



Managing Conflicts of Interest Policy

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Version	Date	Author	Status	Comment
4	October 2021	Kathleen Formosa, Head of Corporate Governance and Company Secretary	Approval	The definitions of conflicts of interest and conflicts of loyalty have been clarified. Updates have been made in relation to the new and separate Gifts & Hospitality Policy.

		Governance and Company Secretary		
6	August 2023		Approval	The recording of conflicts of interest or conflicts of loyalty in a register as they arise is explained. Members of Local Advisory Panels (LAPs) are now included in the scope of this policy. Possible publication of declared interests included in Section 2.

Scope

This policy applies to the WEA's Board of Trustees (who are also the Company Directors

Further to Articles 61.3-61.4, where conflicts of interest and duty may arise, and the interest relates to a matter under discussion, the Trustees or relevant committee of the Board of Trustees or LAP must collectively decide whether the interest:

- a) Is trivial and does not create a real danger of conflict of interest and duty, or bias or the appearance of bias;
- b) Does not create a real danger of conflict of interest and duty or bias, but might reasonably cause others to think it could influence a decision; or
- c) Creates a real danger of conflict of interest and duty or bias (i.e., the interest affects them, or a person or business connected to them, more than the generality affected by the decision).

In cases a-c above, such conflicts will be dealt with by the Board or committee of the Board or LAP generally as follows:

- a) The Trustee, committee member or LAP member must not vote;
- b) It shall be at the discretion of the other Trustees, committee members or LAP members (who do not themselves have an interest in the matter) whether the

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public and Parliament and demonstrate that potential conflicts of interest are being identified, managed and reported.

Related party transactions arise where one party has control or influence over the other, or where the parties are subject to common control. This includes parent companies and their subsidiaries, key management personnel including company directors, their close family members and other entities in which these parties have a controlling interest. Accounting standards require transactions between related parties to be disclosed in the financial statements as related party transactions.

Related party transactions are the transfer of resources, services or obligations between related parties, regardless of whether a price is charged, and may include the following:

Purchases, sales, leases and donations (including donations which are made in furtherance of the charity's objects) of goods, property, money and other assets such as intellectual property rights to or from the related party.

The supply of services by the related party to the charity, and the supply of services by the charity to the related party. Supplying services includes providing the use of goods, property and other assets and finance arrangements such as making loans and giving guarantees and indemnities.

Any gifts or hospitality received in connection with their role in the charity.

Any other payments and other benefits which are made to trustees under express provisions of the governing document of a charity or in fulfilment of its charitable objectives.

For Trustees, non-Trustee members of committees of the Board of Trustees, Local Advisory Panel members or staff who are members of or regular attendees of the Board of Trustees or any of its committees, a related party may be a "natural person" (e.g., a family member, or business partner) or a "legal person" (e.g., a company or organisation). Related parties who are "natural persons" are the same as "connected persons" as set out in Section 7 of this policy.

ESFA's accounts guidance sets out that related parties include:

Parties with control over, or who are controlled by, the entity (for example parent and subsidiary companies);

Parties having significant influence over the entity;

Key management personnel of the entity, including any director, whether executive or otherwise;

Close family members of any of the above; and

Others subject to control or significant influence by any individual referred to above.

In other words, and by way of example, WEA would not necessarily be considered related to another charity simply because a particular WEA Trustee happened to be a trustee of another charity. It would only be 'related' if the relationship meant that WEA, in furthering its charitable aims, fell under the direction or control of the Trustees of the other charity (or vice versa).

6. Gifts & Hospitality

The WEA accepts that the occasional modest giving and receiving of gifts and hospitality can be a legitimate contribution to good business relationships. However, it is essential that they do not unduly influence the objective decision-making required of Trustees and the members of Board-level committees. Trustees and non-Trustee members of committees of the Board of

Trustees