

EXMOOR PONY SOCIETY CONFLICTS OF INTEREST POLICY

Defining Conflicts of Interest

The aim of this policy is to protect both the Exmoor Pony Society and the individuals involved in the Society from any appearance of impropriety as a result of conflicts of interest.

The Trustees will make decisions based only on what is in the best interests of the Exmoor Pony Society and its membership as a whole. Trustees do not allow personal interests, or the interests of people or organisations connected to Trustees, to influence these decisions. This is a legal obligation in accordance with Charity Law.

There are two common types of conflicts of interest:

1. **Financial/business conflicts** - when a trustee, or person or organisation connected to them, could get money or something else of value as a result of a trustee decision. This does not include the payment of reasonable expenses.
2. **Loyalty conflicts** - when a trustee might not be able to make decisions that are in the best interests of the charity due to their association with a 'connected person'.

Trustee declarations of interest should cover whether they themselves or a 'connected person' could derive a benefit over and above that received by any other user of the charity's services. A 'connected person' shall be defined as:

- a child, parent, grandchild, grandparent, brother or sister
- a spouse or civil partner
- a business associate
- an employer/employee/tenant or company/organisation which they own or work for

Both beneficial and non-beneficial conflicts of interest are to be declared. **Beneficial conflicts** are those with the potential for an individual to benefit personally. For example, where a charity employs the services of a company in which a trustee has a financial interest. **Non-beneficial conflicts** are those with no potential personal benefit. For example, an individual is the trustee of another charity being considered for a grant.

Such conflicts of interest may create problems, as they can:

- inhibit free discussion
- result in decisions or actions that are not in the best interests of the charity
- risk the impression that the Exmoor Pony Society has acted improperly
- result in decisions or actions that may derive a benefit to those trustees who are users of the charity's services over and above that received by any other user of the charity's services.

Governing Document

The guidelines on managing conflicts of interest are contained in the Articles of Association of the Exmoor Pony Society and, along with the additional guidance from the Charity Commission linked at the end of this policy, will be followed at all times.

With regards to conflicts of interest, our governing document states the following:

If a conflict of interests arises for a trustee because of a duty of loyalty owed to another organisation or person and the conflict is not authorised by virtue of any other provision in the articles, the unconflicted trustees may authorise such a conflict of interests where the following conditions apply:

- (a) the conflicted trustee is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person;*
- (b) the conflicted trustee does not vote on any such matter and is not to be counted when considering whether a quorum of trustees is present at the meeting; and*
- (c) the unconflicted trustees consider it is in the interests of the Society to authorise the conflict of interests in the circumstances applying.*

In this article a conflict of interests arising because of a duty of loyalty owed to another organisation or person only refers to such a conflict which does not involve a direct or indirect benefit of any nature to a trustee or to a connected person.

Meetings

It is standard for all committee and sub-committee meetings to carry an agenda item with the requirement for those present at the meeting to make a declaration of interest as to whether or not any upcoming agenda item or resolution could have a direct or indirect benefit to them or any 'connected person' over and above that of any other trustee/member.

A record of any professional or personal interest that may make it difficult for a trustee to fulfil their duties impartially, or may create an appearance of impropriety, with any item on the agenda for that meeting, is to be noted in the minutes of the meeting. Specifically:

- If a trustee is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the organisation, s/he must declare the nature and extent of that interest to the other trustees
- If a declaration of interest proves to be or becomes inaccurate or incomplete, a further declaration must be made
- Any required declaration of interest must be made before the organisation enters into the transaction or arrangement
- A declaration is not required in relation to an interest of which the trustee is not aware or where the trustee is not aware of the transaction or arrangement in question. For this purpose a trustee is treated as being aware of matters of which s/he ought reasonably to be aware.

In accordance with our Articles, having declared a conflict of interest due to a duty of loyalty owed to another organisation or person, the unconflicted trustees can vote on whether this conflict is authorised. The conflicted trustee must be absent from this discussion and vote. The trustee will also be requested to leave the meeting while the relevant agenda items are discussed and any related decisions are made. As such, a trustee may not vote on any agenda item where they are conflicted.

As stipulated in our Articles, trustees may only authorise conflicts of interest that arise as a result of a duty of loyalty. Where a conflict of interest involves a direct or indirect benefit of any nature to a trustee or 'connected person', Charity Commission authority is required before any transaction is undertaken.

Payments to Trustees and Trustee Benefit

A charity may pay and offer other material benefits to one or more of its trustees to provide services to the charity, where the committee reasonably believes it to be in the charity's best interests to do so. The services in question must be ones which the charity trustee provides in addition to carrying out normal trustee duties. Any such proposal would be treated on a case for case basis and would only be approved subject to compliance with the governing document and Charity Commission guidance. Charity Commission authority is required before any transaction involving trustee benefit is undertaken.

The term trustee benefit includes any payments or benefits to trustees or a connected person, apart from their reasonable out of pocket expenses. Authority is required where there is a possibility of benefit. This means that trustees must ensure that there is a proper authority for any situations where trustees could benefit, irrespective of whether there is any actual benefit to a trustee.

In managing these issues, the trustees will consider whether anybody else may be able to provide the required service and, if so, which provider is preferable in terms of cost, quality, availability and any other relevant factors.

Register of Interests

All new trustees are required to declare any potential conflicts of interest by way of adding them to the Society's Register of Interests. Register of Interests forms are sent to all new trustees and made available for download on our website. The conflicted trustee is responsible for completing a further Register of Interest form for any additions, amendments or updates to the Register of Interests. These are submitted to the Secretary.

The Register of Interests will be held by the Secretary and made available to Society members and the public on request.

Managing Conflicts of Interest

In handling conflicts of interests, trustees will:

1. Identify

Trustees will accept personal responsibility to declare any potential conflict of interest at the earliest opportunity. Each meeting will include an opportunity for any declarations to be made and details of these will be recorded in the minutes. This policy will be brought to the attention of each trustee when taking on their role, and they will be required to notify the Secretary of anything to be added to the Exmoor Pony Society's Register of Interests.

2. Prevent

Trustees will, at all times, make decisions only in the best interests of the charity. This means that trustees must consider the issue of the conflict of interest so that any potential effect on decision-making is eliminated. In cases of serious conflicts of interest the trustees may choose to remove the conflict by not pursuing a course of action, proceeding with the issue in a different way so that a

conflict of interest does not arise, not appointing a particular trustee or securing a trustee resignation.

3. Record

Conflicts of interest will be recorded in the minutes, together with the key points and decision(s) made, in sufficient detail to enable a reader to understand the issue and the basis on which the decision was made. This includes disclosing any trustee benefits in our annual accounts, if applicable.

Policy Review and Enforcement

This policy will be reviewed by the Trustees at least annually and updated as required. It is the duty of all Trustees to monitor the policy and inform the Chair of any issues which they perceive may require the enforcement of the policy.

This policy is published on our website where it can be viewed by members and the public. It is included in the information pack sent to new trustees along with the Trustee Code of Conduct which has further guidance on conflicts of interest.

Links to Regulatory Guidance from the Charity Commission

- [Conflicts of interest: a guide for trustees.](#)
- [Payment to trustees](#)
- [Selling/leasing to someone connected with the charity](#)
- [Trustee disqualification](#)
- [Examples of personal benefit](#)

Approved by the Trustees of the Exmoor Pony Society on 14th November 2023.