CONFLICTS OF INTEREST POLICY

FOR

Eyes on the Future

All existing and new Trustees shall receive a copy of this policy and shall be deemed to have accepted it.

1. Introduction

1.1. The aim of this document is to give guidance on the legal requirements and set out the policy of Eyes on the Future ("the Charity") in relation to conflicts of interest.

1.2. Each Trustee owes a duty of loyalty to the Charity and must always act in its best interests. Failure to do so may constitute a breach of trust and may result in the Trustee being personally liable.

1.3. Trustees, must act in accordance with the Charity's constitution and must properly manage situations where there may be a conflict of interest. All members of any committees established by the Charity are also to comply with the Charity's conflict management procedures as set out in the Charity's constitution and this policy, and any references to the Trustees in this policy and the relevant provisions of the constitution, shall be construed as applying to members of the relevant committee(s). There are specific procedures in this policy which apply only to committees which are reviewing grant applications ("Funding Committees") which are set out in Appendix F.

2. What is a conflict of interest?

1.1. A conflict of interest will arise if a Trustee has any direct or indirect interest in a matter (whether personal, by virtue of a duty of loyalty to another organisation or otherwise) and that interest conflicts, or could conflict, with the interests of the Charity. A conflict of interest includes a conflict of loyalty; that is a conflict between any duty a Trustee owes to the Charity and any duty they owe to another person or organisation.

1.2. Conflicts of interest are not just about personal benefits or benefits received by people or organisations connected with a Trustee. Certainly, the conferring of such benefits will give rise to conflicts which need to be authorised and managed. However, a conflict (or appearance or possibility of a conflict) can arise simply because a Trustee has interests in or loyalty or other duties owed to other organisations whose interests might conflict with those of the Charity.

1.3. Where a conflict of interest arises for a Trustee as a result of circumstances affecting a connected person, it is the Trustee that must comply with this policy – not the connected person (unless the connected person is also a Trustee).

1.4. The following are typical examples where the trustee concerned is likely to have a conflict of interest:

1.4.1. the charity wants new office premises. A trustee has some suitable premises to rent, and would expect to be paid for renting them to the charity;

1.4.2. a trustee has been appointed by the local authority. The charity wishes to apply for contract or grant funding from the local authority;

1.4.3. the charity wishes to sell some land. A trustee owns adjoining land, the value of which could be affected by the charity's activities;

1.4.4. the charity is advertising a job and one of the trustees or a member of their family is considering applying; and

1.1.1. a charity is considering awarding a contract to a third party and a trustee has received corporate hospitality from that third party in the past.

1.5. In each case, the level of benefit received by the trustee will be key to deciding if there is a conflict of interest.

2. Overview of the conflicts procedure

2.1. A Trustee must declare any interest in a matter to be decided by the Trustees.

2.2. Any conflict between the interests of the Charity and the interests of a Trustee; and any conflict between the duty of loyalty owed to the Charity and the duty of loyalty a Trustee may have to any other organisation must be:

1.1.2. identified;

1.1.3. managed in accordance with the constitution; and

1.1.4. minuted.

2.3. The law relating to conflicts of interest for companies is complex. It is summarised in Appendix A for reference. However, identification and management of conflicts of interest is not complex and Trustees who comply with this policy will not breach their legal duties.

3. Declaring interests

3.1. All Trustees must declare their interests, and any gifts or hospitality received in connection with their role in the Charity. There is no legal definition of what is an "interest". It is just a question of common sense whether circumstances are such that a Trustee has an interest.

3.2. A Trustee Declaration of Interests Form is attached at Appendix B. This should be completed:

1.1.5. by all new Trustees;

1.1.6. annually by all existing Trustees; and

1.1.7. when any existing Trustee becomes aware of a new interest.

3.3. Trustees should err on the side of caution when completing their Declaration of Interests form, listing all interests which may give rise to a conflict of interests. If a Trustee is uncertain as to whether they have a conflict of interest or has concern as to whether another person has a conflict, they should discuss this with the Chair or, in the case of committees, the chair of such committee. Where the Chair or a committee chair is uncertain, they should discuss this with their fellow Trustees or committee members.

3.4. A Register of Trustees' Interests ("Register") will be maintained by the Secretary or if none, the Chair, and be accessible to the Trustees. A model Register is attached at Appendix C.

1.1. In light of the Charity's areas of focus, interests to be declared include:

1.1.1. Equity interests (if worth £10,000 or more, or more than 1% of the total issued capital) in enterprises with involvement in pharmaceuticals, healthcare, biotech or related areas, or in any other enterprise that may have a real or perceived interest in the work of the charity. Third party investments (e.g. ISAs) should be held exempt from this.

1.1.2. Consultancies and other external appointments (paid and unpaid), together with details of any remuneration or other benefits arising from these.

2. Identifying conflicts of interest

3.5. Each agenda for Trustee meetings (or for a Trustee decision to be made outside a meeting) will include an item for declaration of interests and identification of any conflicts or potential conflicts of interest.

3.6. Prior to, or at the beginning of any Trustee decision making process (or committee meeting), Trustees must declare any interest in relation to matters on the agenda and whether or not they think this may give rise to a conflict of interest. Trustees not attending the meeting or taking part in the decision-making process should declare any interest in advance to the Chair. Notwithstanding Article 22.2 of the Articles of Association which states there is no requirement to disclose interests of which the other Trustees ought reasonably to be aware, the Charity's policy is that all interests relevant to the agenda should be declared at each meeting to avoid uncertainty.

3.7. The declaration can be by oral notification to the Chair or by using the form attached as Appendix B. Any new interests declared in this way will be entered in the Register.

3.8. If a Trustee's interest or duty cannot reasonably be regarded as likely to give rise to a conflict of interest or a conflict of duties with or in respect of the Charity, that Trustee is entitled to participate in the decision-making process, to be counted in the quorum and to vote in relation to the matter. This is a situation where there is a coincidence of interest, as opposed to a conflict.

3.9. Any uncertainty about whether a Trustee's interest or duty does in fact give rise to or can reasonably be regarded as giving rise to a conflict shall be determined (without the interested Trustee being present) by a majority decision of the other Trustees taking part in the decision-making process. The interested Trustee cannot vote or be counted in the quorum in relation to the decision about whether their interest does or does not give rise to a conflict.

4. What to do if there is a conflict of interest

4.1. For scenarios arising in Funding Committees where a Funding Committee member is an applicant or co-applicant of a grant application being considered by such committee, please refer to Appendix F, paragraph 2.1,

4.2. The Articles permit Trustees with a conflict of interest to remain, vote and be counted in the quorum in certain situations. The starting point is that the Trustee <u>can</u> participate in the decision-making process, be counted in the quorum and vote <u>unless</u>:

1.1.8. a majority of the other Trustees participating in the decision-making process decide to the contrary; or

1.1.9. the decision could result in the Trustee or any person who is connected with them receiving a benefit. However, there are four benefits where the Trustee can still participate, be counted in the quorum and vote and these are:

(a) any benefit received in his, her or its capacity as a beneficiary of the Charity and which is available generally to the beneficiaries of the Charity;

(b) the payment of premiums in respect of trustee indemnity insurance;

(c) payment under the trustee indemnity set out in the Articles; and

(d) reimbursement of expenses in accordance with the Articles.

4.3. But note even in the situations described in 6.2.2(a) to 6.2.2(d) in 6.2.2 above, it is still open to the other trustees to decide that the trustee should not vote or be counted in the quorum.

4.4. If a majority of the other Trustees decide a Trustee should not participate in the decision making process, or a Trustee will receive a benefit other than one of the four outlined above then, the Trustee with a conflict of interest must:

1.1.10. take part in the decision-making process only to such extent as in the view of the other trustees is necessary to inform the debate;

1.1.11. not be counted in the quorum for that part of the meeting; and

1.1.12. withdraw during the vote and have no vote on the matter.

4.5. The steps in this policy are summarised in the flowchart attached at Appendix D.

4.6. Trustees with a conflict of interest or duties to the Charity and who have complied with their obligations will not be in breach of their duties to the Charity by withholding confidential information where disclosure would cause the Trustee to breach any other duty of confidence. Similarly, the Trustee will not be accountable to the Charity for any benefit expressly permitted under the Articles which the Trustee or any person connected with them derives from any matter, office, employment or position.

5. Additional considerations where interests arise from potential benefits to a Trustee

5.1. The Trustees and certain persons regarded as "connected" with them cannot receive any benefits from the Charity except to the extent permitted by:

1.1.13. the constitution of the Charity;

1.1.14. the Charity Commission or the Court.

5.2. The benefits permitted under the Charity's constitution are:

1.1.15. benefits to a trustee (or person who is connected to a trustee) in their capacity as a beneficiary;

1.1.16. the payment to trustees of reasonable out of pocket expenses incurred on behalf of the charity (although these are not, strictly speaking, a benefit);

1.1.17. payment to trustees or a person connected to a trustee of interest at a reasonable rate on money lent to the charity;

1.1.18. payment to trustees or a person connected to a trustee of a reasonable rent or hiring fee for premises let or hired to the charity;

1.1.19. reasonable and proper remuneration to any trustee or person connected to a trustee for any goods or services supplied to the charity (and including, for a connected person only, services performed under a contract of employment with the charity). Provided that no more than half the trustees shall benefit in this way in any financial year;

1.1.20. benefits under a trustee indemnity insurance policy; and

1.1.21. payments to trustees under the indemnity contained in the Articles.

5.3. Appendix E includes a definition of who is regarded as "connected" to a Trustee.

5.4. If a proposed benefit to a Trustee is not permitted under the constitution, legal advice should be obtained before proceeding.

6. Situations where all the Trustees have a conflict of interest

6.1. There may be situations where all the Trustees have an interest and arguably a conflict of interest. In such situations, a Trustee may participate in decisions from which the Trustee indirectly benefits provided either:

1.1.22. the benefits are universal to the public or available to all the beneficiaries of the Charity; or

1.1.23. it is a general policy or practice decision affecting the service in which the Trustee, along with other users, participates.

6.2. In any other situations where the full board is conflicted, the Trustees should seek legal advice. Options include seeking an order from the Charity Commission (under s.105 of the Charities Act 2011) sanctioning the proposed action.

7. Record keeping

All discussions and decisions about a conflict of interest must be recorded and reported in the minutes of the meeting. The report should record:

7.1. any relevant interests of the Trustees;

7.2. any conflicts of interest, including any decisions made as to whether a Trustee did or did not have a conflict of interest;

7.3. the actions taken to manage the conflict in accordance with the Charity's constitution;

7.4. the names of persons present for discussion; and

7.5. any other relevant information.

8. Data protection

Any personal data disclosed by Trustees as part of the charity's conflicts procedures:

8.1. may be recorded in the charity's Register of Trustee Interests. This Register is open to inspection by the trustees.

8.2. may, where a Trustee has declared a conflict of interest, be recorded in minutes of Trustee meetings.

8.3. will be processed in accordance with the charity's privacy policy.

9. Policy Review

This policy shall be reviewed annually.

Last review date: October 2025

Conflicts of interest and the Companies Act 2006

1. **Under the Companies Act 2006, the Trustees have the following duties in respect of interests and conflicts of interest:**

1.1. to avoid situations in which they have, or can have, a direct or indirect interest that conflicts, or might conflict, with the interests of the charity (s.175);

1.2. to declare an interest in proposed transactions or arrangements (s.177). There is also a separate requirement to disclose interests in an existing transaction or arrangement (s.182); and

1.3. not to accept benefits from third parties (s.176). This duty is not infringed if the acceptance of the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest.

2. **The duty to avoid conflicts of interest will not be infringed if:**

2.1. the situation cannot reasonably be regarded as likely to give rise to a conflict of interest; or

2.2. provisions in the articles for dealing with conflicts of interest have been complied with; or

2.3. the other directors have authorised the situation. For charitable companies, the directors only have power to authorise a conflict if the articles include such a power.

3. **A director also has a duty (s.176) not to accept a benefit from a third party conferred by reason of being a director or doing (or not doing) something as a director.**

This duty is not infringed if the acceptance of the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest.

4. **Further Note, in addition to the above dealing with disclosure of interests and management of conflicts of interest, there are further requirements under the Companies Act in relation to certain transactions**

4.1. If a director's interest or conflict of interest arises in relation to any of the following there are further requirements under the Companies Act that must be complied with before the transaction can proceed:

4.1.1. long term service contract – see s.188 to s.189;

4.1.2. substantial property transactions – see s.190 to s.196;

4.1.3. loans to directors – s.197 to s.214; and

4.1.4. payments for loss of office – s.215 to s.222.

4.2. Broadly speaking each of the above, in addition to any charity law requirements, requires the consent of the company's members although there are some exceptions.

Eyes on the Future

Eyes on the Future Trustee Declaration of Interests Form

I, ____, as Trustee of _____________________________________ Eyes on the Future have set out below my interests in accordance with the organisation's conflicts of interest policy.

I am a new Trustee.

I have also completed the Charity's new Trustee Eligibility Declaration Form.

I am an existing Trustee.

Category	***Please give details of the interest and whether it applies to yourself or, where appropriate, a member of your immediate family, connected persons or some other close personal connection.***
Current employment and any previous employment in which you continue to have a financial interest.	
Appointments (voluntary or otherwise), eg. trusteeships, directorships, local authority membership, tribunals, etc.	
Membership of any professional bodies, special interest groups or mutual support organisations.	
Investments in unlisted companies, partnerships and other forms of business, major shareholdings (charities may set a figure here, eg. more than 1% or 5% of issued capital) and beneficial interests.	
Gifts of hospitality offered to you by external bodies and whether this was declined or accepted in the last twelve months.	
Do you use, or care for a user of the organisation's services?	
Any contractual relationship with the charity or its subsidiary.	
Any other interests not covered by the above	

Category	***Please give details of the interest and whether it applies to yourself or, where appropriate, a member of your immediate family, connected persons or some other close personal connection.***
which could give rise to a conflict of interest.	

To the best of my knowledge, the above information is complete and correct. I undertake to update as necessary the information provided, and to review the accuracy of the information on an annual basis. I give my consent for it to be used for the purposes described in the conflicts of interest policy and for no other purpose.

Signed: ____

Position: ____

Date: ____

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C. - Register of Trustees' Interests

Name of Trustee	Description of Interest	Does the Interest relate to the Trustee or a person closely connected to the Trustee (please describe)?	Date notified	Is the Interest current?

A.

D.

This Register can be used either to record all Trustee interests chronologically as they are disclosed or to have separate pages for each Trustee with their interests recorded chronologically.

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D. - Management of Conflicts of Interest Flow Chart

Does the trustee have an interest?

No → No need for action.

Yes ↓

Prior to meeting/decision the trustee must declare the nature and extent of any interest. For any interest not previously declared. The trustee should complete the Declaration of Interests Form and the interest should be recorded in the Register of Interests. Existing interests should be declared at the beginning of each meeting.

↓

Does the trustee's interest conflict with the interests of the charity? Remember a coincidence of interest does not necessarily mean a conflict. The Articles give the other trustees the final say in whether something amounts to a conflict of interest.

No → No further action needed.

Yes ↓

Does the trustee's interest arise because the trustee (or a person connected to them) might receive a personal benefit?

Yes ↓

Is the personal benefit permitted under the charity's Articles?

No → No further action should be taken until approval of the Charity Commission benefit is obtained.

Yes ↓

Is the benefit either reimbursement of expenses, trustee indemnity insurance payments, payment out under an indemnity or a benefit received in the capacity of a beneficiary?

Yes → Unless a majority of other trustees decide to the contrary, the trustee may remain, participate, count in the quorum and vote.

No ↓

Trustee must remain only to the extent requested to do so by the other trustees to inform the debate, must withdraw during the vote, have no vote and not be counted in the quorum.

(From "Does the trustee's interest arise because the trustee (or a person connected to them) might receive a personal benefit?") No → Unless a majority of other trustees decide to the contrary, the trustee may remain, participate, count in the quorum and vote.

↓

Management of the conflict must be minuted.

Note this flowchart is specifically tailored to reflect the provisions in Charity's constitution relating to conflicts of interest. It does not include conflicts scenarios which arise in the context of a Funding Committee (see Appendix F) and is not appropriate for general use by other organisations.

E. - Definition of "connected"

"Connected" means any person falling within one of the following categories:

1. any spouse, civil partner, parent, child, sibling, grandparent or grandchild of a Trustee; or

2. the spouse or civil partner of any person in (a); or

3. any other person in a relationship with a Trustee which may reasonably be regarded as equivalent to such a relationship as is mentioned at (a) or (b); or

any company, partnership or firm of which a Trustee is a paid director, member, partner or employee, or shareholder holding more than 1% of the capital.

F. - Procedures in relation to Funding Committees

1. Discussion of proposals

1.1. Details of applications, meeting papers and related correspondence and the names of external referees are strictly confidential and should not be discussed with persons outside the review process.

1.2. Discussions of a proposal between members of a Funding Committee which occur outside a Funding Committee meeting should be declared to the chair of such committee.

1.3. If a Funding Committee member (including Trustees) is approached by an applicant for technical advice on an application, he or she may provide advice, but must report this to the Funding Committee chair and secretariat. The relevant committee member may subsequently be asked by the chair to absent themselves from a discussion of the application concerned.

2. Managing conflicts of interests

9.1. Where a Funding Committee member (including Trustees who are also Funding Committee members) is an applicant or co-applicant of a grant application being considered by such committee, such member:

1.1.1. must declare their interest at the earliest opportunity;

1.1.1. to the extent possible, shall not receive documents pertaining to the application, learn the identity of its referees or receive its referees' reports; and

1.1.2. must retire from the meeting when the application is assessed. For the avoidance of doubt, the conflicted member is not entitled to vote on the matter nor are they counted as part of the quorum. Details of discussion of that application will be deleted from any papers the member receives.

Where the conflicted person is the Chair of the Funding Committee, they must not undertake their role as chair for the meeting as a whole (including the appointment of any written reviewer of applications) and a vice-chair will, instead, be responsible for chairing the meeting. This should be the case whenever funding is directly attributed to the Chair regardless of the type of applicant they are listed as (e.g. lead or joint lead applicant, coinvestigator, collaborator etc.)

9.2. In all other scenarios, including but not limited to where Funding Committee members are reasonably seen to be a direct competitor of the applicant of a funding opportunity of the Charity, the Funding Committee shall comply with paragraph 6 (***What to do if there is a conflict of interest)***.

9.3. The Charity recognises that the majority of conflicts or potential conflicts which may arise in relation to Funding Committee members will relate to a particular issue and as such will not present any long-term restrictions on an individual's ability to sit on a Funding Committee.

9.4. In a small number of cases, major conflicts of interest may arise which compromise an individual's ability to be a member of a Funding Committee. Where such a situation arises, the Trustees shall discuss and decide on the appropriate course of action in the best inter.