

Hampshire FA | BOARD OF DIRECTORS CONFLICT OF INTEREST POLICY



HFA | Board Directors' Conflict of Interest Policy

1. Scope and Purpose

- 1.1 This policy (the "Policy") shall apply to all directors of the board of Hampshire County FA Limited from time to time.
- 1.2 This Policy is supplemental to and should be read in conjunction with the Hampshire County FA's articles of association (the "Articles"), and in particular, Article X.
- 1.3 The purpose of this Policy is to set out Hampshire County FA's position regarding conflicts and potential conflicts of interests that may arise in the course of directors carrying out their duties in service of Hampshire County FA.
- 1.4 Hampshire County FA is committed to the highest possible standards of openness, transparency, and accountability and understands its duty to conduct its affairs in a manner that encourages public confidence in both its decisions and decision-making processes.
- 1.5 As a body run for the benefit of its constituent members with stakeholder representatives on Hampshire County FA board, there is a heightened need for directors to be aware of the possible conflicts between different roles and distinguish between their functions as directors and the interests of the stakeholders they represent.
- 1.6 In addition to the above, directors owe fiduciary and statutory duties to the company. The statutory statement of directors' duties is contained in the Companies Act 2006 (the "Companies Act") and includes specific duties in respect of conflicts of interest.
- 1.7 Directors found to be in breach of such statutory duties are subject to significant personal liability risk which may include the payment of substantial damages and in certain circumstances, criminal penalties.
- 1.8 In order to achieve best governance standards and protect the integrity of Hampshire County FA, it is of paramount importance that directors can effectively identify, disclose and manage any actual, potential or perceived conflicts of interest. This policy is designed to help directors achieve that goal.

2. Identifying a conflict of interest

- 2.1 Conflicts of interest may arise where a director's personal, family, professional or business interests, relationships or loyalties conflict or appear to conflict with those of Hampshire County FA. Directors' interests may be direct or indirect by virtue of a connected person e.g., a spouse.
- 2.2 There is no statutory definition of a conflict of interest. A natural reading of the word, "interest" could include anything, or any connection, which could potentially divert a director's mind from giving sole consideration to promoting the success of Hampshire County FA.
- 2.3 Such conflicts may create problems such as inhibiting free discussions or impairing the ability of a director to act or think objectively. This may result in actions or decisions that are not in Hampshire County FA's best interests. Even where a director has acted impartially, a perceived conflict of interest can be damaging to Hampshire County FA's reputation. It is critical to note that the perception or possibility of conflict should equally be treated as a conflict of interest under this policy in the same way as an actual conflict.

Transactional Conflicts

- 2.4 Under the Companies Act, directors have an obligation to disclose any interest they have, on their own or on behalf of third parties, with respect to certain transactions or arrangements with Hampshire County FA.
- 2.5 Transaction follows its ordinary meaning and would cover arrangements, deals or agreements relating to the exchange, disposal or purchase of monetary or other valuable consideration. It would not cover rule changes or structural reforms without a transactional element. A typical example would be the entry by Hampshire County FA into a contract with a sponsor brand of which an FA director is a shareholder.
- 2.6 Transactional conflicts arising at the point of entry into a transaction or arrangement may evolve

into an ongoing situational conflict requiring ongoing disclosure and monitoring (see below). To use the example given, an ongoing relationship between Hampshire County FA and a sponsor of which an FA director is a shareholder may create ongoing conflict issues requiring management.

Situational Conflicts

- 2.7 Directors have a duty to avoid activities or situations in which there is, or may be, a conflict between the interests of Hampshire County FA and the direct or indirect interests of the director or between the director's duties to Hampshire County FA and to another person, organisation or entity. Situational conflicts may arise for a number of reasons, including as a result of personal conflicts or institutional conflicts. A typical example would be a director of Hampshire County FA also being a director or senior executive of a commercial partner of Hampshire County FA.

Personal conflicts

- 2.8 These conflicts arise from a personal interest held by an individual which conflicts with the interests of Hampshire County FA. These personal conflicts could arise for all directors. Personal conflicts are not only financially related, but arise from other relationships or circumstances that may skew decision making.
- 2.9 Examples of potential personal conflicts of interest for directors of Hampshire County FA are set out below. This is for illustration purposes and is not an exhaustive list. Specific examples are identified referring to positions held by directors at other bodies, such as a directorship or shareholding, but these should be read as applicable potentially to any involvement with or interest in another body (whether direct or indirect). That involvement or interest could cover a directorship, trustee position, committee or advisory group membership, shareholding (or other indirect economic interest such as an interest in an investment group), employment relationship, consultancy, office holding or other personal or financial link.

Examples

- 2.9.1 Being a director, employee, shareholder or economic beneficiary of another participant or stakeholder in professional football, such as an FA member club, a football league, or another football governing body (including UEFA and FIFA), in each case whether nationally or internationally (a "Participant").
- 2.9.2 Being a director, employee, shareholder or economic beneficiary of another business involved in the football industry, such as a player representation agency, a commercial agency involved in football, or a commercial partner of football or Hampshire County FA specifically (a "Football Business").
- 2.9.3 Being a director, employee, shareholder or economic beneficiary of another business subject to or affected by the Rules of Hampshire County FA, either directly or indirectly, such as a business whose ability to advertise in relation to football is affected by the Rules of Hampshire County FA.
- 2.9.4 Being a director, employee or shareholder of a service provider to Hampshire County FA, a Participant or a Football Business.
- 2.9.5 Being a professional adviser to Hampshire County FA, a Participant or a Football Business, whether directly or indirectly by virtue of a position or interest held at a business providing that advice.
- 2.9.6 Being a director, employee or shareholder of a customer of Hampshire County FA group (including Wembley Stadium), for example a hirer of venue or hospitality space at Wembley Stadium.
- 2.9.7 Benefitting financially or personally (e.g. in terms of profile) from media appearances or commentary relating to football or matters derived from a director's role at Hampshire County FA, for example holding a paid-for football broadcast position or contributing articles to media publications.
- 2.9.8 Having a family connection or close personal contact relevant to any of the above, for example a spouse holding a shareholding in a Football Business.
- 2.9.9 Having an involvement or interest with a player or other individual covered by the rules of Hampshire County FA.

Institutional conflicts

- 2.9.10 These conflicts are specific to organisations with stakeholder representatives and arise as a result of representing a certain stakeholder body.

3. Requirement to avoid and disclose a conflict of interest

- 3.1 All directors must strive to avoid any conflict of interest, both individually and collectively, between the interests of Hampshire County FA on the one hand, and personal, family, professional, and business interests on the other. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest.
- 3.2 Upon appointment to the board of Hampshire County FA ("Hampshire County FA Board"), a director will be required to make a comprehensive written disclosure of interests including relationships and posts held that could potentially result in a conflict of interest.
- 3.3 This initial written disclosure, which shall include a declaration that the director has received, read, understands and will comply with this policy, will be retained by Hampshire County FA.
- 3.4 Directors will be required intermittently to declare conflicts as soon as practicable after they arise. Additionally, directors shall as a minimum (even where there has been no change in circumstances since their last declaration) declare conflicts on a yearly basis as part of an annual declaration process.
- 3.5 In addition, directors participating (in whatever capacity) in any meeting of Hampshire County FA must declare at the beginning of the relevant item of business and before discussion begins on that item any matter in which s/he has an interest. This requirement to disclose shall apply where a director is aware, or suspects, that s/he has a conflict of interest. If a director is in doubt, then the potential conflict must be declared, and clarification sought.
- 3.6 All conflicts disclosed pursuant to paragraph 3.2 to 3.5 above shall be detailed in a register of interests which shall be maintained and kept up to date by the company secretary of Hampshire County FA.

4. Process for authorising a conflict

- 4.1 Where a director has identified that s/he has an actual or potential conflict of interest, a decision must be made on how to manage the conflict. In the first instance the individual director should determine what they feel appropriate and voluntarily decide whether to participate in meetings (or specific agenda items) and related voting, for example where a Rule change directly affects their constituency. This decision is at all times subject to the overriding view of the Conflicts Committee pursuant to paragraph 4.2.
- 4.2 If the individual is not sure or perceives that their participation should not be limited by a conflict or in any other situation where the chair considers it appropriate to review a director's decision, the decision will be made by a committee comprising the following persons:
- 4.2.1 the chair of Hampshire County FA Board;
- 4.2.2 any executive directors on Hampshire County FA Board (currently the chief executive officer of Hampshire County FA);
- 4.2.3 the independent non-executive directors (one of whom is Senior Independent Director and one of whom is the Audit Committee Chair) on Hampshire County FA Board;
- 4.2.4 where the conflict does not relate to any NG Representative Director, the NG Representative Directors; and
- 4.3 The chair of Hampshire County FA Board shall be the chair of the Conflicts Committee.
- 4.4 If any member of the Conflicts Committee is the director disclosing a conflict of interest, then such member shall refrain from participating in the Conflicts Committee for the process of adjudicating such conflict. In the event that the chair is the disclosing member, then the Senior Independent Director shall chair the Conflicts Committee in place of the chair. When determining whether or not to authorise a disclosing director's conflict, the Conflicts Committee shall:
- 4.4.1 assess each disclosure on its own facts; and
- 4.4.2 take into consideration any and all factors it considers relevant to promoting the success of Hampshire County FA as a whole.
- 4.5 The disclosing director shall be required to provide the Conflicts Committee with any additional

information reasonably requested in order for the Conflicts Committee to determine how the conflict is to be managed.

- 4.6 The Conflicts Committee shall have full discretion as to how to manage the conflict of interest, including imposing such conditions as they see fit and setting parameters around the participation of the disclosing director on the item that is the subject of his or her actual or perceived conflict. The Conflicts Committee may, for example, decide that the disclosing director:
- 4.6.1 should be excluded from the receipt of documents and information and participation in discussions relating to the item (including leaving the meeting while the item is being discussed);
 - 4.6.2 should be allowed to speak on the item, but should not be allowed to vote; or
 - 4.6.3 should be allowed to speak and vote on the item with the interest being recorded in the meeting minutes where that item is discussed.
- 4.7 The Conflicts Committee may revoke or vary its authorisation or terms and conditions attached to any authorisation from time to time.
- 4.8 The chair of the Conflicts Committee shall endeavour to make the disclosing director aware of the Conflicts Committee's decision as well as any relevant directions promptly. Directors shall comply with any terms and conditions imposed by the Conflicts Committee in relation to a conflict of interest.
- 4.9 The Conflicts Committee shall make its decision on a majority basis. In the event of an equality of votes, the chair of the Conflicts Committee shall have a casting vote.
- 4.10 The Conflicts Committee shall retain the discretion to adjourn any board meeting to discuss and come to a decision on how to manage the disclosed conflict.
- 4.11 Discussions and decisions of the Conflicts Committee shall be recorded in writing and a record kept and updated by the Company Secretary of Hampshire County FA.

5. Scope of authorisation of situational conflict for PG Reps and NG Reps

- 5.1 This policy sets out general principles applicable to all situations. This section specifically considers the particular challenges caused by the composition of Hampshire County FA Board.

5.2 At the date of this Policy, Hampshire County FA Board is made up of the following (County FA to add):

- 5.3 The broad composition of Hampshire County FA Board enables it to better understand and consider the range of views represented by wider stakeholders in English football.
- 5.4 It is noted, however, that there is a situational conflict inherent to the inclusion of Representative Directors on Hampshire County FA Board because the interests of the national game and/or professional game (and their respective bodies) will not always align with Hampshire County FA.
- 5.5 Given the value that Hampshire County FA Board derives from the presence and contribution of Representative Directors, there shall be a standing agenda item at each meeting of Hampshire County FA Board to authorise the situational conflict of the Representative Directors enabling full participation in the business and affairs of Hampshire County FA.
- 5.6 There may be times where it is inappropriate for this standing authorisation to apply, for example, where it cannot be reasonably considered that a Representative Director will be able to act free from the influence of his/her situational conflict. Examples would include:
- 5.6.1 where an agenda item relates to a decision on funding distributions to grassroots football; and
 - 5.6.2 where an agenda item relates to the relationship between Hampshire County FA and the Premier League or the English Football League, for example commercial arrangements between them or matters relating to a division of regulatory functions between them.
- 5.7 In such circumstances, the Conflicts Committee may proactively consider on an individual basis how the situational conflict impacts the subject matter of the meeting and if found appropriate, apply its discretion under paragraph 4.7 above to set such conditions and parameters around the participation of the relevant conflicted Representative Director as they see fit.

6. Protection of Confidential Information

- 6.1 All directors should remain alert to the fact that any information they acquire in their role that has been obtained or disclosed in confidence or has the quality of confidence about it such as commercial sensitivity should remain confidential and not be used to the advantage of themselves, an external individual, or any external entity.
- 6.2 There may be occasions where a director carrying out their role as a director becomes privy to confidential information that may be of interest to another organisation where they have a relationship. An example might be where a Representative Director wishes to share information with the entity s/he represents. In such circumstances, the starting point is that all information is to be treated confidentially and not disclosed. A director may raise the matter of disclosure with the Conflicts Committee in accordance with paragraph 4 above who may utilise their full discretion as to whether to approve, reject or condition any sharing of information.

7. Sanctions

- 7.1 If a director is accused of a breach of this Policy such director will submit to Hampshire County FA disciplinary process which is set out in Appendix 1 of Hampshire County FA's Code of Conduct in the same way as if s/he had been accused of a breach of the Code of Conduct (references to the "Code" therein being interpreted accordingly to apply to this Policy) and shall abide by the result (subject to any right of appeal included in that process).
- 7.2 In accordance with Hampshire County FA's Articles of Association, a breach of this Policy may result in removal from office.

I agree to abide by this Policy

Signature:

Name:

Date:

Approved – County FA to add date