relevant colleagues/staff so that they are aware of the potential conflict.
- c) If the Chief Executive deems it to be a material conflict then the application, grant, investment or supplier appointment/transaction will be assigned to another non-conflicted person.
- d) The Chief Operating Officer will also be informed of the conflict so it can be included in the register of interests.
- e) Where relevant, the third party should be informed of the new lead person and the nature of the conflict of interest.
- f) If you are present at a meeting to discuss, approve or review the transaction, you must declare all appropriate conflicts of interest and withdraw from relevant discussions and decisions.
- g) The declaration should be recorded in any notes or minutes taken of the relevant meeting.
- h) The Foundation will not make a grant or social investment to any organisation of which the Chief Executive is a current Director or Trustee. Any exception to this policy would require the agreement of the Board.

4. Trustee Protocols

Where you are aware of a conflict of interest in a grant, investment or supplier appointment/transaction that you are asked to approve or have recommended the following should occur:

- a) You should declare your conflict of interest.
- b) Withdraw from relevant discussions and the decision on the transaction.
- c) The declaration of interest should be recorded in any notes or minutes taken of the relevant meeting.

TASKs (grants made from the Trustee Areas of Specialist Knowledge Fund) may not be made to an organisation of which a Trustee or immediate family member (parent, sibling, spouse/partner, or child) is currently a trustee, director, employee or has been in the last two years.

5. Declaration of Interest Form

Trustees, staff, advisers and consultants are required to declare their interests and any material gifts or personal hospitality (typically over £100) received in connection with their role in the Foundation using the Declaration of Interest Form. This should be updated at least annually.

All material related party transactions in any given year will be disclosed in the Foundation's published annual report and accounts.

Appendix I:

Declaration of Interest Form Guidance Note

Please give details on the form of your interest and whether it applies to yourself or a member of your immediate family or some other close personal connection:

- Current employment and any previous employment in which you continue to have a financial interest.
- Appointments (voluntary or otherwise) e.g. trusteeships, directorships, patron.
- Membership of any professional bodies, special interest groups or mutual support organisations.
- Material shareholding and beneficial interest in companies, partnerships and other forms of business.
- Material gifts or hospitality (typically over £100) offered to you by external bodies and whether this was declined or accepted in the last twelve months.
- Do you use or care for a user of the organisation's services.
- Any contractual relationship with the charity or its subsidiary.
- Any other conflicts that are not covered by the above.
- If the interest is no longer current please give details of when it ceased.

NB: The information provided on the form will be processed in accordance with data protection principles as set out in the Data Protection Act 1998. Data will be processed only to ensure that Trustees and Executive act in the best interests of the Foundation. The information provided will not be used for any other purpose.

Appendix 2: From Esmée Fairbairn Foundation Scheme - Section 11

11. *Trustees not to have a personal interest*

1. Subject to the clauses 5(5) (Powers of the trustees), 7 (Liabilities of the Trustees) and 12 (charging for special skills or knowledge) and except with the prior written approval of the Commission no trustee may:
 - (a) receive any benefit in money or in kind from the charity; or
 - (b) have a financial interest in the supply of goods or services to the charity; or
 - (c) acquire or hold any interest in property of the charity (except in order to hold it as a trustee of the charity).
2. None of the above shall prevent the payment in good faith by the charity of fees, remuneration or other benefit in money or money's worth to any company of which a trustee may also be a member holding not more than 1/100th part of the issued capital of that company.

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