

DOCUMENT TYPE: EXTERNAL

CONFLICT OF INTEREST POLICY

Author / Contact :

Andrew Shadrake & Fuad Al-Tawil

postie@teignenergycommunities.co.uk

01626 87 2721



Contents

SECTION 1. DEFINITION AND CONTEXT	3
1.1 Why we have a conflict of interest policy	3
1.2 What constitutes an interest	3
1.3 What constitutes a conflict of interest	3
SECTION 2. REQUIRED ACTIONS	4
2.1 Declaring an interest	4
2.2 Withdrawing from decision-making where there is a conflict.....	4
2.3 Managing contracts where there is an interest.....	5
2.4 Reporting payments and benefits in kind in the annual accounts	5
2.5 Volunteers and Contractors.....	5

Section 1. Definition and Context

This policy applies to directors, members of sub-committees, and staff.

1.1 Why we have a conflict of interest policy

Directors have a legal obligation to act in the best interests of Teign Energy Communities Limited, and in accordance with the its Ruls. This policy is one of the ways to help directors to fulfil this obligation, by describing what a potential conflict of interest is, and how it can be avoided.

Directors must declare any interest. TEcs Rule 89 states that

'a Director shall declare an interest in any contract or matter in which s/he has a personal, material or financial interest, whether directly or indirectly, and shall not vote in respect of such contract or matter, provided that nothing shall prevent a Director voting in respect of her/his terms and conditions of employment or any associated matter.'

1.2 What constitutes an interest

There are two kinds of interest: pecuniary, and non-pecuniary. A pecuniary interest includes an interest through employment or self-employment, a sponsorship payment, a contract, shares or other financial instruments, or benefit relating to land.

An interest which is non-pecuniary is any other interest which a member of the public would say would influence the member's judgment.

A person has an interest if they know their spouse, partner, close family relation or friend has one. If a director, member or employee is not sure whether they have an interest in doubt, a possible interest should be declared.

1.3 What constitutes a conflict of interest

Conflicts of interests may arise where an individual's personal or family interests, or loyalties or both, conflict with those of Teign Energy Communities Limited. Such conflicts may create problems, because they can:

1. inhibit free discussion;
2. result in poor decision-making;
3. result in decisions or actions that are not in the interests of the society;
4. risk the impression that the society has acted improperly;
5. lead to legal challenge

An interest may arise from activities of the person concerned, or his or her spouse, family member or friend, outside Teign Energy Communities Limited.

It is expected that Teign Energy Communities Limited directors and members will be involved in other organisations. This is not a problem, and may well benefit Teign Energy Communities Limited, because it means the person concerned can share knowledge with Teign Energy Communities Limited which can be of value to both organisations. Nor it is a problem even if it leads to a conflict of interest. What matters is that any interest is declared, and any conflict, or potential conflict, managed appropriately.

The potential or actual conflict must be managed so that directors and members act in the best interests of Teign Energy Communities Limited, rather than the interests of themselves, their family, friends or any other organisation with which they are involved or affiliated. This is done in the following ways:

1. By declaring interests and gifts

2. By withdrawing from decision-making where there is a conflict
3. By ensuring a person is not involved in managing a contract where there is an interest

Section 2. Required Actions

2.1 Declaring an interest

All Directors are required to declare their interests. They are also asked to declare any gift or hospitality over a specified amount (initially £20) received in connection with their role in the society. A declaration of interests form is provided for this purpose, listing the types of interest. Any changes should be declared as they occur.

A person who is not sure what to declare, should err on the side of caution, and if in doubt, discuss the matter with the company secretary.

Interests and gifts will be recorded on the society's register of interests, which will be maintained by the company secretary. The register will be accessible by the Company Secretary and Chair of the Board.

All information provided 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 the person declaring an interest acts in the best interests of the society, and will not be used for any other purpose.

2.2 Withdrawing from decision-making where there is a conflict

Teign Energy Communities Limited ensures that it manages potential conflicts in decision-making by ensuring anyone who has a conflict does not take part in discussions and decisions to which it relates. It has particular rules for board meetings and sub-committee meetings, as follows:

1. Declarations of Interest: Any member of a meeting having an interest in any matter of Society's business being discussed, must declare it before the matter is discussed and refrain from voting on it.
2. If a member of a meeting fails to declare an interest that is known to the company secretary or the chair of the board, they will declare the interest to the meeting
3. If a member has an interest, they will not be counted in determining whether the meeting is quorate for the purposes of taking a decision on the matter to which it relates
4. A member who has declared a pecuniary interest will be asked to leave the room, after the Chair has asked for factual information or clarification to have been provided, if the meeting feels that this may assist. Where a non-pecuniary interest has been declared, the Chair of the meeting should obtain the views of the other attendees (by a vote if necessary) on whether the member should leave the room. It will often be appropriate for the member with a declared interest to remain in the room.
5. A member with an interest will not be entitled to vote on any matter to which it relates
6. All decisions regarding a conflict of interest will be in the minutes of the meeting. The minutes will record:
 - the nature and extent of the conflict;
 - a summary of any relevant discussion;
 - the actions taken to manage the conflict

2.3 Managing contracts where there is an interest

A person with an interest relating to a contract must not be involved in managing or monitoring that contract. Monitoring arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contract if the relationship is unsatisfactory.

2.4 Reporting payments and benefits in kind in the annual accounts

All payments or benefits in kind to Directors will be reported in the society's accounts and annual report, with amounts for each Director listed for the year in question.

Where a member of the society's staff is connected to a party involved in the supply of a service or product to the society, this information will also be fully disclosed in the annual report and accounts.

2.5 Volunteers and Contractors

Anyone supporting TECs in a voluntary or paid capacity is required to comply with this policy as part of their work and activities with/for TECs.