# AI World Council - Conflicts of Interest Policy

1. **Conflicts of interest and / or loyalty**
* The members have a legal duty to always act in the company's best interests and put aside any personal preferences or prejudices.
* The members have a legal duty and responsibility to manage any personal conflicts of interest or loyalty which arise in relation to their position as members of the company.
* This is a requirement of company law and the company’s Articles of Association.

The members should exercise discretion and act prudently in respect of their declarations of conflicts of interest and / or loyalty. As members of a not-for-profit company, the members have a legal duty under the Companies Act 2006 to declare conflicts. These are also noted in the Minutes of members’ meetings. It is important that the Minutes of members’ meetings contain a declaration of members’ interests and that the procedures to manage members’ conflicts of interest and/or loyalty are noted in the Minutes.

The members must also adhere to the provisions in the company’s Articles of Association in respect of the management of conflicts of interest and/or loyalty. These provisions can be found in Article 26.

Conflicts of interest can arise in situations in which a member might personally profit from a proposed transaction by the company or where a member might be connected to a party which the company might be looking to employ, engage their services or benefit in some material way. Conflicts of loyalty can also arise in situations where members are considering the company’s commercial relationship with another organisation in which one or more of the members is an officer, employee or has a connection (whether direct or indirect) and which is a competitor of the company or is operating in the same area.

Some examples are listed below, but if in any doubt, members should act prudently, seek guidance from the Chair and declare any potential conflict at the outset of a Board meeting.

**Examples**

* Conflicts of interest and / or loyalty can extend to the following situations:

(a) If the company proposes to enter into any contracts (e.g. for services) with an organisation, company or firm in which one of the members or a connected party to such member (e.g. spouse, child, parent, business partner) has a personal interest.

(b) Situations in which members may hold positions in other organisations or have a connection (direct or indirect) which may be a competitor of the company or is operating in the same area.

(c) Matters concerning the potential appointment of members or officers of the company to paid positions where such people are connected to the existing members.

The list above is not exhaustive and is a guideline only.

1. **Register of Interests**

The members will maintain and keep up-to-date a Register of Interests. The Register of Interests will detail any other organisation in which a member has a significant interest whether by virtue of being an employee, consultant, member, partner, trustee, member/shareholder with a controlling stake or influence.

1. **Procedure**
* The members have agreed that conflicts will be managed in the following way:
1. The member with a conflict shall declare this at the outset of a Board meeting and before the item on the agenda to which the conflict relates is brought up for discussion. In respect of declarations of interest, the Board shall also have regard to the register of interests and ensure that this periodically updated and that new members are asked to complete it prior to joining the Board and during the application process in liaison with the Nominations Committee.

(b) A member with a conflict of interest shall leave the meeting room and not participate in any discussions on a matter in which he or she has a material conflict of interest or loyalty to enable the remaining members to consider and debate the matter in the conflicted member's absence.

(c) A member who has declared a material conflict of interest and / or loyalty shall not be eligible to vote on any matter concerning the issue to which the conflict relates. A vote shall be taken by the remaining members in the absence of the conflicted member.

(d) Article 26 of the company’s Articles of Association gives the Board discretion to consider whether a conflict of loyalty which a member owes to another organisation or person can be authorised pursuant to the provisions of Article 26.3. A conflict of interest arising because of a duty of loyalty owed to another organisation or person only refers to such a conflict which does not involve a direct or indirect benefit of any nature to a member or to a person connected to a member. The members may only authorise such conflicts of loyalty if they are satisfied that it is in the company’s interests to do so and that it will not be of detriment to the company and the fulfilment of its purposes as specified in its Articles.

(e) The declaration of all members' conflicts of interest and/or duty shall be noted in the Minutes.

(f) Each new member shall receive a copy of this policy and shall agree to abide by its terms before being formally appointed.

(g) This policy shall be reviewed and updated periodically to ensure that it is kept up to date and is workable in practice.

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