Yachting Opportunities, Training & Skills

Conflict of Interest Policy ("the Policy")

Last reviewed by Risk Manager on 29 April 2025

1. **PURPOSE**

This Policy specifies how Yachting Opportunities, Training & Skills, a charitable incorporated organisation registered at [•] with charity number [•] (**YOTS**) governs Conflicts of Interest concerning **Trustees**. This Policy may be updated from time to time.

2. **DEFINITIONS**

The following terms when capitalised have a specific meaning in this Policy:

2.1 **Ad Hoc Risk Manager** has the meaning given in paragraph 7.3.

2.2 **Benefits** means any financial or valuable interest which a Trustee or Connected Person may personally obtain as consequence of their office as a Trustee of YOTS. The following are non-exhaustive examples of Benefits:

(a) YOTS agrees to purchase, sell, borrow, loan or lease assets from or to a Trustee;

(b) a Trustee receives financial remuneration for carrying out their role as a trustee of YOTS or any other employment under or service on behalf of YOTS;

(c) YOTS pays a Trustee for providing goods (e.g. office equipment or stationery) or services (including legal, accountancy or consultancy services) to YOTS; or

(d) YOTS employs a Trustee's spouse or other close relative.

A Benefit is one of two forms of Conflicts of Interest (the other being Conflicts of Loyalty).

2.3 **Commercial Affiliates** means, for the purposes of Conflicts of Loyalty under this Policy, any of the following entities:

(a) any commercial organisation of which any Trustee is an employee, manager, director, partner, or officer;

(b) any commercial organisation in which any Trustee holds 5% or more of shares (or equivalent equity interest such as partnership shares); and / or

(c) any commercial entity which has appointed any Trustee as a trustee of YOTS.

2.4 **Conflicts of Interest** has the meaning given by the Charity Commission, which refers to any situation in which a Trustee's personal interests or loyalties could, or could be seen to, prevent that Trustee from making a decision which is only in the best interests of YOTS (or any of its subsidiaries). The ***risk*** of an actual conflict of interest arising may itself constitute a Conflict of Interest. This Policy distinguishes between two kinds of Conflicts of Interest, each of which are governed differently under the Policy:

(a) a Benefit; or

(b) a Conflict of Loyalty.

2.5 **Conflicts of Loyalty** means a Conflict of Interest which arises because, irrespective that a Trustee does not stand to obtain any Benefit directly, the Trustee's decision making as a trustee of YOTS may be influenced by the interests of another organisation. The following are non-exhaustive examples of relationships with other organisations which might create a conflict of loyalty:

(a) the body or organisation that appointed the Trustee to YOTS;

(b) another organisation such as that Trustee's employer;

(c) another charity of which the Trustee is also a trustee;

(d) a family member or another Connected Person.

A Conflict of Loyalty is one of two forms of Conflicts of Interest (the other being Benefits).

2.6 **Connected Person** means any person with the following relationship(s) to a Trustee:

(a) spouse, civil partner or unmarried partner;

(b) whether by birth, adoption or step-relation, any:

(i) siblings;

(ii) children;

(iii) grandchildren; or

(c) any business where the Trustee or any relations falling under paragraphs 2.6(a) or 2.6(b) holds at least one-fifth of the shareholding or voting rights (or equivalent equity interest such as partnership shares).

2.7 **Constitution** means the foundational model constitution of YOTS, which was last amended on [•] (a copy of which is available on the Charity Commission's charity register).

2.8 **Register of Interests** is the document described at paragraph 4.1(b).

2.9 **Risk Manager** has the meaning given in paragraph 7.

2.10 **Substantial Conflict of Interest** means:

(a) a Conflict of Interest which, in the opinion of either the conflicted Trustee, Risk Manager and / or the non-conflicted Trustees, is not capable of being managed without the resignation of the conflicted Trustee or otherwise requires an application to the Charity Commission or the court for guidance; or

(b) a risk that more than one Conflict of Interest may arise in respect of a specific Trustee which, irrespective of any one conflict being capable of management, when taken together in the opinion of the conflicted Trustee, Risk Manager and / or the non-conflicted Trustees is not capable of being managed without the resignation of the conflicted Trustee or otherwise requires an application to the Charity Commission or the court for guidance.

2.11 **Trustee** has the meaning given in the Constitution.

3. SCOPE

3.1 The Trustees owe a legal duty to YOTS to act only in its best interests. This requires that the Trustees identify, disclose and effectively manage any Conflicts of Interest that may affect YOTS.

3.2 This duty to manage Conflicts of Interest is contained in the Constitution at clause 7 (*"Conflicts of interest and conflicts of loyalty*"), which requires that each Trustee must:

(a) declare the nature and extent of any direct or indirect interest which they may have in any proposed arrangement with YOTS or any arrangement which YOTS has since entered into which has not been previously declared; and

(b) remove themselves from any discussions with the non-conflicted Trustees where it is possible that that a Conflict of Interest will arise between the conflicted Trustee's duty to act solely in the interests of YOTS and any personal interest (which is not limited to a financial interest),

and where a Trustee has removed themselves form discussions on the basis of paragraphs 3.2(a) and 3.2(b), that Trustee must not vote or count for quorum in any decision by the Trustees on the matter.

3.3 The Constitution further requires that Trustees or Connected Persons may not:

(a) buy or receive any goods or services from YOTS on terms preferential to those applicable to members of the public;

(b) sell goods, services, or any interest in land to YOTS; or

(c) be employed by, or otherwise receive any remuneration, from YOTS,

unless the Benefit is expressly permitted by the Constitution pursuant to clause 6.2 or authorised by the Charity Commission. For the purposes of this Policy, any of the above arrangements constitutes a Benefit.

3.4 The only circumstances where a Benefit received by either a Trustee or Connected Person is expressly permitted in the Constitution are where:

(a) a majority of Trustees do not receive the Benefit;

(b) the Charities Act 2011 permits the Benefit (according to and subject to sections 185 to 188 of the Charities Act 2011);

(c) a Trustee or Connected Person receives interest on money lent to YOTS at a rate not exceeding the Bank of England base rate;

(d) YOTS pays rent to a charity or Connected Person at reasonable and proper rate and under the terms of a lease which are likewise reasonable and proper, provided that in such circumstances, the conflicted Trustee withdraws from any meeting concerning the arrangement; or

(e) a Trustee or Connected Person takes part in the normal trading and fundraising activities of YOTS on the same terms as the public.

3.5 This Policy is intended to give effect to clauses 6 and 7 of the Constitution and to further clarify each Trustee's obligations to identify, disclose and manage Conflicts of Interest.

3.6 This Policy applies to each Trustee. Each Trustee upon his or her appointment must review this Policy and confirm that they have read and understood it by signing and returning a copy to the Risk Manager. If this Policy is updated or revised, each Trustee must promptly re-review this Policy and sign and return a copy to the Risk Manager.

3.7 In the interests of transparency and accountability, YOTS makes this Policy available to the public on its website.

4. ASSOCIATED DOCUMENTS

4.1 The following YOTS documents inform this Policy and should be reviewed alongside this Policy:

(a) the Constitution, in particular clause 7, "*Conflicts of interest and conflicts of loyalty*";

(b) the Register of Interests, which is managed by Risk Manager and records Conflicts of Interest, the conflicted Trustee(s), the nature of the interests and other particulars as described at paragraphs 5.6, 5.7, 6.3, 7.2, 7.3, 8.5(a), 8.5(c), 8.10, and (excepting for 9.4) paragraph 9; and

(c) the Risk Register, in particular Risk ID 8, "Governance: Conflicts of interest among trustees".

5. DISCLOSURE OBLIGATIONS

5.1 Upon the appointment of each Trustee pursuant to clause 9.4 of the Constitution ("*First charity trustees*"), they must disclose in writing to all other Trustees any Conflicts of Interest howsoever arising. Trustees are reminded that Conflicts of Interest in respect of Benefits extend to Connected Persons and in respect of Conflicts of Loyalty extend to Commercial Affiliates.

5.2 All other persons in consideration for appointment as a trustee other than those Trustees appointed to clause 9.4 of the Constitution must disclose in writing to all Trustees prior to their appointment any Conflicts of Interest which may arise upon their appointment or at any point thereafter.

5.3 Trustees must also disclose upon their appointment the nature of their relationship with the entity which has appointed them and with their other Commercial Affiliates (if any).

5.4 Thereafter, each Trustee must make a written declaration to all other Trustees as soon as possible (and no later than two (2) business days) from the date that they become aware of any other Conflicts of Interest howsoever arising. This general obligation to disclose Conflicts of Interest is continuing throughout each Trustee's appointment.

5.5 Where a Trustee is uncertain if a Conflict of Interest exists, this Policy requires them to err on the side of caution and disclose the nature of that interest.

5.6 When disclosing a Conflict of Interest, the relevant Trustee(s) must record the following:

(a) the nature of the Conflict of Interest, including if it is a Benefit or a Conflict of Loyalty;

(b) where the Conflict of Interest is a Benefit concerning a Connected Person, the relationship of that person to the Trustee (including if that person is a business);

(c) where the Conflict of Interest is a Conflict of Loyalty concerning a Commercial Affiliate, the relationship of that Commercial Affiliate to the Trustee;

(d) which YOTS matter(s) the Conflict of Interest relates to;

(e) the duration of the Conflict of Interest and if it is continuing;

(f) the financial value of the Conflict of Interest (if any);

(g) whether the conflict is a Substantial Conflict of Interest**; and**

(h) any other factors which the Trustee considers may be relevant when assessing the nature or effect of the Conflict of Interest,

and the Risk Manager must ensure all information disclosed in relation to the Conflict of Interest is recorded in the Register of Interests.

5.7 The Trustees will review the Register of Interests on a biannual basis beginning from [*date*] (each a "**Review Date**") and each Trustee will sign a declaration within seven days of the relevant Review Date that they have declared all Conflicts of Interest arising in the six months preceding that Review Date. The Risk Manager will update the Register of Interests accordingly. Each Trustee's obligation to make declarations is supplemental and without prejudice to the continuing obligation for each Trustee to declare all Conflicts of Interest as and when they arise pursuant to paragraph 5.4 of this Policy.

6. DECISION-MAKING

6.1 At the beginning of any meeting of the Trustees, each Trustee must disclose if there is a Conflict of Interest concerning any matter up for consideration. This includes any Conflicts of Interest already recorded in the Register of Interests.

6.2 The chair of the meeting will ensure that it is reflected in the relevant minutes whether or not any Conflicts of Interest exist and, if so, which Trustees are conflicted and the nature of their interest (in accordance with paragraph 5.6 above). Any conflicted Trustee shall not be counted in the quorum when the matter in which he or she is interested is decided upon, nor may he or she vote on such matter.

6.3 Where conflicts are declared, the chair of the meeting, together with the Risk Manager, will further ensure that the Register of Interests is accordingly updated with those minutes.

6.4 If a Conflict of Interest emerges after a decision has been made in respect of a particular matter, the conflicted Trustee will disclose the Conflict of Interest under paragraph 5.4 and immediately withdraw from any future decision making in respect of the conflicted matter. The Risk Manager and / or the non-conflicted Trustees will together manage any such Conflict of Interest pursuant to paragraph 8.

7. YOTS'S RISK MANAGER

7.1 The Trustees have together appointed Toby Allies as the Risk Manager. Among other responsibilities, the Risk Manager is responsible for reviewing and updating the Register of Interests and ensuring that all risks are managed according to the Constitution and this Policy.

7.2 The Risk Manager has disclosed all Conflicts of Interest pursuant to paragraph 5. All Conflicts of Interest concerning the Risk Manager have been separately recorded in the Register of Interests.

7.3 Regarding any matter in which the Risk Manager is conflicted and which requires the decision of the Trustees, each Trustee (including the Risk Manager) will prior to any meeting ensure that the procedures at paragraph 6 are complied with. In respect only of those matters in which the Risk Manager is conflicted, the Trustees (other than the Risk Manager and any other conflicted Trustees) will appoint one of their number to fulfil the role of the Risk Manager on an ad hoc basis (the "**Ad Hoc Risk Manager**"). The Ad Hoc Risk Manager will ensure that the Register of Interests is updated accordingly.

8. MANAGING CONFLICTS OF INTEREST GENERALLY

8.1 Following the appointment of each Trustee according to clause 9.4 of the Constitution ("First charity trustees"), the Trustees will convene a meeting to evaluate all Conflicts of Interest declared according to paragraph 5 and agree how to manage those conflicts. The procedures at paragraph 6 will apply. In evaluating any Conflicts of Interest, the non-conflicted Trustees will determine, in respect of any conflicted Trustee, if there are any Substantial Conflicts of Interest. If in the opinion of the Trustees together any Trustee(s) has any Substantial Conflicts of Interest, the non-conflicted Trustees will either:

(a) secure the resignation of the conflicted Trustee; or

(b) make an application to the Charity Commission.

8.2 Before agreeing to appoint any person as a trustee, the Trustees will review any Conflicts of Interest disclosed according to paragraph 5.2. If the Trustees conclude that any person if appointed as a trustee would have a Substantial Conflict of Interest, the Trustees will decline to appoint that person.

8.3 The Risk Manager will be responsible for managing Conflicts of Interest on an ongoing basis and according to this Policy. The exception is for any matter in which the Risk Manager is conflicted. In which case, the Ad Hoc Risk Manager appointed by the Trustees according to paragraph 7.3 will be responsible for managing those conflicts concerning the Risk Manager in accordance with this Policy.

8.4 The Risk Manager will manage Conflicts of Interest by considering each Conflict of Interest to determine a course of action which is in the best interest of YOTS. Depending on the circumstances, this may entail:

(a) not pursuing any course of action which if not pursued would not give rise to the Conflict of Interest;

(b) proceeding with the matter in a different way so that the Conflict of Interest does not arise, for instance by deciding not to use a Commercial Affiliate if doing so would mean YOTS would make payment to that Commercial Affiliate;

(c) taking specific steps to remove the conflicted Trustee from decision-making in respect of the matter giving rise to the conflict;

(d) securing the resignation of the conflicted Trustee; or

(e) referring the matter to the Trustees generally for a decision (other than the conflicted Trustee).

8.5 Any decision which if made introduces a Benefit (including those authorised under clause 6.2 of the Constitution) must be referred to the Trustees generally. The Trustees will have regard to the criteria at paragraph 8.9 when making their decision. The Trustees will not make any decision the effect of which would be to create a Substantial Conflict of Interest. If the Trustees, having regard to the criteria at paragraph 8.9, conclude it is in the best interests of YOTS to proceed notwithstanding the Conflict of Interest, the Trustees will ensure:

(a) that the decision authorising the Benefit is recorded in the Register of Interests;

(b) that the Benefit is not a Substantial Conflict of Interest; and

(c) that processes are implemented which effectively manages the Benefit and which are recorded in the Register of Interests, including that the conflicted Trustee will not have any decision-making power in respect of the matter giving rise to Benefit.

8.6 Any conflict which the Risk Manager evaluates as, on balance, potentially being capable of a constituting a Substantial Conflict of Interest will be referred to the Trustees generally, who together (other than the conflicted Trustee(s)) will determine if the conflict is a Substantial Conflict of Interest. The Trustees will never make a decision which has the effect of introducing a Substantial Conflict of Interest without the authorisation of the Charity Commission. Any Trustee who determines that a Substantial Conflict of Interest has emerged will resign unless the non-conflicted Trustees determine it is in the best interest of YOTS for an application to be made to the Charity Commission or the Constitution to be amended accordingly (the circumstances in which this is likely to arise being exceptional).

8.7 If the Risk Manager refers any matter concerning Conflicts of Interest to the Trustees, the Trustees will decide how to manage that conflict by determining a course of action which is in the best interest of YOTS. This may entail the courses of action specified at paragraphs 8.4(a) through 8.4(d). The Trustees may also decide to make an application to the Charity Commission or the Constitution to be amended accordingly (the circumstances in which this is likely to arise being exceptional).

8.8 Where a Benefit may arise in the course of a property transaction, this Policy requires that Trustees obtain authorisation or advice from the Charity Commission. The Trustees will only seek authorisation where they are otherwise satisfied that it is in the best interests of YOTS notwithstanding that a Benefit may arise.

8.9 When managing Conflicts of Interest, the Risk Manager (or the Trustees generally, as the case may be) will always make decisions in the best interests of YOTS with regard to the following criteria:

(a) the Constitution (in particular clauses 6 and 7);

(b) any decision must always protect YOTS's reputation and must not create any impression on third parties which undermines YOTS's independence;

(c) it must be demonstrated that the decision was made in the best interests of YOTS and independent of any competing interest;

(d) the conflicted Trustee must withdraw from decision making in respect of the matter giving rise to the conflict, unless the Trustees determine that the Conflict of Interest poses a low risk to YOTS's ability to act independently or otherwise has an insignificant bearing on the Trustee's approach to the matter;

(e) that the presence of a conflicted Trustee may affect the relationship between the other Trustees and influence decision making or inhibit free discussion; and

(f) the Trustees will consult this Policy when making any decision concerning a Conflict of Interest.

8.10 The Trustees will meet biannually to review the Register of Interests and agree how to continue to manage all registered conflicts.

9. MANAGEMENT OF SPECIFIC CONFLICTS OF INTEREST

Employment

9.1 YOTS may in the future obtain the benefit of having one or more persons seconded to YOTS by a Commercial Affiliate as the seconder. In such circumstances, YOTS will ensure that any arrangement of this nature is governed by an agreement between YOTS and the Commercial Affiliate acting as the seconder, the terms of which shall:

(a) affirm and acknowledge that the Commercial Affiliate will be secondee's employer;

(b) ensure that the secondee will protect all of YOTS's confidential information; and

(c) otherwise give effect to this Policy.

9.2 The specifics of any secondment as contemplated in paragraph 9.1 will be detailed in the Register of Interests.

Arrangements with Commercial Affiliates

9.3 The Trustees from time to time may enter into certain arrangements with Commercial Affiliates. As of the date of this Policy's last revision, this includes arrangements with Boat International Media Limited. In entering into any such contracts, the Trustees have in place specific processes intended to manage Conflicts of Interest, if any, which arise in the course of these contracts. These processes are specifically detailed in the Register of Interests and are continually monitored.

Goodwill

9.4 The Trustees recognise that in their individual offices as a trustee, they may obtain personal goodwill in the form of maritime and yachting industry recognition of the charitable work the Trustees together undertake on behalf of YOTS, and that this is a form of Benefit which is strictly a continuing Conflict of Interest. The Trustees likewise recognise that one or more Commercial Affiliates may also obtain goodwill on a similar basis, and this is a form of Conflict of Loyalty, which is also strictly a continuing Conflict of Interest. Notwithstanding, the Trustees have concluded that these Benefits are non-financial, purely incidental and arise necessarily in the course of YOTS pursuing its objectives.

Appendix 1 - Identifying and Managing Conflicts of Interest – Flowchart