

NIEMANN-PICK DISEASE GROUP (UK) (“the Charity”)

Charity Number: 1144406

Company Number: 07775835

CONFLICTS OF INTEREST POLICY

as adopted by resolution of the Trustees on 15th Decemeber 2011

1. INTRODUCTION

- 1.1 Trustees of the Charity should not be involved in, or in any way influence, decisions where their personal interests and those of the Charity conflict or might conflict. Trustees are also asked to bear in mind, possible conflicts of interest in relation to their spouse, child, parent, sibling etc.
- 1.2 All Trustees shall be asked to sign a Conflicts of Interest Statement upon their appointment (as set out in Appendix 1) and will be expected to update this Statement as and when required, but at least on an annual basis.

2. DECLARING A CONFLICT OF INTEREST

- 2.1 Trustees are asked to declare any conflict or potential conflict at the earliest opportunity. It is likely that this will arise at Trustee meetings.
- 2.2 Trustees should declare their interest at the start of the meeting where possible or at the beginning of the item of business in which he or she is personally interested.
- 2.3 The conflicted Trustee must withdraw from any subsequent discussion on the matter and shall not be permitted to vote (see 3.1 below).
- 2.4 If there is any doubt as to whether or not a conflict exists, this should be raised with the Chair of the meeting whose decision shall be final. In cases involving the Chair, then the Vice-Chair shall decide.
- 2.5 Where the benefits are universal to all Trustees or where the benefit to the Trustee in question is minimal (for example, the value of the benefit is nominal), it may be decided upon at a meeting of the Trustees at the relevant time that that individual is not required to withdraw from the discussion and may also be permitted to vote. The circumstances of each individual case should be considered.

3. DECISIONS TAKEN WHERE A TRUSTEE HAS AN INTEREST

In the event of the remaining Trustee(s) having to decide upon a question in which an individual Trustee has an interest, the interested Trustee shall not vote and their presence will not be counted in the quorum for the meeting. The Trustee concerned will be asked to absent themselves from the meeting, unless the Trustees decide otherwise.

4. IDENTIFYING A CONFLICT OF INTEREST

Conflicts of interest may come in a number of different forms:

- 4.1 Direct financial gain or benefit to the Trustee;
- 4.2 Indirect financial gain, such as the employment by the Charity of a relative or the spouse of a Trustee;
- 4.3 Non-financial gain, such as where a Trustee benefits from work carried out by the Charity; and
- 4.4 Conflict of loyalties, where a Trustee is also a Trustee of another charity providing similar services/activities in the same area.

5. **DIRECT FINANCIAL GAIN OR BENEFIT TO A TRUSTEE**

- 5.1 An example of this would be a payment to a Trustee for services provided to the Charity. First of all, any such payment would need to be authorised either by the governing document, by the Charity Commission or by law and secondly the conflict of interest should be properly managed. The procedures in paragraphs 2 and 3 should, therefore, be followed.
- 5.2 Please note that a Charity Trustee cannot be paid for his/her service as a Director of the Charity's trading company or as an employee of the trading company, unless authority for such payment is contained in the Charity's governing document or has been provided by the Charity Commission.

6. **INDIRECT FINANCIAL GAIN OR BENEFIT TO A TRUSTEE**

- 6.1 The most common situation in which a Trustee will receive an indirect financial benefit from the Charity is when a close relative, such as a spouse, partner or child, is employed by the Charity. If the Trustee is wholly or partially dependant upon the financial support of his/her spouse or partner, the payment could be seen as directly benefitting the Trustee concerned. Even if the Trustee has other income, but the two live together and share household bills, etc, then the payment received is deemed to contribute to their "joint purse" and the Trustee is still receiving some benefit through the contribution to his expenses. This also applies in other family relationships.
- 6.2 Not only will the payment need to be authorised, but the procedures set out in paragraph 2 and 3 should be followed and Charity Commission guidance should be followed.

7. **NON-FINANCIAL GAIN – BENEFITTING FROM THE CHARITY'S WORK**

- 7.1 Some Trustees of the Charity may also benefit from the Charity carrying out its work. This can sometimes create conflicts of interest where a decision taken by the Board of Trustees will have a consequential or direct impact on the Trustee concerned.
- 7.2 Essentially, the question is whether the decision to be taken by the Trustees will confer a direct and quantifiable benefit on the Trustee (who also benefits) which is exclusive to him and which is not shared with other people.
- 7.3 A Trustee may also have relatives who are users of the Charity's services and in such cases a conflict of interest could arise as well.
- 7.4 Usually, Trustees can take part in decisions which involve charitable benefits which could affect them (and this is permitted by the Articles of Association), but they should declare their interest at the outset and it should be recorded. If the Trustees feel that a circumstance gives rise to a significant (and that will depend on the facts) conflict of

interest, then they may ask the Trustee to leave the meeting at the point where it is discussed and not take part in the vote, (as per para 3).

8. CONFLICT OF LOYALTIES

- 8.1 Trustees should bear in mind that when they are dealing with the business of the Charity, their overriding duty is to act in the best interests of that Charity. There may be situations where a Trustee's loyalty to the Charity conflicts with his/her loyalty to another charity of which he/she is also a Trustee or a member of staff. Such conflicts of loyalty will vary. Such conflicts should not prevent anyone from being a Trustee, but they can occasionally cause conflicts of interests. For example, a Trustee of the Charity which is making a grant to another charity of which a Trustee is also on the Board will be in a position of conflict. As will a Trustee who is on the Board of another charity which is competing for the same funding.
- 8.2 Any Trustee who has a conflict of loyalties should declare it from the outset and it should be included in the register of interests (see below). They should also follow paragraphs 2 and 3. This will help to ensure transparency and avoid any accusations of impropriety.
- 8.3 On occasion, the other Trustees may think there is such a low degree of risk of a conflict arising, that they ask that Trustee to remain and take part in the discussions and provide information in relation to the same. This is for the Trustees to decide at their discretion.

9. REPORTING OF DECISIONS WHERE A CONFLICT OF INTEREST HAS BEEN DECLARED

- 9.1 All decisions where a conflict of interest has been declared will be reported in the minutes of the meeting. The minutes will record:
 - 9.1.1 The nature and extent of the conflict;
 - 9.1.2 An outline of the discussion; and
 - 9.1.3 The actions taken to manage the conflict.
- 9.2 All conflicts of interests shall be recorded by the Secretary in the Conflicts Register of the Charity.
- 9.3 Where a Trustee benefits from such a decision, this will be reported in the Annual Report and Accounts in accordance with SORP 2005.