



The Guernsey Branch of the Institute of Directors (IoD)

Conflicts of Interest Policy

1. Introduction

1.1 This policy applies to everyone who acts on or for behalf of the Guernsey Branch of the IoD such as directors, officers and members appointed to act as representatives of the IoD and/or its sub-groups (and who will be referred to as **Representatives** in this policy). It sets out guidelines and procedures for identifying, monitoring and managing actual and potential conflicts of interest.

1.2 In this policy references to:

- (a) **conflicts** or **conflicts of interest** include actual and/or potential conflicts of interest and/or duty;
- (b) persons who are **connected** with the IoD include:
 - (i) a child, stepchild, grandchild, parent, brother or sister of a Representative;
 - (ii) the spouse, unmarried partner or civil partner of a Representative or of any person falling within paragraph (i) above;
 - (iii) any person who is in a business partnership with a Representative or any person who is in a business partnership with any person falling within paragraph (i) or (ii) above; and
 - (iv) any company, business, trust or organisation in which a Representative (or any other person connected to them) has an interest as a beneficiary or through ownership, control or influence.

If in doubt about whether a person is connected, a Representative should seek advice from the Office; and

- (c) **benefit** includes any payment or material benefit (including property, loans, goods and services), other than reasonable out of pocket expenses.

2. The purpose of this policy

2.1 Representatives have a duty to act in the best interests of the IoD. This means that the Representatives must not place themselves in a position where they have, or may have, a direct or indirect interest that conflicts with their duties as a Representative. As a general principle, Representatives must also not make a profit from their position as a Representative.



2.2 Conflicts of interest can inhibit open discussions and may result in Representatives taking irrelevant considerations into account or making decisions that are not in the IoD's best interests. They can also damage the reputation of the IoD if it appears that the Representatives are influenced by personal interests or loyalties. Within a small community like Guernsey it is inevitable that conflicts will arise from time to time. All Representatives must therefore be alert to the possibility that they, or their co-Representatives, could be affected by a conflict of interests.

2.3 The procedures in this policy will enable Representatives to identify and manage conflicts of interest so that they can ensure that conflicts do not prevent them from making decisions in the best interest of the IoD. The policy will also help protect both the IoD and the Representatives from any appearance of impropriety in cases where conflicts of interest arise.

3. Identifying conflicts of interest

3.1 A conflict of interest is any situation in which a Representative's direct or indirect interests could, or could be seen to, prevent them from making a decision only in the best interests of the IoD.

3.2 Conflicts of interest may arise:

- (a) where a Representative (or a person connected to them) stands to obtain a benefit from the IoD; or
- (b) where a Representative has a duty of loyalty to a third party that conflicts with their duty to the IoD.

3.3 When considering if they have a conflict of interest, a Representative must be aware of the following principles:

- (a) a conflict of interest exists if there is a possibility that the Representative's personal interest could influence their decision-making, even if the Representative's decision-making is not in fact adversely affected by the conflict. A reasonable perception that a conflict of interest exists can be enough for a Representative to be in breach of their duties; and
- (b) the interest that gives rise to a conflict may be direct or indirect and, in particular, a conflict may relate to the interests of someone who is connected to a Representative as well as to their own personal interests.

4. Procedure for declaring interests

4.1 All Representatives have a personal responsibility to declare any interest that might reasonably be regarded as potentially giving rise to a conflict.



- 4.2 On appointment, all Representatives must complete a declaration of interests entry in the Conflicts Register
- (a) listing any personal interests, business interests or other direct or indirect interests that might potentially give rise to a conflict of interests;
 - (b) listing any interests of persons connected to them that may potentially give rise to a conflict of interest;
 - (c) declaring any gifts or hospitality received or offered to them in their capacity as Representative;
 - (d) confirming that they are not aware of any conflict, other than those already disclosed, that exists between their role and their personal circumstances or other interests;
 - (e) confirming that they will update the Register annually, or sooner if any changes occur; and
 - (f) confirming that they will declare any conflict that arises in the future.
- 4.3 The information provided by Representatives must be recorded in the Conflicts Register. At least once in every 12 month period, all Representatives must review the information relating to them contained in the register of conflicts and provide confirmation that the information is correct or make a further declaration if necessary.
- 4.4 It is for individual Representatives to decide which matters to declare but, if in doubt, they should make a declaration. If a Representative would like to discuss the issue, they may contact the Officer or Chair for confidential guidance.
- 4.5 The information provided by Representatives will be processed in accordance with data protection principles as set out in the Data Protection (Bailiwick of Guernsey) Law, 2017 (as amended). Data will be processed only for the purposes set out in this policy and not for any other purpose.
- 5. Maintaining the Conflicts Register**
- 5.1 The Branch Officer shall be responsible for maintaining the Conflicts Register and shall:
- (a) record in the register all conflicts, interests, gifts and hospitality declared by Representatives; and
 - (b) circulate amendments or additions to the register (if any) at or before the start of each meeting of any meeting of Representatives such as the Executive Board, industry head group or industry sub-groups.
- 5.2 The Conflicts Register shall be available for inspection by any Representative on request.



6. Declaration of interests by prospective Representatives

- 6.1 Before a prospective Representative is appointed, they shall be asked to declare any direct or indirect interests they have that might give rise to a conflict of interests.
- 6.2 If the Representatives consider it likely that the prospective Representative will be subject to serious or frequent conflicts of interest, the Representatives should consider whether it is appropriate to proceed with the appointment.

7. Process for declaring conflicts

- 7.1 The first item on the agenda of each meeting at which IoD business is to be conducted shall be a standing item requiring all Representatives attending the meeting to declare any conflicts of interest relating to the matters to be discussed at the meeting.
- 7.2 If a Representative considers that they have an actual or potential conflict, they must inform the chair as soon as possible and always before any discussion of the relevant matter. The declaration must specify the nature and extent of any direct or indirect interest that gives rise to the conflict.
- 7.3 If a Representative is aware that another Representative has an actual or potential conflict that has not been declared, they must notify the chair of the meeting.
- 7.4 If the chair is declaring a conflict, they must inform the vice-chair or the other Representatives present.
- 7.5 If a Representative is uncertain whether or not they are conflicted, they must err on the side of openness and declare the interest.
- 7.6 The minute taker must note all conflicts declared in the minutes of the meeting in which they were declared or, if not declared in a meeting, in the minutes of the next Representative meeting.

8. Procedure for declaring interests in transactions

- 8.1 A Representative who has a direct or indirect interest in any proposed transaction or arrangement must declare the nature and extent of that interest before the transaction or arrangement is entered into.
- 8.2 If a Representative has a direct or indirect interest in a transaction or arrangement that has already been entered into by the IoD but has not declared that interest, they must declare the nature and extent of that interest as soon as is reasonably practicable.



- 8.3 If a declaration made under paragraph 8.1 or paragraph 8.2 proves to be or becomes inaccurate or incomplete, the conflicted Representative must make a further declaration giving correct information about the nature and extent of their interest.
- 8.4 A declaration made under paragraph 8.1, paragraph 8.2 or paragraph 8.3 must be made either at a meeting of the Representatives or by sending written notice to the other Representatives.
- 8.5 A Representative may give general notice that they or a person connected to them has an interest in a specified company, business or organisation and is to be regarded as interested in any transaction or arrangement with that company, business or organisation that may be entered into by the IoD, after the date of the notice. Such notice must be given at a meeting of the Representatives or the relevant Representative must take reasonable steps to ensure that it is brought up and read at the next meeting of the Representatives after it is given. The notice must state the nature and extent of the interest that the Representative or a person connected to them has in the company, business or organisation.

9. Procedure for assessing conflicts at meetings

- 9.1 At the start of each meeting:
- (a) the chair must inform the other Representatives and the minute taker of any conflict of interest that has been declared by a Representative that relates to the business to be discussed at the meeting; and
 - (b) the Officer will circulate any amendments or additions to the register of Representatives' interests made since the last meeting.
- 9.2 The way in which conflicts are dealt with will depend on the nature and extent of the conflict. The non-conflicted Representatives must therefore:
- (a) assess the nature and extent of the conflict;
 - (b) assess the risk or threat to decision-making by the Representatives;
 - (c) decide whether the conflict is serious (for example, the conflict is acute or extensive, will or may be seen to prevent the Representatives from making decisions in the best interests of the IoD, relates to a significant decision or risks significantly damaging the IoD's reputation); and
 - (d) decide what steps to take to handle the conflict.

When considering the conflict, Representatives must take all relevant factors into account, make decisions only in the best interests of the IoD and always protect the IoD's reputation.

- 9.3 The conflicted Representative must not take part in any discussion or decision about the conflict and how to handle it and will not be counted in the quorum for that part of the meeting.



9.4 The non-conflicted Representatives must consider whether it is necessary to seek the advice of the IoD's legal adviser on whether the conflict is serious and/or on how to manage the conflict declared.

10. Authorised conflicts of interest

10.1 The Representative's duty to avoid a conflict of interest does not apply if, and to the extent that, the conflict of interest is authorised by any of the following:

- (a) an express provision in the IoD's governing document;
- (b) a statutory provision; or
- (c) the Royal Court of Guernsey.

10.2 In each case, the Representative must always follow any conditions that apply to the authorisation.

11. Procedures for managing conflicts

11.1 If the conflict arises owing to a financial transaction between the IoD and a Representative (or a connected person), or because a Representative (or a connected person) will or may obtain a benefit from the IoD:

- (a) any potential or proposed benefit must be authorised in advance (see section 10 (Authorised conflicts of interest) above); and
- (b) the conflicted Representative must:
 - (i) withdraw from all discussions and decisions in relation to the matter; and
 - (ii) not be counted in the quorum for that part of the meeting.

11.2 If the non-conflicted Representatives decide that a conflict is serious, they must consider:

- (a) securing the conflicted Representative's resignation and/or appointing a new Representative who is not conflicted;
- (b) not pursuing the course of action that gives rise to the conflict or proceeding in a different way so that the conflict does not arise;
- (c) seeking independent, expert advice about how to handle the conflict; and
- (d) asking the IoD in London for guidance.

11.3 If a conflict is not serious, the non-conflicted Representatives must decide what procedures and level of participation by the conflicted Representative are appropriate. A number of steps can be taken to deal with the conflict, including:



- (a) requiring the conflicted Representative to withdraw from the meeting for the relevant item and not to be counted in the quorum for that part of the meeting;
 - (b) allowing the conflicted Representative to remain in the meeting for the relevant item to take part in the discussion, but requiring them to withdraw from the meeting during decision-making and to have no right to vote on the matter; or
 - (c) appointing a new, non-conflicted Representative.
- 11.4 If the non-conflicted Representatives decide that the conflict is low risk (in that it will not prevent the conflicted Representative from making decisions in the best interests of the IoD), they may agree that the conflicted Representative may continue to participate in discussions and the decision-making process.
- 11.5 The chair must inform the conflicted Representative of the non-conflicted Representatives' decision about how to manage the conflict.
- 11.6 The minutes of the relevant meeting must include a record of the nature and extent of the conflict, an outline of the discussion and the actions taken to manage the conflict.
- 11.7 Where a Representative or a connected person receives a payment or benefit from the IoD of over £500, this must be reported in the annual accounts.

12. Advisers and conflicts

- 12.1 Before appointing any advisers to the IoD, the Committee must consider whether the adviser has, or may be seen to have, any actual or potential conflict with the interests of the IoD.
- 12.2 All advisers to the IoD must be appointed by the Committee under terms that include:
- (a) an obligation to inform the Representatives if any circumstances arise in which they are or may be conflicted; and
 - (b) an obligation to address any conflicts that arise in the work they do for the Representatives.

13. Provision of conflicts policy

All newly appointed Representatives must be provided with a copy of this policy as amended from time to time.

14. Monitoring, enforcing and reviewing this policy

- 14.1 Any Representative who becomes aware of a breach of this policy must report it to the Chair or Vice Chair as soon as possible.



- 14.2 The Chair or Vice Chair must:
- (a) report all breaches of the policy of which they are aware to the Representatives at the next relevant Representative meeting; and
 - (b) ensure that all breaches are noted in the minutes of the relevant Representative meeting.
- 14.3 The Committee has implemented this policy in order to monitor and manage conflicts of interest. Any failure to comply with the terms of this policy will not, in itself, result in a decision of the Representatives being invalidated or in any liability to any person.
- 14.4 This policy shall be reviewed and may be amended from time to time by the Committee.

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