



**Conflict of Interest Policy,
Process & Procedure V2.0**

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Document Control

Policy Owner	General Counsel
Version	2.0
Policy	Conflict of Interest Policy
Review Frequency	Annual
Approval Date	7 November 2018
Governance	<ul style="list-style-type: none">▪ Author – Company Secretary▪ Reviewer – Legal, Governance and Standards Committee▪ Approval – Board
Associated Documents	<ul style="list-style-type: none">▪ Declaration of Interest Form▪ Process for Managing and Monitoring Directors’ Conflicts of Interest▪ Anti-bribery and Corruption Policy▪ Log of data protection breaches

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Version Control

Summary of Changes

- **05 Jan 2018**
 - First Draft (V0.0)

- **23 Jan 2018 (V0.1)**
 - Revised first draft
 - Date and Version history added

- **01 May 2018 (V1.0)**
 - First Publication

- **7 November 2018 (V2.0)**
 - Revised to extend the policy to Pay.UK and its subsidiaries following an Internal Audit finding.

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Policy Statement

Statement of Intent

Pay.UK Limited (**Pay.UK**) and its subsidiaries seek at all times to achieve and maintain high standards of probity in the way it conducts its business. These standards include impartiality, objectivity and integrity. Managing potential conflicts of interest is an important part of this process.

A conflict of interest arises when the judgement of someone involved in the work of Pay.UK may be compromised, by a financial interest or other considerations.

A **financial interest** refers to anything of a non-trivial monetary value. This includes, but is not limited to pay, commission, fees, equity interests, forgiveness of debt, commercial property, royalties, and intellectual property rights.

Other considerations refer to a non-financial benefit or advantage including, but not limited to, enhancement of an individual's career, education or professional reputation; access to privileges, information or facilities.

All those to whom this policy applies should strive to avoid any conflict of interest, whether financial or non-financial, perceived or actual.

This policy covers conflicts of interest in the work place. Examples of conflicts of interest may include¹:

1. An employee who is related to a member of staff who may make a decision on their pay and/or terms and conditions of employment.
2. An employee who has shares in a business that may be awarded a contract to do work or provide a service to Pay.UK.
3. A consultant or contractor who obtains sensitive information about a particular guarantor member of Pay.UK (**Guarantor**) and discloses it to another Guarantor who they also happen to be working for.
4. The use of Pay.UK's administrative facilities to pursue commercial business interests.

This policy does not cover conflicts of interest outside the work place. If in doubt, all interests should be declared.

Policy

Our policy is to:

1. **Promote transparency** and the open and appropriate management of any conflict of interest.
2. **Protect Pay.UK and its subsidiaries** from any appearance of impropriety, criticism or compromise.
3. **Protect the integrity of decision-making processes**, to enable stakeholders to have confidence in Pay.UK's integrity and that of its subsidiaries.

¹ These examples are intended to be illustrative and not exhaustive.

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4. **Ensure** that Pay.UK's board of directors acts impartially and objectively.
5. **Protect** the declarants' information.

Promote transparency

We² shall do this by:

- Disclosing to the Pay.UK HR team any interests that could potentially result in a conflict by completing a Declaration of Interest Form.
- Updating our declaration annually or upon the occurrence of any changes in our personal circumstances, whichever is the earlier.

Protect Pay.UK from any appearance of impropriety, criticism or compromise Protect the integrity of decision-making processes

We shall do this by:

- Complying with Pay.UK's Anti-Bribery and Corruption Policy.

We shall do this by:

- In the course of meetings or other professional activities, disclosing any interests in a transaction or decision where there may be a conflict between Pay.UK's best interests and / or the best interests of its subsidiaries.

Examples of conflicts of interest may include³:

1. Taking part in disciplinary proceedings against a member of staff to whom we are related or friends with.
 2. Negotiating a contract between Pay.UK and a supplier of Pay.UK or any of its subsidiaries in which we have an interest.
- Noting in any meeting records any conflict of interest disclosures we made, the subsequent actions we took and, if applicable, any authorisations of our conflict of interest by the meeting attendees.
 - Unless the conflict of interest is authorised by the meeting attendees, withdrawing from the meeting, or any part of any meeting at which the conflict of interest may arise and ensuring our withdrawal is noted in the meeting records.

Ensure that Pay.UK's board of directors acts impartially and objectively

Pay.UK's directors shall do this by complying with the Process for Managing and Monitoring Directors' Conflicts of Interest. This document can be obtained from the Company Secretary.

² This does not apply to Pay.UK's directors to whom different rules apply as set out in the Process for Managing and Monitoring Directors' Conflicts of Interest.

³ These examples are intended to be illustrative and not exhaustive.

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Protect the declarants' information

Pay.UK shall do this by:

- Processing the information set out in the Declaration of Interest Forms in accordance with data protection principles as set out in data protection legislation applicable in the UK.
- Keeping the information set out in the Declaration of Interest Forms confidential save to the extent that it is already in the public domain or as required by law.

Process

The processes for managing conflicts of interest is set out in the table below:

Stage	Process
1	We must complete a Declaration of Interest Form upon appointment, as and when our personal circumstances change and at least annually.
2	We must comply with Pay.UK's Anti-Bribery and Corruption Policy.
3	We must declare any conflicts of interest at meetings, ensure our declarations are recorded in the minutes of the meeting and, if the conflict is not authorised, leave the meeting or the part of the meeting at which the conflict of interest may arise.
4	The directors of Pay.UK must comply with the Process for Managing and Monitoring Directors' Conflicts of Interest.
5	Pay.UK must protect the declarants' information.

Procedure – complete a Declaration Form

The procedure to follow is as follows:

Step	Action	Evidence
1	Complete a Declaration of Interest Form upon appointment and return the completed form to the Pay.UK HR team without any undue delays.	Completed Declaration of Interest Form.
2	Update the Declaration of Interest Form upon a change of circumstance (i.e. when a new conflict of interest arises) and return the completed form to the Pay.UK HR team without any undue delays. In order to assist with this process, the Pay.UK HR Team will circulate quarterly reminders.	Updated Declaration of Interest.
3	Complete an annual review of the Declaration of Interest form when prompted by the Pay.UK HR team without any undue delays.	Completed Declaration of Interest Form.

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Procedure – compliance with Pay.UK’s Anti-Bribery and Corruption Policy

The procedure to follow is:

Step	Action	Evidence
1	We must comply with Pay.UK’s Anti- Bribery and Corruption Policy.	See the processes and procedures set out in Pay.UK’s Anti-Bribery and Corruption Policy.

Procedure – We must declare any conflicts of interest at meetings and ensure our declarations are recorded

The procedure to follow is:

Step	Action	Evidence
1	We must declare any conflicts of interest at meetings and ensure any such declarations are noted in the minutes of the meetings.	Minutes of the meetings.
2	If we wish to participate in the meetings and are authorised to do so by the meeting attendees, we must ensure any such authorisations are noted in the minutes of the meetings.	Minutes of the meetings.
3	If we do not wish to participate in the meetings and/or are not authorised to participate by the meeting attendees, we must ensure this is noted in the minutes of the meetings.	Minutes of the meetings.

Procedure – compliance by the directors of Pay.UK

The procedure to follow is:

Step	Action	Evidence
1	The directors of Pay.UK must comply with the Process for Managing and Monitoring Directors’ Conflicts of Interest.	See the processes and procedures set out in the Process for Managing and Monitoring Directors’ Conflicts of Interest.

Procedure – protect the declarants’ information

The procedure to follow is:

Step	Action	Evidence
1	Pay.UK must process the information set out in the Declaration of Interest Forms in accordance with data protection principles as set out in data protection legislation applicable in the UK.	Log of data protection breaches to be maintained by the Data Protection Officer.

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2	Pay.UK must keep the information set out in the Declaration of Interest Forms confidential save to the extent that it is already in the public domain or as required by law	Place access restrictions to the Declaration of Interest Forms.
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Assurance

- The Pay.UK HR team will review the Declaration of Interest Forms upon receipt and, provided there is no issue, will store an electronic copy on the employee file.
- Should the Pay.UK HR team detect a potential conflict of interest it will seek advice from the Legal Team. Provided the Legal Team confirms that there is no issue, the Pay.UK HR team will store an electronic copy on the employee file.
- Should the Legal Team confirm the existence of a potential conflict of interest, the Pay.UK HR team will escalate the issue to the Chief Executive Officer for a ruling as to whether or not there is a conflict of interest. The Chief Executive Officer may refer any such issue to the Pay.UK board whose decision shall be final.

Compliance

When an actual or potential conflict of interest is identified a number of actions may be taken by Pay.UK to ensure that the actual or potential conflict is properly managed in an open and transparent manner. The appropriate action will depend on the nature and seriousness of the actual or potential conflict and may include:

- Retracting an offer of employment that was made conditional upon providing an acceptable Declaration of Interest Form;
- Making adjustments at work so as to remove the issue causing a conflict of interest (e.g.: adjusting the line management relationship, removing decision-making powers in respect of a particular subject-matter etc.); or
- Termination of employment for employees / termination of appointment for non-employees.

This policy applies to all persons working for or on behalf of Pay.UK or its subsidiaries in any capacity, including employees at all levels, directors, officers, workers including agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third party representatives and business partners.

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. Any non-employee who breaches this policy may have their contract terminated with immediate effect.

Location of Documents

This policy and related documents are stored on the Pay.UK Policy Bank except for the Log of Data Breaches which is stored by the Data Protection Officer.



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