

St Mary's School, Hampstead (the "School")

Policy on transactions and arrangements with Trustees and Governors (the "Policy") adopted by the Board of Trustees at a meeting held on 30 June 2010 (the "Date of Adoption")

1. Application and Aims of the Policy

- 1.1 The Policy applies to all Trustees and Governors of the School.
- 1.2 The Trustees have a legal obligation to act in the best interests of the School and in accordance with the School's articles of association and to avoid situations where there may be a potential conflict of interest. The Governors of the School have similar obligations.
- 1.3 Conflicts of interests may arise where an individual's personal or family interests and/or loyalties conflict with those of the School. Such conflicts may create problems as, for example, they can inhibit free discussion and/or result in decisions or actions that are not in the interests of the School.
- 1.4 The aim of the Policy is to protect the School, Trustees and Governors from any appearance of impropriety.

2. Disclosure of Conflicts of Interest

Identifying conflicts of interest

- 2.1 The School expects Trustees and Governors to be able to identify any actual or potential conflicts of interest when they arise and to ensure, if a Trustee or Governor receives a material benefit as a result of any conflict of interest, that the benefit has been properly authorised.
- 2.2 A conflict of interest may arise under a Trustee Contract (as defined below) or otherwise. Relevant interests may be financial or non-financial; direct or indirect. Certain examples are provided below, which apply equally to Trustees and Governors. However, it is not possible to define all the circumstances in which a conflict of interest may arise. Therefore, it is the responsibility of each Trustee and Governor to declare any matters which they feel may present actual or potential conflicts, or the perception of such conflicts.
- 2.3 Direct financial benefits or interests include, for example, the engagement of a Trustee by the School as an employee, consultant or advisor, or the situation where a company of which the Trustee is a director or shareholder may be considered for a contract by the School. Other matters of financial interest include the sale of land or the use of the Trustee's property by the School.
- 2.4 Indirect financial interests may arise where such potential financial benefits accrue to a close member of the Trustee's family or a friend, business partner or colleague, where their finances are interdependent (for example, joint bank accounts, mortgages or property held in joint names, one party financially dependent on the other, employer/employee/contractual relationship) or where it could otherwise be perceived that such benefits could lead to a conflict of interest.
- 2.5 Non financial interests, direct or indirect, may arise where the Trustee or a member of his family is using the School's services, particularly if such use is exceptional. However, it is not necessary to declare benefits from the School which are available to all or which are of such limited value as to be unlikely to influence the decisions of a Trustee or Governor.

Declaration of interests form

- 2.6 To assist in identifying any actual or potential conflicts of interest, prior to their appointment, any prospective Trustee or Governor must complete a declaration of interests form (a copy of which is appended to the Policy). All existing Trustees and Governors at the Date of Adoption shall also be required to complete a declaration of interests form as soon as reasonably practicable. Each individual will be responsible for ensuring that the

information provided on their declaration of interests form remains complete and correct and for reviewing such information at least annually. If in any doubt, it is always better to make a declaration.

- 2.7 Any possible conflict of interest of a prospective Trustee or Governor, which has been identified on a declaration of interests form, will be disclosed to those persons entitled to vote on that individual's election so that it can be taken into account when voting.

Management of conflicts of interest

- 2.8 A Trustee or Governor who has a material interest which conflicts, or may conflict, with the interests of the School shall not be counted towards the quorum of any meeting of the Trustees or Governors (as appropriate), or be permitted to vote on a resolution, concerning that matter save as set out in the School's articles of association from time to time.
- 2.9 The minutes of any meeting of the Board of Trustees or Board of Governors at which a conflict of interest (whether in connection with a Trustee Contract or otherwise) is considered will record the nature and extent of the conflict; an outline of the discussion; and the actions taken to manage the conflict.
- 2.10 The Board of Governors will report any declarations of interest made to them to the Board of Trustees as soon as reasonably practicable.
- 2.11 The Board of Trustees will maintain a register of interests of the Trustees and Governors, so that any actual or potential conflicts of interest can be identified more easily. The register of interests will be regularly updated and will include the name of the Trustee/Governor, the nature and extent of his interest and whether such interest is current. The register will be accessible to all Trustees and Governors and any other person as determined by the Board of Trustees from time to time.

3. Trustee Contracts

- 3.1 All of the terms and conditions of any contract under which it is proposed that the School may employ, or on which the School may enter into any other transaction or arrangement with, a Trustee or Governor shall be in writing (a "**Trustee Contract**").

Disclosure of Trustee Contracts

- 3.2 The terms and conditions of any proposed Trustee Contract shall be disclosed at a meeting of the Trustees for approval by the Board of Trustees prior to the School's entry into the Trustee Contract. To the extent that any Trustee Contracts are in existence at the Date of Adoption, the terms and conditions of such Trustee Contracts shall be disclosed at a meeting of the Trustees as soon as reasonably practicable for ratification by the Board of Trustees.
- 3.3 A Trustee or Governor shall declare the nature and extent of any interest (whether direct or indirect) in a proposed transaction or arrangement with the School pursuant to a proposed Trustee Contract before the School enters into the transaction or arrangement at a meeting of the Trustees or Governors (as appropriate) or in writing to the Board of Trustees.
- 3.4 Where a Trustee or a Governor is in any way, directly or indirectly, interested in an existing Trustee Contract that has been entered into by the School, he must declare the nature and extent of that interest to the other Trustees or Governors at a meeting of the Trustees or Governors (as appropriate) or in writing to the Board of Trustees as soon as reasonably practicable. No declaration is required if (or to the extent that) the interest has already been declared.
- 3.5 Minutes of all Trustees' meetings and copies of all Trustee Contracts shall be kept by the Board of Trustees.
- 3.6 All Trustee Contracts and payments made there under shall be recorded in the records of the School and shall be made available to the School's auditors and included in the Annual Report and Accounts in accordance with Charities SORP.

Quorum and voting on Trustee Contracts

- 3.7 A Trustee who is a party to a Trustee Contract shall not be counted towards the quorum or be permitted to vote on a resolution relating to his Trustee Contract save as set out in the School's articles of association from time to time.

Number of Trustee Contracts

- 3.8 The number of Trustees or Governors employed under a Trustee Contract shall not exceed a total of two at any time.

Payments under Trustee Contracts

- 3.9 Payments to Trustees or Governors shall only be made in accordance with a Trustee Contract.
- 3.10 Unless the Board of Trustees determines otherwise, any Trustee Contract which provides for payments to a Trustee or Governor above a limit to be set by the Board of Trustees from time to time shall be subject to competitive tender.

Factors to consider before approving a Trustee Contract

- 3.11 A Trustee Contract shall not be made if the terms and conditions could be performed voluntarily by others to the same standard without disadvantage or inconvenience to the School.
- 3.12 The Trustees shall consider the following in relation to any Trustee or Governor before approving or ratifying a Trustee Contract:
- (a) any special skill or knowledge of a Trustee or Governor or others who could fulfil the same duties;
 - (b) the amount of compensation to be paid to a Trustee or Governor;
 - (c) the amount of compensation that would be payable to a person who is not a Trustee or Governor if employed on the same terms (save as to compensation) under the Trustee Contract in question;
 - (d) how and by whom performance of duties under a Trustee Contract will be monitored and payment authorised and what if any additional inspection or audit facilities they shall require; and
 - (e) whether there is appropriate provision in the Trustee Contract or otherwise to meet liabilities and risks to which the School may be exposed under or in connection with the Trustee Contract in question.

Managing and monitoring Trustee Contracts

- 3.13 A Trustee or Governor must not be involved in managing or monitoring a Trustee Contract relating to them. Monitoring arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contract if the relationship is unsatisfactory.

4. Monitoring and Publication of Policy

- 4.1 In the event of any query relating to the terms of the Policy, or any suspected breach, Trustees and Governors should consult the Chair of Trustees in confidence in the first instance (or such other person as is notified to the Trustees and the Governors for this purpose by the Chair of Trustees, who will refer the matter to the Board of Trustees, the Board of Governors and/or any professional adviser as they deem necessary).
- 4.2 A copy of the Policy shall be provided to all existing Trustees and Governors at the Date of Adoption and to all new Trustees and Governors from time to time, as soon as reasonably practicable, who shall each be required to acknowledge receipt and confirm their understanding of its terms and their responsibilities and duties hereunder.

4.3 In the interests of transparency, a copy of the Policy shall be published on the School's website.