Conflict of Interest Policy

KBM Training & Recruitment Ltd (KBM) has adopted a policy to address conflicts of interest so as to ensure that its activities, and those of its staff and learners, are and are seen to be conducted to the highest standards of ethics and integrity.

This document sets out the following:

A. Policy Statement

B. Scope

C. Recognising Conflict of Interest

D. Procedure

E. The role and remit of the Conflict of Interest Committee

Illustrative examples and further procedural guidance are set out in the Appendices.

A. Policy Statement

KBM encourages members of its staff to engage in a wide variety of external activities and considers that such activities are in the public interest and are also of benefit to KBM and the individuals concerned.

On occasion, however, they may give rise to conflicts of interest, whether potential or actual, perceived or alleged.

All KBMs' staff and learners are required to recognise and disclose activities that might give rise to conflicts of interest or the perception of conflicts and to ensure that such conflicts are seen to be properly managed or avoided.

If properly managed, activities can usually proceed as normal whilst at the same time upholding the person's obligations to KBM, meeting regulatory and other external requirements and protecting the integrity and reputation of KBM and its members. By contrast, conflicts which are not managed effectively may jeopardise KBM's public standing and may cause serious damage to the reputation of KBM and of the individuals concerned.

It is therefore KBM's policy to encourage and foster external activities whilst ensuring that when conflicts or perceived conflicts of interest arise they are acknowledged and disclosed, and in relevant cases, properly managed.

Conflict of Interest Policy

B. Scope

This Policy applies to all staff and learners of KBM, to all external members of Council and its committees and all others working in KBM, such as faculty members who hold grants but are not current members of staff of KBM, for example retired members who are still conducting research. It also applies to the staff and directors of subsidiary companies of KBM. A reference in this Policy to staff or learners includes any person within the scope of the Policy.

It is the responsibility of each individual to recognise situations in which he or she has a conflict of interest, or might reasonably be seen by others to have a conflict, to disclose that conflict to the appropriate person and to take such further steps as may be appropriate.

If an individual is uncertain about how this Policy might affect his or her activities or has any questions about its application, he or she should contact their immediate Manager or Managing Director

C. Recognising Conflict of Interest

A conflict of interest arises where the commitments and obligations owed by an individual member of staff or student to KBM or to other bodies, are likely to be compromised, or may *appear* to be compromised, by that person's personal gain, or gain to immediate family (or a person with whom the person has a close personal relationship)[1], whether financial or otherwise; or the commitments and obligations that person owes to another person or body.

There can be situations in which the appearance of conflict of interest is present even when no conflict actually exists. Thus it is important for all staff and learners when evaluating a potential conflict of interest to consider how it might be perceived by others.

The duty to declare a possible conflict applies to the perception of the situation rather than the actual existence of a conflict. However, the duty is not infringed if the situation cannot reasonably be regarded as likely to give rise to a conflict of interest.

Conflicts of interest may be financial or non-financial or both. Further information about both types is set out below.

Financial conflicts of interest

A financial conflict of interest, for the purposes of this Policy, is one where there is or appears to be opportunity for personal financial gain, financial gain to close relatives or close friends, or where it might be reasonable for another party to take the view that financial benefits might affect that person's actions.

Financial interest means anything of monetary value, for example:

1.1 payments for services;
1.2 equity interests (e.g. stocks, stock options or other ownership interests); and/or
1.3 intellectual property rights (e.g. patents, copyrights and royalties from such rights).

The level of financial interest is not the determining factor as to whether a conflict should be disclosed. What might be 'not material' or 'not significant' for one person might be very significant for another. Good practice in many situations will mean the disclosure of 'any' financial interest, however small. A conflict will arise if the interest might provide, or be reasonably seen by others, to provide an *incentive* to the individual which affects their actions and where he or she has the *opportunity* to affect a Company decision or other activity (because for example he or she is the decision-maker or the principal investigator on a research project). For examples of conflicts involving financial interest.

Non-financial conflicts of interest

Non-financial interests can also come into conflict, or be perceived to come into conflict, with a person's obligations or commitments to KBM or to other bodies, for example other body of which he or she is a trustee. Such non-financial interest may include any benefit or advantage, including, but not limited to, direct or indirect enhancement of an individual's career, education or gain to immediate family (or a person with whom the person has a close personal relationship)[2].

D. Procedure

It is the duty of every member of staff or student to disclose any conflict of interest or any circumstances that might reasonably give rise to *the perception* of conflict of interest. Apparent or perceived conflicts of interest can be as damaging as actual conflicts of interest.

The general rule, with the exception of committee business is that disclosure should be made *at the time the conflict first arises, or it is recognised that a conflict might be perceived*, in writing to the Senior Manager or Departmental Manager. If the respective individual has an interest in the matter to be discussed, the disclosure shall be made to the person at the next higher level of authority. In most cases this will be to the Director.

In the case of learners, the student should discuss the relevant issues with his or her Tutor or Assessor, who, where appropriate, will consult with the Senior Manager or Departmental Manager following which an approach for dealing with the conflict might be agreed. Where the conflict of interest arises between the interests of the Trainer or Assessor and the student, the student should discuss the matter with the HR Manager or Director

Many situations will require nothing more than a declaration and a brief written record of that declaration, which must be held in the Company's records.

Some instances will however need to be dealt with by agreeing how the conflict can be actively

managed. The approach adopted should be documented and copies provided to the relevant parties. A copy of the final plan must be held in the department's records. One or more of the following strategies may be appropriate to manage the conflict of interest:

- not taking part in discussions of certain matters;
- not taking part in decisions in relation to certain matters;
- referring to others certain matters for decision;
- resolving not to act as a particular person's supervisor;
- divesting or placing in trust certain financial interests;
- publishing a notice of interest;
- standing aside from any involvement in a particular project; and/or
- declaring an interest to a particular sponsor or third party.

It is the responsibility of those affected to comply with the approach that has been agreed.

Any unresolved matter shall be referred to the on Conflict of Interest Committee for advice. In cases of particular difficulty, the Conflict of Interest Committee may refer its recommendations to the General Purposes Committee of Council (GPC) for advice or resolution.

Guidance on situations that are frequently encountered and which may give rise to particular kinds of conflicts requiring special action is set out at Appendix A.

Each Senior Manager of Departmental Manager will be asked to inform the Conflict of Interest Committee of the actions taken to inform staff of the policy requirements and promote compliance.

***Board meetings*:**

- at their first meeting of the academic year, each committee within KBM should have a standing item on their agenda about conflict of interest. This item should cover what a conflict of interest is and how the members of the committee should declare such an interest if and when such a circumstance arises;

- it is also recommended that the Board adopt the practice of including a similar statement to the following in each agenda:

  'Members of the Board will be asked to declare any interest that could give rise to conflict in relation to any item on the agenda at the beginning of the item in question. All interests so disclosed will be recorded in the minutes of the Board. If the chairman of the meeting deems it appropriate, the member shall absent himself or herself from

all or part of the Board's discussion of the matter.

Annual declaration of external interests: in addition to declaring any conflict or potential conflict in accordance with the procedure above, the following postholders shall be required to submit an annual declaration of external interests to the Board:

the Managing Director;
the Financial Director

Persons with grounds to inspect declarations of conflict of interest shall be allowed access at the discretion of the Chairman of the Conflict of Interest Committee.

E. The role and remit of the Conflict of Interest Committee

The Board at KBM shall be responsible for:

- advising staff, appointing authorities, and individual staff members or learners (in appropriate circumstances);
- monitoring KBM's Policy on Conflict of Interest and making recommendations in the light of experience, and of good practice guidelines established by outside bodies;
- ensuring that there are appropriate systems in place to promote and monitor compliance with the Policy on Conflict of Interest;
- reviewing Annual Declarations of External Interest and alerting the appropriate individual where further clarification or action is required;
- giving advice in the case of individual questions referred to it;
- performing any such other action on behalf of Council in relation to KBM's Policy on Conflict of Interest as may be required from time to time

Review of the Conflict of Interest Policy

This Policy shall be the subject of regular review by the Board of Directors and, as necessary, other relevant bodies, such review to take place in the light of guidance on best practice issued by outside bodies and, in any event, not less than once every three years.

Salman Khan
Director