

| Document                         | <b>Conflict of Interest/Loyalty Policy, &amp; Register of Directors' Interests</b>   |                   |
|----------------------------------|--|-------------------|
| <b>What is this?</b>             | This is: <ol style="list-style-type: none"> <li>1. Carriglea Cáirde Services' current Conflicts of Interest/Loyalty Policy</li> <li>2. A blank template version of Carriglea Cáirde Services current Register of Directors' Interests</li> </ol>   |                   |
| <b>Governance Code Sections:</b> | Conflicts of Interest/Loyalty Policy   | 5.2 (a)   5.2 (b) |
|                                  | Register of Directors' Interests   | 5.2 (b)   5.2 (c) |
| <b>Notes:</b>                    | <p><b>Policy:</b> Designed to protect the organisation against conflicts of interest/loyalty which are: "applied to individuals when their different interests clash as a result of 'wearing more than one hat'; in particular where a personal or professional interest may get in the way of making a decision in the best interest of the organisation".</p> <p><b>Register:</b> Used at the beginning of each Board meeting to record any conflicts of interest/loyalty which might arise in connection with the agenda items scheduled for that meeting.</p> <p>In Carriglea Cáirde Services this is built up Board meeting by Board meeting, as outlined in the Conflicts of Interest/Loyalty Policy.</p> <p>Any conflicts are carefully monitored and addressed if needed, in order to ensure decisions are <i>always</i> made in the best interest of the organisation, rather than those of individual/groups of Board members.</p> |                   |
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# Conflict of Interest/Loyalty Policy

## Carriglea Cáirde Services

### Board Conflict of Interest and Conflict of Loyalty Policy<sup>1</sup>

**FINAL: approved at board meeting**

#### 1. Introduction

This policy document has been drafted to address how Carriglea Cáirde Services' board will deal with inevitable conflicts of interest and conflicts of loyalty when they arise.

The purpose of having this policy is to provide clarity to:

- individual board members about the behaviour expected from them on such occasions;
- the board as a whole, as to how it should address any declared or perceived conflicts should they arise;
- the Chair as to his/her role in the process;
- members (and other stakeholders), because it provides information about how the board addresses these types of conflict.

In developing this policy it is acknowledged that conflicts of interest and conflicts of loyalty will arise from time to time for board members and that this is normal. This policy has been developed to provide assurance for, and clarity to, all concerned and that there is a clear way of addressing them when they arise.

This policy is being developed in conjunction with the creation of a 'Code of Conduct' for board members in which this policy will be referenced.

This policy will also apply to all subgroups of the board whose memberships will also include non-board members.

#### 2. Definitions

The following definitions for the two terms are provided in the Glossary to the Governance Code for Community, Voluntary and Charitable Organisations and this policy is based on those definitions:

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<sup>1</sup> This policy is applicable for board members as well as all subgroup members. Therefore each reference to 'board' in the policy should be understood to also mean 'board' and 'board subgroup'

*Conflict of interest:* A conflict of interest arises when your private interests compete with your professional duties. A conflict of interest may arise, for example, if a board member influences the awarding of a contract to a company owned by a family member. It is legal to award a contract to the best qualified company, even if that company is owned by a relative, but the board member themselves could not be part of the decision making process. This would be a conflict of interest, because their own family would benefit financially from this position.

A conflict of interest can also happen in relation to connections the board member might have that are unrelated to family connections, but to do with others with whom he/she may have a business connection.

*Conflict of Loyalty:* is where a board member may be involved in board decisions and may be (or perceived to be) potentially influenced by considerations other than the best interests of the organisation. This might happen when the board member has come onto the board as a nominee of a particular group e.g. members in a particular county, a funding body, beneficiaries or staff. This situation may possibly cause the board member to think that they should act in the interests of the grouping that nominated them. However, in all cases, regardless of how they got onto the board of directors, all board members should act in the interests solely of the organisation on whose board that they sit, rather than acting in the interests of the grouping that nominated them.

Conflicts of loyalty may be sufficiently serious to amount to conflicts of interest.

### **3. Statement of Policy**

Conflicts of interest and conflicts of loyalty will arise from time to time and that this is normal. When they arise, they are to be dealt with as outlined in this policy.

Each board member must familiarise themselves at their induction with the definitions of conflicts of interest and loyalty as provided for here and with this policy.

At a board meeting, each board member, and anyone else present, must say if they believe they have a conflict of interest on a matter to be decided at the meeting. Unless the board decides otherwise, they must leave the room when the board is discussing or deciding on that matter. The person concerned will subsequently be told what decision was.

All conflicts of interest and the outcome will be recorded in the minutes for that meeting. They will also be recorded in the 'Register of Directors' Interests' which is maintained by the Company Secretary.

At a board meeting, each board member, and anyone else present, must say if they believe they have a conflict of loyalty on a matter to be decided at that meeting. If the board decides that this is sufficiently serious so as to be a conflict of interest, then it will be addressed as per the policy for conflict of interest which is outlined in this document. However, in most cases, the board will decide that the potential conflict of loyalty, as expressed by a board member, does not warrant the board member's absence, i.e. it is not serious enough to be a conflict of interest. In this case, the statement of the potential conflict of loyalty and the outcome of the brief discussion on it will be recorded in the 'Register of Directors' Interests'

The 'Register of Directors' Interests' will be circulated to all board members annually.

#### **4. How the policy will be enacted**

At the start of every board meeting there will be an agenda item addressing potential conflicts of interest and loyalty with respect to items scheduled for discussion and decision at that meeting.

The Chair will ultimately decide on an appropriate action for dealing with any concerns expressed, up to and including asking the relevant person to leave the room for the relevant discussion/decision.

This policy will form part of a 'Code of Conduct' which will be explained to new board members at their induction and to which all board members must sign up to upon their election as board members.

#### **5. Review of Policy**

This policy will be reviewed as part of Carriglea Cáirde Services' annual commitment to the Governance Code for Community, Voluntary and Charitable organisations

## Register of Directors' Interests (blank template)

### ***Carriglea Cáirde Services***

#### **Register of Directors' Interests**

This table comprises extracts from Board meeting minutes as indicated where any conflicts of interest/loyalty may emerge as disclosed at the start of every meeting. It is in chronological order.

| <b>Date</b>                    | <b>Direct extract from relevant board minutes</b>  |
|--------------------------------|--|
| Board meeting on<br>[dd/mm/yy] | <i>e.g.: Person 'a' noted that his/her organisation had engaged in activities which may represent a conflict of interest in relation to agenda item 'b'. It was agreed that this did not represent a conflict of interest in terms of the discussion likely to take place at the meeting, and if that were to change, person 'a' would leave the room.</i> |
|                                | <i>e.g.: Person 'x' noted that he/she had a conflict of interest in relation to agenda item 'y' and volunteered to leave the room during the discussion of this item. This was agreed and it happened.</i>   |
| Board meeting on<br>[dd/mm/yy] |  |
|                                |  |
|                                |  |
| Board meeting on<br>[dd/mm/yy] |  |