

## RUTH STRAUSS FOUNDATION CONFLICT OF INTEREST POLICY

### Introduction

This policy applies to all members of the board of trustees, and to members of committees of the board (referred to as **Advisory Groups**). This policy should be read in conjunction with Article 21 of the Ruth Strauss Foundation's (the **Foundation**) articles of association, and with the Charities Act 2011.

### Why we have a policy

The board of trustees has ultimate responsibility for all actions carried out by staff and committees throughout the Foundation's activities. The board of trustees has a legal obligation to act in the best interests of the Foundation and in accordance with the Foundation's governing document. As the Foundation is a company, the directors remain under the ordinary duties applicable to directors under the Companies Act 2006, in addition to the more onerous duties of trustees under charity law.

Conflicts of interest may arise where an individual's personal, business or family interests and/or loyalties to some other individual or group, including other charities, conflicts with those of the Foundation. Conflicts of interest may be indirect; interests of any spouse or close family member should also be considered. There is a conflict of interest if the trustee's other interest could, or could be seen to, interfere with the trustee's ability to decide the issue only in the best interests of the charity.

Such conflicts may create problems.

They can:

- inhibit free discussion
- result in decisions or actions that are not in the interests of the Foundation
- risk giving the impression that the Foundation has acted improperly or cause other reputational damage.

For example, a trustee would have a conflict of interest if the Foundation is thinking of making a decision that would mean:

- a trustee could benefit financially or otherwise from the Foundation, either directly or indirectly through someone to whom that trustee is connected. Where a trustee benefit would arise, legal authority is required – this may be authority under the Articles of Association, or authority from the Charity Commission; or
- a trustee's duty to the Foundation competes with a duty or loyalty that trustee has to another organisation or person.

The purpose of this policy is to help the Foundation and its Trustees to identify conflicts of interest, and to put in place a plan to manage any conflicts which might arise to protect both the Foundation and its Trustees from any, or from the appearance of, impropriety. In order to do this, the policy follows a 3-step approach (identify, prevent, record) to assist the Trustees in complying with their duty and to avoid the board of trustees making decisions that could be overturned or risking the Foundation's reputation.

## Declaration of interests - generally

Accordingly, we are asking the Trustees to declare their interests, and any gifts or hospitality received in connection with their role in the Foundation. They have a personal responsibility to declare conflicts of interest in order to fulfil their legal duty to act only in the best interests of the charity.

A declaration of interests form is provided for this purpose, listing the types of interest you should declare.

To be effective, the declaration of interests needs to be updated at least annually and also when any changes occur. If you are not sure what to declare, or whether/when your declaration needs to be updated, please err on the side of caution.

If you would like to discuss this issue, please contact the secretary or the chairperson for confidential guidance. Interests will be recorded in the Foundation's Register of Trustees' Interests, which will be maintained by the secretary. The register will be accessible by Trustees and the secretary.

The first item on the agenda of each Trustees' meeting will be a standing item requiring all Trustees attending the meeting to declare any conflicts of interest in respect of any items on the agenda.

If a Trustee is aware that another Trustee has an actual or potential conflict that has not been declared, they must notify the chairperson.

It is for individual Trustees to decide which matters to declare but, if in doubt, they should make a declaration.

Declaration of interests are the responsibility of each individual Trustee, however, the chairperson shall draw to a Trustee's attention any potential conflict of interest which may be apparent from the Trustee's entry in the Register of Trustees' Interests and the agenda or any associated papers for the relevant meeting.

## Future appointments of trustees

Before a prospective Trustee is appointed, the individual will be asked to declare any direct or indirect interest(s) that might give rise to any conflicts of interest. All Trustee appointments should be considered in light of any such interests declared.

## Recording decisions

### *Decisions taken where a Trustee has an interest:*

In the event of the Board having to decide upon a question in which a Trustee has an interest, all decisions will be made by vote, with a simple majority required. A quorum must be present for the discussion and decision. Interested parties will not be counted when deciding whether the meeting is quorate. Interested Trustees may not vote on matters affecting their own interests. All decisions under a conflict of interest will be recorded and reported in the minutes of the meeting. The report will record:

- the nature and extent of the conflict
- the affected trustees and whether anyone withdrew from the meeting
- an outline of the discussion
- the actions taken to manage the conflict, and
- how the decision was taken in the best interests of the Foundation.

### *Data Protection*

The information provided will be processed in accordance with applicable data protection law. Data will be processed only to ensure that Trustees act in the best interests of the Foundation. The information provided will not be used for any other purpose.

### **What to do if you face a conflict of interest**

All conflicts of interest, whether actual or potential, should be declared promptly at the earliest possible opportunity, and dealt with as set out in Article 21 of the Articles of Association, in particular:

- Any Trustee who has a financial interest in a matter under discussion should declare the nature of their interest and withdraw from the room, unless they have dispensation to speak.
- If a Trustee has any interest in the matter under discussion, which creates a real danger of bias, that is, the interest affects the organisation which they represent, or a member of their household, more than the generality affected by the decision, they should declare the nature of the interest and withdraw from the room, unless they have dispensation to speak.
- If a Trustee has any other interest which does not create a real danger of bias, but which might reasonably cause others to think it could influence their decision, they should declare the nature of the interest, but may remain in the room, participate in the discussion, and vote if any of the circumstances set out in Article 21.4 apply or if the majority of the remaining Trustees agree.
- If a Trustee is in any doubt about the application of these rules, they should consult with the chairperson.
- If you fail to declare an interest that is known to the secretary or the chairperson, the chairperson will declare that interest. Trustees' interests are listed in the Foundation's Register of Trustees' Interests, in accordance with the Foundation's Articles of Association. If you are aware of an interest of a fellow trustee, which has not been declared, you should inform the secretary or the chairperson.

### **Persistent material conflicts and fundamental conflicts**

In the event that there is a persistent or fundamental material conflict of interest which affects the ability of a particular Trustee to carry out their duties, or a disagreement arising from a conflict of interests, then the Trustee concerned should consider - and may be asked by the unconflicted Trustees to consider - whether it is in the best interests of the Foundation that they continue as a Trustee of the Foundation.

### **RUTH STRAUSS FOUNDATION REGISTER OF TRUSTEES' INTERESTS, INCLUDING RELATED PARTY DISCLOSURES**

The Trustees are obliged to act only in the best interests of the charity and not for their own private interest or gain. However, there may be situations where a Trustee's own interests and the interests of the charity arise simultaneously or appear to clash. The issue is not the integrity of the Trustee concerned, but the management of any potential to profit from the person's position as a Trustee. The duty of loyalty owed by the Trustees to the charity requires that each Trustee should be aware of the potential for conflicts of interest and act openly in dealing with such situations. Please see the Foundation's Conflicts of Interest Policy.

The Register also covers related party disclosures in line with the Charity Commission's Statements of Recommended Practice (Charities SORP FRS102 - second edition). This Register is the formal

declaration of interests to be completed by each Trustee on an annual basis or updated when there is a material change, in accordance with Article 22 of the Foundation’s Articles of Association.

Name:	
Any former surname/s:	
Business address: (if applicable)	
Position at The Ruth Strauss Foundation:	Trustee
Date of appointment:	
Business occupation:	
Current paid work:	
Current Trusteeships: (registered or unregistered charities)	
Directorships of other Organisations:	
Businesses in which you have a holding of more than 25%:	
Recent former remunerated employment:	
Former Trusteeships:	
Other current roles/memberships/titles/ doctorates etc.	
Do you hold any office or employment in related bodies? (i.e. any public or private organisations related to The Ruth Strauss Foundation)	[Yes/No] If yes, please give details below:
Within the past year, have you had any direct pecuniary benefit* from a charity or related body to yourself or an immediate family member (spouse, partner, dependent children or any other dependent person resident in the same household)?	[Yes/No] If yes, please give details below:

<p>Within the past year, have you received any significant and material non-pecuniary benefit from a charity or related body to yourself or an immediate family member?</p>	<p>[Yes/No] If yes, please give details below:</p>
<p>Do you have any pecuniary* or other material interest in a company or organisation which is, or is likely to become, involved in a commercial relationship with The Ruth Strauss Foundation.</p>	<p>[Yes/No] If yes, please give details below:</p>
<p>Is there any land or property in which you, or a member of your close family, has a direct interest and which is clearly within The Ruth Strauss Foundation's sphere of activities?</p>	<p>[Yes/No] If yes, please give details below:</p>
<p>Is there any matter not already specified above, which a reasonable third party would consider of clear and material relevance, actual or potential, to the Trustees? (e.g. Large donation to charity etc...)</p>	<p>[Yes/No] If yes, please give details below:</p>
<p><b>Related Party Disclosures</b> Please see the Appendix setting out the SORP definition of 'a related party' and what is meant by 'a related party transaction'.</p>	
<p>Name of related party(ies):</p>	
<p>Nature of relationship:</p>	
<p>Details of transaction(s):</p>	
<p><b>Donations</b> Please provide details of any donations made to The Ruth Strauss Foundation (whether restricted or not)</p>	
<p><b>Gifts or hospitality</b> Please provide details of any gifts or hospitality offered to you by external bodies in direct/indirect connection with the Foundation and whether they were declined or accepted in the last twelve months</p>	
<p><b>Confidentiality</b> Is there any reason why this declaration should be regarded as confidential? If yes, please explain why.</p>	

To the best of my knowledge the above information is correct and complete. I undertake to advise the secretary of The Ruth Strauss Foundation if any of the above information should change or if I become interested in any way that creates a potential conflict of interest with my position as a Trustee of the Foundation. I agree to review and update this declaration annually. I give my consent for this information to be used for the purposes described in the charity’s Conflicts of Interest Policy and for no other purpose.

Signed \_\_\_\_\_ (Trustee) Date \_\_\_\_\_

### Version Control

This policy was adopted by the Trustees by resolution dated 1<sup>st</sup> September 2020.

This policy should be reviewed at least annually.

Next review date: September 2024

Version	Updates	Published by	Date
V1	New policy		01 September 2020
V2	Updated policy – BDB updates	Ines Thiru	20 September 2023

## Appendix

Charities SORP FRS102 - second edition (SORP) definitions: Related Parties SORP states the following:-

1. A charity's accounts should inform the user and help them to assess a charity's financial performance and position, and the stewardship exercised by its trustees over the charitable funds held.
2. The disclosure of certain transactions is important for stewardship purposes to provide assurance that the charity is operating for the public benefit and that its trustees are acting in the interests of their charity and not for private benefit. For this reason, this SORP requires that disclosure must be made of transactions involving trustees and related parties amongst others.
3. A transaction involving a trustee or other related party must always be regarded as material regardless of its size.
4. Related parties is a term used by the SORP that combines the requirements of charity law, company law and the Financial Reporting Standard applicable in the UK. The term is used to identify those persons or entities that are closely connected to the reporting charity or its trustees.
5. The following 'natural persons' are classed as related parties:
  - A. any charity trustee and custodian trustee of the charity;
  - B. a person who is the donor of any land to the charity (whether the gift was made on or after the establishment of the charity); and
  - C. any person who is:
    - a) a child, parent, grandchild, grandparent, brother or sister of any such trustee (A) or donor (B) of land;
    - b) an officer, agent or a member of the key management personnel of the charity;
    - c) the spouse or civil partner of any of the above persons (A, B, C(a) and C(b));
    - d) carrying on business in partnership with any of the above persons (A, B, C(a), C(b) and C(c));
    - e) a person, or a close member of that person's family, who has control or joint control over the reporting charity; or
    - f) a person, or a close member of that person's family, who has significant influence over the reporting charity.
6. 'Close member of a person's family' refers to:
  - a) that person's children or spouse;
  - b) the children, stepchildren or illegitimate children of that person's spouse or domestic partner;
  - c) dependents of that person; and
  - d) that person's domestic partner who lives with him/her as husband or wife or in an equivalent same-sex relationship.
7. A charity is not necessarily related to another charity simply because a particular person happens to be a trustee of both. It will only be 'related' if the relationship means that one charity, in furthering its charitable aims, is under the direction or control of the trustees of another charity.
8. The following entities, which are not 'natural persons', are classed as related parties of a reporting entity (including a reporting charity) if any of the following conditions apply:
  - a) the entity and the reporting charity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - b) one entity is an associate or joint venture of the other entity (or a member of the group in which the other entity is the parent or a member);
  - c) both entities are joint ventures of the same third entity;
  - d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - e) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;

f) an entity that is controlled or jointly controlled by a person, or two or more persons, identified in 5. A, B or C;

g) an entity in which a person, or two or more such persons, identified in 5. A, B or C, taken together, have a substantial interest or significant influence over the entity;

Control is presumed to exist when one or more persons identified in 5. A, B or C, taken alone or together, hold directly or indirectly, more than half the voting power of an entity. However, control can also exist when they, directly or indirectly, control half or less than half of the voting power of an entity, if they have:

- power over more than half of the voting rights by virtue of agreement with other investors;
- the power to govern the financial and operating policies of the entity under a statute or an agreement;
- the power to appoint or remove the majority of the members of the board of directors or equivalent governing body, and control of the entity is by that board or body; or
- the power to cast the majority of votes at the meetings of the board of directors or equivalent governing body, and control of the entity is by that board or body.

An individual has a substantial interest or significant influence in an entity where that person, or two or more persons identified in 5. A, B or C, taken together, have an interest in the equity share capital of that entity of a nominal value of more than one-fifth of that share capital, or is entitled to exercise, or control the exercise of, more than one-fifth of the voting power at any general meeting of that entity.

9. Related party transactions are the transfer of resources, services or obligations between related parties, regardless of whether a price is charged.