

Inverkeithing Encore Conflict of Interest Policy



The purpose of this Conflict-of-Interest Policy is to protect the interests of Inverkeithing Encore when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a board member, volunteer or cast member. This policy is intended to supplement but not replace any applicable laws governing conflict of interest applicable to non-profit and charitable organisations.

Definitions:

1. **Interested Person:** Any board member or volunteer of a committee with a governing board delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.
2. **Financial Interest:** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - An ownership or investment interest in any entity with which Inverkeithing Encore has a transaction or arrangement.
 - A compensation arrangement with Inverkeithing Encore or with any entity or individual with which Inverkeithing Encore has a transaction or arrangement.
 - A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Inverkeithing Encore is negotiating a transaction or arrangement.

Procedures:

1. **Duty to Disclose:**
 - In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose material facts to the board and members of the committee with governing board-delegated powers considering the proposed transaction or arrangement.
2. **Determining Whether a Conflict of Interest Exists:**
 - After disclosure of the financial interest and all material facts, and discussion with the interested person, the interested person shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
3. **Procedures for Addressing the Conflict of Interest:**
 - An interested person may make a presentation at the Annual General Meeting (AGM) or committee meeting, but after the presentation, they shall

leave the meeting during the discussion of, and the vote on, the transaction or arrangement, involving the possible conflict of interest.

- The chairperson (director) of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- After exercising due diligence, the governing board or committee shall determine whether Inverkeithing Encore can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in Inverkeithing Encore's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflict-of-Interest Policy:

- If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Record of Proceedings:

The minutes of the governing board and all committees with board-delegated powers shall contain:

- The names of the persons who disclosed or otherwise were found to have financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing boards or committee's decision as to whether a conflict of interest in fact existed.
- The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Compensation:

- A voting member of the governing board who receives compensation, directly or indirectly, from Inverkeithing Encore for services is precluded from voting on matters pertaining to that member's compensation.

- A voting member of any committee whose jurisdiction includes compensation matters and who received compensation, directly or indirectly, from Inverkeithing Encore for services is precluded from voting on matters pertaining to that member's compensation.
- No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Inverkeithing Encore, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Annual Statements:

Each board member and voting member of the committee with governing board-delegated powers shall annually sign

a statement which affirms such a person:

- Has received a copy of the conflict-of-interest policy,
- Has read and understands the policy,
- Has agreed to comply with the policy, and
- Understands Inverkeithing Encore is charitable and in order to maintain its tax-exempt status it must engage primarily in activities which accomplish one or more of its charitable purposes.

Periodic Reviews:

To ensure Inverkeithing Encore operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardise its tax-exempt status, period reviews shall be conducted. The period reviews shall, at a minimum, include the following subjects:

- Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- Whether partnerships, joint ventures, and arrangements with management organisations conform to Inverkeithing Encore's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

Use of Outside Experts:

When conducting the periodic review as provided for in this policy, Inverkeithing Encore may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.