

Code of conduct for Board members



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CODE OF CONDUCT FOR BOARD MEMBERS

This document sets out a code of conduct for “board members” i.e. all non-executive and executive members of the board of the Company. The Code has been prepared with reference to the “Seven Principles of Public Life” set out by the Committee on Standards in Public Life (Appendix 1).

The Code applies to board members in the conduct of their work as a board member and the application of the Code will depend on the particular remit of the Board and / or Committee etc. of which they are a member.

1. GENERAL PRINCIPLES

- 1.1. Board members will at all times
- 1.2. Observe the highest standards of impartiality, integrity and objectivity in relation to the activities undertaken by and the management of the Company
- 1.3. Ensure that the activities of the Company are undertaken in the most economical, efficient and effective way, within available resources
- 1.4. Be accountable to the Company's stakeholders for the activities of the Company

2. COLLECTIVE RESPONSIBILITIES OF BOARD MEMBERS

Board members have collective responsibility for the long-term success of the Company. They must:

- 2.1. Ensure that high standards of corporate governance are observed at all times;
- 2.2. Foster a culture of impartiality, integrity and objectivity among the Company's management;
- 2.3. Establish the strategic aims of the Company within the policy and resources framework agreed by the Board;
- 2.4. Ensure the Board and/or relevant Committee operates within the limits of its authority, whether statutory, delegated or derived by agreement with any stakeholder;

2.5. Ensure that the obligations of the relevant Board and/or, Committee to its stakeholders and others are understood and met.

3. RESPONSIBILITIES OF INDIVIDUAL BOARD MEMBERS

Individual board members should be aware of their wider responsibilities as board members. All board members must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its stakeholders. Board members must;

4. COMPLY AT ALL TIMES

- 4.1. Not misuse information gained in the course of their service for personal gain nor seek to use their position within the Company to promote their private interests or those of connected persons, firms, businesses or other organisations and to declare to the chair of their Committee or the Company Chair as appropriate and the Company Secretary any private interests which may be perceived to conflict with their duties;
- 4.2. Ensure that they comply with the Company rules on the acceptance of gifts and hospitality; and
- 4.3. Ensure that they comply with the Confidentiality requirements set out below.

5. CONFLICTS OF INTEREST

Board members are entitled to manage their own affairs in privacy. However, their work must be carried out in an environment which is free from any suggestion of improper influence. Those providing information must be confident that it will be properly handled and conflicts of interest must be identified immediately they arise and be properly managed.

Board members must take steps to ensure that any conflict of interest which they may be subject to does not affect a decision taken by the Company. Board members are therefore expected to register in the Register of Interests any personal or business interests which might influence their judgment or which could be perceived (by a reasonable member of the public) to do so.

Board members should register;

5.1. Relevant personal direct and indirect pecuniary interests

5.2. Relevant direct and indirect pecuniary interests of close family members of which Board members could reasonably be expected to be aware and

5.3. Relevant personal non-pecuniary interests, including those which arise from membership of clubs and other organisations.

In this paragraph “relevant” interest, whether pecuniary or non-pecuniary and whether direct or indirect, means any such interest which might influence the judgment of a board member or which could be perceived (by a reasonable member of the public) to influence his or her judgement in the exercise of his or her public duties; “indirect pecuniary interest” means an interest which arises from a connection with bodies which have a direct pecuniary interest in the activities of the Company or from being a business partner of, or employed by, a person with such an interest.

The declaration form for the register of board members’ interests is at Appendix 2. A short questionnaire which may assist in identifying conflicts which should be declared is at Appendix 3.

An oral declaration of any relevant interest, as defined above, should be made at any board or committee meeting if it relates specifically to a particular issue under consideration and should be recorded in the minutes of the meeting.

If the outcome of any discussion at a meeting could have a direct pecuniary effect on a board member, that member should not participate in the discussion or determination of matters in which he or she has such an interest and, following a declaration, should withdraw from the meeting (even if held in public).

6. HOSPITALITY AND GIFTS

All board members should exercise discretion in accepting, in their Company capacity, gifts or hospitality from persons or bodies whom the Company provides

services to or potential providers of services to the Company. Gifts or hospitality which could be construed by a reasonable onlooker as amounting to a bribe and/or creating a sense of obligation to the donor or host in their favour must be refused.

Generally speaking, board members should avoid accepting excessive hospitality and/or hospitality which amounts to pure entertainment or gifts of more than a token nature and/or a frequent pattern of gifts from the same person or institution offered to them in their capacity as a board member. Board members must not solicit gifts. If board members are in any doubt as to whether to refuse or accept hospitality or gifts they should consult the Chair or Chief Executive The Company Secretary maintains a register of gifts and hospitality. Where hospitality estimated to have a value of more than £50 per person or a gift estimated to have cost more than £25 is offered to a Board member in their capacity as a Board member, whether it is accepted or refused, this should be reported to the Company Secretary for inclusion in the register. Board members are also encouraged to report gifts and hospitality of more than a trivial nature and which are estimated to have cost below the stated limits particularly where the gift or hospitality is received from a body or person the Company provides credit to.

7. CONFIDENTIALITY

All information acquired by board members in the exercise of their functions as board members during their appointment is confidential to the Company. Board members must not during their appointment or afterwards (unless he or she is authorised by the Chair or is under a legal obligation to do so):

- 7.1. Use for his/her own benefit or the benefit of any other person; or
- 7.2. Disclose to any person; or
- 7.3. Through any failure to exercise all due care and diligence, cause or permit any unauthorised disclosure of any confidential information that he or she obtains by virtue of their position as a board member.

Your attention is drawn to the requirements under both legislation and regulation as to the disclosure of inside information. Consequently you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chair or Chief Risk Officer.

This Code of Conduct is adopted by the Company Board with effect from 24th November, 2015

Appendix 1 - Seven Principles of Public Life

Selflessness: Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

Integrity: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Objectivity: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness: Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership: Holders of public office should promote and support these principles by leadership and example.

Appendix 2 - Register of Interests Declaration form

Name

Board/Committee/Council

Current employment or office

Directorships

Non-profit organisations

Consultancies and sponsorships

Declarable shareholdings/pension schemes

Other

Appendix 3 - Conflict of Interests: Questionnaire

To identify situational conflicts, board members may find it helpful to ask themselves the following questions:

1. Is your role/connection with any other organisation likely to prevent you, when acting as a board member, from giving sole consideration to the interests of the Company?
2. Is your role/connection with the other organisation likely to involve consideration of actions that could be adverse to the Company's interests or to put you in a position where information that you know as a result of being a UK MBA board member would be relevant to the decision to be taken?
3. Are you part of the decision making process of the other party?
4. Particularly in relation to any perceived conflict, what is the justification for the Company to authorise it?
5. Do the interests of the two organisations compete?
6. Would the activities undertaken in one role be likely to have a material impact on the other?