

West Somerset Railway Association

Conflict of Interest Policy

1. Benefits and payments to charity trustees and connected persons

i. General provisions

No trustee or connected person may:

- a. buy any goods or services from the charity on terms preferential to those applicable to members of the public;
- b. sell goods, services, or any interest in land to the charity;
- c. be employed by, or receive any remuneration from, the charity;
- d. receive any other financial benefit from the charity;

unless the payment is permitted by sub-clause (2) of this policy, or authorised by the court or the Charity Commission.

In this paragraph a 'financial benefit' means a benefit, direct or indirect, which is either money or has a monetary value.

2. Scope and powers permitting trustees' or connected persons' benefits

- i. A trustee or connected person may receive a benefit from the charity in the capacity of a beneficiary of the charity provided that a majority of the trustees do not benefit in this way.
- ii. A trustee or connected person may enter into a contract for the supply of services, or of goods that are supplied in connection with the provision of services, to the charity where that is permitted in accordance with, and subject to the conditions in, sections 185 and 186 of the Charities Act 2011.
- iii. In sub-clause (1) of this policy:
 - a. 'charity' includes any company in which the charity:
 - holds more than 50% of the shares; or
 - controls more than 50% of the voting rights attached to the shares; or
 - has the right to appoint one or more trustees to the board of the company.
 - 'connected person' includes any person within the definition in paragraph 5 'Interpretation'.

3. Declaration of trustees' interests

A trustee must declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the charity or in any transaction or arrangement entered into by the charity which has not previously been declared. A trustee must absent himself or herself from any discussions of the charity trustees in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the charity and any personal interest (including but not limited to any personal financial interest).

4. Conflicts of interests and conflicts of loyalties

- i. 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 express an opinion 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 charity to authorise the conflict of interests in the circumstances applying.
- ii. In this paragraph 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.

5. Interpretation

In paragraph 1 'connected person' means:

- i. a child, parent, grandchild, grandparent, brother or sister of the trustee;
- ii. the spouse or civil partner of the trustee or of any person falling within sub-paragraph (i) above;
- iii. a person carrying on business in partnership with the trustee or with any person falling within sub-paragraphs (i) or (ii) above;
- iv. an institution which is controlled:
 - a. by the trustee or any connected person falling within sub-paragraphs (i), (ii), or (iii) above; or
 - b. by two or more persons falling within sub-paragraph 5(i), when taken together
 - c. a body corporate in which
 - the trustee or any connected person falling within sub-paragraphs (i) to (iii) has a substantial interest; or
 - two or more persons falling within sub-clause (5)(i) who, when taken together, have a substantial interest.

Sections 350 – 352 of the Charities Act 2011 apply for the purposes of interpreting the terms used in this paragraph.

Paul Whitehouse
Company Secretary