

DIRECTORS CODE OF CONDUCT



FOREWORD

This Directors Code of Conduct for the BID Company is based on The Ethical Standards in Public Life etc. (Scotland) Act 2000, “the Act”, provides for Codes of Conduct for local authority councillors and members of relevant public bodies;

The Directors’ Code of Conduct plays a vital role in setting out, openly and clearly, the standards Directors must apply when undertaking their BID Company duties. It is vital that the Code continues to give assurance to the businesses and public that their elected directors are acting in accordance with high ethical standards.

An independent officer or officers appointed by the Board of Directors will be responsible for investigating allegations of contraventions of the Codes and for reporting to the Board of Directors the outcomes of investigations. In its adjudicatory role, the independent officer or officers is empowered to undertake further investigations, hold a Hearing or take no action. Where the independent officer or officers decides to hold a Hearing and the Hearing Panel find that the Director has breached the relevant Code, an appropriate sanction (as set out in Annex A) will be applied.

CODE OF CONDUCT FOR DIRECTORS

CONTENTS

Section 1: Introduction to the Code of Conduct

Guidance on the Code of Conduct

Enforcement

Section 2: Key Principles of the Code of Conduct

Section 3: General Conduct

Conduct at Meetings

Relationship with BID Company Employees

Remuneration, Allowances and Expenses

Gifts and Hospitality

Confidentiality Requirements

Use of BID Company Facilities

Appointments to Partner Organisations

Dealings with the BID Company

Responsibilities to the BID Company as a Member of the Public

Section 4: Registration of Interests

Category One: Remuneration

Category Two: Related Undertakings

Category Three: Contracts

Category Four: Houses, Land and Buildings

Category Five: Interest in Shares and Securities

Category Six: Gifts and Hospitality

Category Seven: Non-Financial Interests

Section 5: Declaration of Interests

Interests which Require Declaration

Your Financial Interests

Your Non-Financial Interests

The Financial Interests of Other Persons

The Non-Financial Interests of Other Persons

Making a Declaration

Frequent Declarations of Interest

Definition of Exclusions

Section 6: Lobbying and Access to Directors

Annexes

Annex A Sanctions for Breach of the Code

Annex B Definitions

Annex C Protocol for Relations between Directors and Employees in BID Company

SECTION 1: INTRODUCTION TO THE CODE OF CONDUCT

1.1 The levy paying businesses and public have a high expectation of Directors and the way in which they should conduct themselves in undertaking their duties in the BID Company. You must meet those expectations by ensuring that your conduct is above reproach.

1.2 This Code applies to every Director of the BID Company. As a Director, it is your responsibility to make sure that you are familiar with, and that your actions comply with, its provisions.

1.3 This Code reflects the legal framework of BID Company at the date of the Code's publication. Directors and employees should interpret it in the context of the BID Company decision making structure.

Guidance on the Code of Conduct

1.4 Directors hold directorships under the law and must observe the rules of conduct stemming from the law, this Code and any guidance from the Companies legal advisors and the rules, governance and regulations of BID Company. It is your personal responsibility to comply with these and review regularly, and at least annually, your personal circumstances, particularly when your circumstances change. You must not, at any time, advocate or encourage any action contrary to the Code of Conduct.

1.5 The sections of the Code which follow have been developed in line with the key principles listed in Section 2 and provide additional information on how the principles should be interpreted and applied in practice. No written information can provide for all circumstances and if you are uncertain about how the rules apply, you should seek advice from senior BID Company employees and or the Company's legal advisors. You may also choose to consult your own legal advisers, and on detailed financial and commercial matters, to seek advice from other relevant professionals.

Enforcement

1.6 The sanctions that will be applied if there has been a breach of the Code, in respect of Directors, are set out in Annex A.

SECTION 2: KEY PRINCIPLES OF THE CODE OF CONDUCT

2.1 The general principles upon which this Code of Conduct is based should be used for guidance and interpretation only. These general principles are:

Duty

You have a duty to uphold the law and act in accordance with the law and the public trust placed in you. You have a duty to act in the interests of BID Company and all the businesses served by it and a duty to be accessible to the businesses, and to represent their interests conscientiously.

Selflessness

You have a duty to take decisions solely in terms of the business and public interest. You must not act in order to gain financial or other material benefit for yourself, family or friends.

Integrity

You must not place yourself under any financial or other obligation to any individual or organisation that might reasonably be thought to influence you in the performance of your duties.

Objectivity

You must make decisions solely on merit when carrying out public business including making appointments, awarding contracts or recommending individuals for rewards and benefits.

Accountability and Stewardship

You are accountable for your decisions and actions to the businesses and other bodies and agencies which may make contributions (whether financial or in kind) such as Council and BIDs Scotland. You have a duty to consider issues on their merits, taking account of the views of others, and you must ensure that BID Company uses its resources prudently and in accordance with the law.

Openness

You have a duty to be as open as possible about your decisions and actions, giving reasons for your decisions and restricting information only when the wider public interest clearly demands.

Honesty

You have a duty to act honestly. You must declare any private interests relating to your public duties and take steps to resolve any conflicts arising in a way that protects the public interest. Leadership

You have a duty to promote and support these principles by leadership and example, and to maintain and strengthen the public's trust and confidence in the integrity of BID Company and its Directors in conducting business.

Respect

You must respect all other Directors and all BID Company employees and the role they

play, treating them with courtesy always. Similarly, you must respect members of the public when performing duties as a Director.

2.2 You should apply the principles of this Code to your informal dealings with BID Company employees, other agencies and bodies and others no less scrupulously than at formal meetings of BID Company and its committees and sub-committees.

SECTION 3: GENERAL CONDUCT

3.1 The rules of good conduct in this section must be observed in all situations where you act as a Director, including representing BID Company on official business.

Conduct at Meetings

3.2 You must respect the chair, your colleagues, BID Company employees and any others present during meetings of BID Company, its Committees or Sub-Committees or of any Public Bodies where you have been appointed by and represent BID Company. You must comply with rulings from the chair in the conduct of the business of these meetings.

Relationship with BID Company Employees (including those employed by contractors providing services to BID Company)

3.3 You must respect all BID Company employees and the role they always play and treat them with courtesy. It is expected that employees will show the same consideration in return.

3.4 Whilst both you and BID Company employees are servants of the businesses, you have separate responsibilities: you are responsible to the businesses, but the employee is responsible to BID Company as his or her employer. You must also respect the different roles that you and an employee play. Your role is to determine policy and to participate in decisions on matters placed before you, not to engage in direct operational management of the BID Company; that is the responsibility of the BID Company's employees. It is also the responsibility of senior employees to help ensure that the policies of BID Company are implemented.

3.5 You must follow the Protocol for Relations between Directors and Employees attached at Annex C. A breach of the Protocol will be considered as a breach of this Code.

Remuneration, Allowances and Expenses

3.6 The position of Director with BID Company carries no remuneration although reasonable out of pocket expenses will be paid.

Gifts and Hospitality

3.7 You must not accept any offer by way of gift or hospitality which could give rise to real or substantive personal gain or a reasonable suspicion of influence on your part to show favour or disadvantage to any individual or organisation. You should also consider whether there may be any reasonable perception that any gift received by your spouse or cohabitee or by any company in which you have a controlling interest, or by a partnership of which you are a partner, can or would influence your judgement. The term "gift" includes benefits such as relief from indebtedness, loan concessions, or provision of services at a cost below that generally charged to members of the public.

3.8. You must never ask for gifts or hospitality.

3.9 You are personally responsible for all decisions connected with the acceptance of gifts or hospitality offered to you and for avoiding the risk of damage to public confidence in the BID Company. As a general guide, it is usually appropriate to refuse offers except: -

- i. isolated gifts of a trivial character, the value of which must not exceed £50
- ii. normal hospitality associated with your duties and which would reasonably be regarded as appropriate; or
- iii. civic gifts received on behalf of BID Company.

3.10 You must not accept any offer of a gift or hospitality from any individual or organisation who is an applicant awaiting a decision from BID Company or who is seeking to do business or to continue to do business with BID Company. If you are making a visit to inspect equipment, vehicles, land or property, or attend a meeting then as a rule you should ensure that BID Company pays for the cost of these visits.

3.11 You must only accept offers to attend social or sporting events where BID Company would be expected to be represented.

3.12 You must not accept repeated hospitality or repeated gifts from the same source.

3.13 If it is the practice of BID Company to seek sponsorship for some of its activities or events, you must ensure that your involvement with the sponsors is limited to the event in question and does not damage public confidence in the relationship between BID Company and the sponsors.

Confidentiality Requirements

3.14 BID Company proceedings and printed material are generally open to the public. This should be the basis on which you normally work, but there may be times when you will be required to treat discussions, documents or other information relating to BID Company in a confidential manner, in which case you must observe such requirements for confidentiality.

3.15 You will often receive information of a private nature which is not yet public, or which perhaps would not be intended to be public. You must always respect and comply with the requirement to keep such information private.

Use of BID Company Facilities

3.16 BID Company will normally provide facilities to assist Directors in carrying out their duties as Directors or as holders of a office within BID Company. This may involve access to secretarial assistance, stationery and equipment such as telephones, fax machines and computers. Such facilities must only be used in carrying out BID Company duties and not for personal or other business use.

Appointments to Partner Organisations

3.17 You may be appointed or nominated by BID Company as a member of another body or organisation. If so, you will be bound by the rules of conduct of these organisations and your responsibility for any actions taken by you as a member of such an organisation will be to the organisation in question. You must also continue to observe the rules of this Code in carrying out the duties of that body.

3.18 If you become a director of a company as a nominee of BID Company you will assume personal responsibilities under the Companies Acts. It is possible that a conflict of interest may arise for you between the company and BID Company. In such cases it is your responsibility to take advice on your responsibilities to BID Company and to the company. This will include questions of declarations of interest.

Dealings with BID Company

3.19 You will inevitably have dealings on a personal level with BID Company of which you are a Director - for example as a BID Company levy paying business owner or recipient of a BID Company service. You must not seek preferential treatment for yourself, your family, friends, colleagues or employees because of your position as a Director or as a member of a body to which you are appointed by BID Company and you must avoid any action which could lead members of the public to believe that preferential treatment is being sought.

Responsibilities to BID Company as a Member of the Business Improvement District

3.20 If a Director is one month in arrears with payment of BID Company Improvement Levy to the Council, that Director may not participate in certain decisions concerning BID Company, in order to preserve public confidence that Directors are taking decisions in the general public interest. As there is potential for public perception of abuse of position and poor leadership, you must seek to avoid being in debt to BID Company and the Council

3.21 If you owe a debt to the BID Company or the Council, for example, in relation to the improvement levy due for your business, you must put in place at the earliest opportunity arrangements for repayment. You must avoid being in a situation which might lead the public to believe that preferential treatment is being sought. You must not participate in any decision which may create suspicion of a conflict of interest.

SECTION 4: REGISTRATION OF INTERESTS

4.1 The following paragraphs set out the categories of interests, financial and otherwise, which you have to register. These are "Registrable Interests", and you must ensure that they are registered, when you are elected and whenever your circumstances change. **The register should cover the period commencing from 12 months prior to and including your current term of office.**

4.2 You should review regularly and at least once a year your personal circumstances. Annex B contains key definitions and explanatory notes to help you decide what is required when registering your interests under any category. The interests which require to be registered are those set out in the following paragraphs and relate to you. It is not necessary to register the interests of your spouse, or cohabitee.

Category One: Remuneration

4.3 You have a registrable interest where you receive remuneration by virtue of being: -

- i. employed;
- ii. self-employed;
- iii. the holder of an office;
- iv. a director of an undertaking;
- v. a partner in a firm; or
- vi. undertaking a trade, profession or vocation, or any other work

4.4 You do not have a registrable interest simply because you are a Director or a member of another body or agency.

4.5 If a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under category two "Related Undertakings".

4.6 If you receive any allowances in relation to membership of any organisation the fact that you receive such an allowance must be registered.

4.7 When registering employment, you must give the name of the employer, the nature of its business and the nature of the post held in the organisation.

4.8 When registering self-employment, you must provide the name and give details of the nature of the business. When registering an interest in a partnership, you must give the name of the partnership and the nature of its business.

4.9 Where you otherwise undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and its regularity. For example, if you write for a newspaper, you must give the name of the publication and the frequency of articles for which you are paid.

4.10 When registering a directorship, it is necessary to provide the registered name of the undertaking in which the directorship is held and detail the nature of its business.

4.11 Registration of a pension is not required as this falls outside the scope of the category.

Category Two: Related Undertakings

4.12 You must register any directorships held which themselves are not remunerated but where the company (or other undertaking) in question is a subsidiary of, or a parent of, a company (or other undertaking) in which you hold a remunerated directorship.

4.13 You must register the name of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which you are a director and from which you receive remuneration.

4.14 The situations to which the above paragraphs apply are as follows: -

- i. you are a director of a board of an undertaking and receive remuneration - declared under Category one; and
- ii. you are a director of a parent or subsidiary undertaking but do not receive remuneration in that capacity.

Category Three: Contracts

4.15 You have a registrable interest where you (or a firm in which you are a partner, or an undertaking in which you are a director or in which you have shares of a value as described in paragraph 4.20) have made a contract with BID Company of which you are a member:

- i. under which goods or services are to be provided, or works are to be executed; and
- ii. which has not been fully discharged?

4.16 You must register a description of the contract, including its duration, but excluding the consideration.

Category Four: Houses, Land and Buildings

4.17 You have a registrable interest where you own or have any other right or interest in houses, land and buildings, such as being an owner, tenant or occupier within the business improvement district.

4.18 You are required to give the address of the property, or otherwise give a description enough to identify it.

Category Five: Interest in Shares and Securities

4.19 You have a registrable interest where you have an interest in shares comprised in the share capital of a company or other body and the nominal value of the shares is: -

- i. greater than 1% of the issued share capital of the company or other body; or
- ii. greater than £25,000.

Category Six: Gifts and Hospitality

4.20 You must register the details of any gifts or hospitality received, however it is not necessary to record any gifts or hospitality as described in paragraph 3.9 (i) to (iii) of this Code. This record will be available for public inspection.

Category Seven: Non-Financial Interests

4.21 Directors may also have significant non-financial interests and it is equally

important that relevant interests such as membership or holding office in public bodies, companies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described. In this context, non-financial interests are those which members of the public might reasonably think could influence your actions, speeches or votes in BID Company which could include appointments to the board, or memberships of other organisations.

SECTION 5: DECLARATION OF INTERESTS

5.1 The key principles of the Code, especially those which specify integrity, honesty and openness are given further practical effect by the requirement for you to declare interests at meetings which you attend. The rules on declaration of interest, along with the rules which require registration of interests, are intended to produce transparency regarding interests which might influence, or be thought to influence, your actions as a Director.

5.2 It is your responsibility to make decisions about whether you must declare an interest or make a judgement as to whether a declared interest prevents you from taking part in any discussions or voting. You are in the best position to assess your personal circumstances and to judge how these circumstances affect your role as a Director about a particular matter. You can, of course, seek advice from appropriate BID Company officers or from other sources which may be available to you. In making decisions for which you are personally responsible you are advised to err on the side of caution.

5.3 You may feel able to state truthfully that an interest would not influence your role as a Director in discussion or decision-making. You must, however, always comply with the *objective test* ("the objective test") which is *whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your discussion or decision making in your role as a Director.*

5.4 Much of the content of the rules set out in this section of the Code refers to BID Company or directors' meetings. The principles relating to declaration of interests are not confined to such meetings. You must apply these principles no less scrupulously in your dealings with BID Company employees, at meetings with other Directors and any other meeting, formal or informal, where you are representing BID Company.

Interests which Require Declaration

5.5 Interests which require to be declared (if known to you) may be financial or non-financial. They may or may not cover interests which are registrable in terms of this Code. Most of the interests to be declared will be your personal interests but, on occasion, you will have to consider whether the interests of other persons require you to make a declaration. The paragraphs which follow deal with; your financial interests; your non-financial interests and the interests, financial and non-financial, of other persons.

Your Financial Interests

5.6 You must declare, if it is known to you, ANY FINANCIAL INTEREST (including any financial interest which is registrable under any of the categories prescribed in Section 4 of this Code and any interest as defined in a specific exclusion defined in paragraph 5.18).

There is no need to declare: -

- i. an interest where a general exclusion, as defined in paragraph 5.18, applies but an interest where a specific exclusion applies must be declared; or
- ii. an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of and voting on the relevant item where you have a declarable interest is concluded other than in the following circumstances.

There is no need to withdraw in the case of: -

- i. an interest covered by a general exclusion or a specific exclusion;
- ii. an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

Your Non-Financial Interests

5.7 You must declare, if it is known to you, any NON-FINANCIAL INTEREST if: -

- i. that interest has been registered under category eight (Non-Financial Interests) of Section 4 of the Code; or
- ii. that interest would fall within the terms of the objective test.

There is no need to declare: -

- i. an interest where a general exclusion applies, but an interest where a specific exclusion applies must be declared; or
- ii. an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of and voting on the relevant item where you have a declarable interest is concluded other than in the following circumstances.

There is no need to withdraw in the case of: -

- i. an interest covered by a general exclusion or a specific exclusion; or
- ii. an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

5.8 As a Director you may serve on other bodies as a result of express nomination or appointment by BID Company or otherwise by virtue of being a Director. In relation to service on the boards and management of limited liability companies, public bodies, societies and other organisations, you must decide, in the circumstances surrounding any matter, whether to declare a non-financial interest. Only if you believe that, in the circumstances, the nature of the interest is so remote or without significance, should it not be declared. You must always remember the public interest points towards transparency and a possible divergence of interest between BID Company and another body. Keep particularly in mind the advice in paragraph 3.18 of this Code about your legal responsibilities to any limited liability company of which you are a director.

5.9 You will also have other private and personal interests and may serve, or be associated with, bodies, societies and organisations as a result of your private and personal interests and not because of your role as a Director. In the context of any matter you will have to decide whether to declare a non-financial interest. You should declare an interest unless you believe that, in the circumstances, the interest is too remote or without significance. In reaching a view on whether the objective test applies to the interest, you should consider whether your interest (whether taking the form of association or the holding of office) would be seen by a member of the public acting reasonably in a different light because it is the interest of a person who is a Director as opposed to the interest of an ordinary member of the public.

The Financial Interests of Other Persons

5.10 The Code requires only your financial interests to be registered. You also, however, must consider whether you should declare any financial interest of certain other persons.

You must declare if it is known to you ANY FINANCIAL INTEREST of: -

- i. a spouse, a civil partner or a co-habitee;
- ii. a close relative, close friend or close associate;
- iii. an employer or a partner in a firm;
- iv. a body (or subsidiary or parent of a body) of which you are a remunerated member or director;
- v. a person from whom you have received a registrable gift or registrable hospitality;
- vi. a person from whom you have received registrable election expenses.

There is no need to declare an interest if it is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of and voting on the relevant item where you have a declarable interest is concluded other than in the following circumstances.

There is no need to withdraw in the case of: -

- i. an interest covered by a specific exclusion; or
- ii. an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

5.11 This Code does not attempt the task of defining "relative" or "friend" or "associate". Not only is such a task fraught with difficulty but is also unlikely that such definitions would reflect the intention of this part of the Code. The key principle is the need for transparency regarding any interest which might (regardless of the precise description of relationship) be objectively regarded by a member of the public, acting reasonably, as potentially affecting your responsibilities as a Director and, as such, would be covered by the objective test.

The Non-Financial Interests of other persons

5.12 You must declare if it is known to you ANY NON-FINANCIAL INTEREST of: -

- (i) a spouse, a civil partner or a co-habitee;
- (ii) a close relative, close friend or close associate;
- (iii) an employer or a partner in a firm;
- (iv) a body (or subsidiary or parent of a body) of which you are a remunerated member or director;
- (v) a person from whom you have received a registrable gift or registrable hospitality;
- or
- (vi) a person from whom you have received registrable election expenses.

There is no need to declare the interest unless it is clear and substantial.

There is only a need to withdraw from the meeting if the interest is clear and substantial.

Making a Declaration

5.13 You must consider at the earliest stage possible whether you have an interest to declare in relation to any matter which is to be considered. You should consider whether agendas for meetings raise any issue of declaration of interest. Your declaration of interest must be made as soon as practicable at a meeting where that interest arises. If you do identify the need for a declaration of interest only when a particular matter is being discussed, you must declare the interest as soon as you realise it is necessary.

5.14 The oral statement of declaration of interest should identify the item or items of business to which it relates. The statement should begin with the words "I declare an interest". The statement must be sufficiently informative to enable those at the meeting to understand the nature of your interest but need not give a detailed description of the interest.

Frequent Declarations of Interest

5.15 Public confidence in BID Company can be damaged by perception that BID Company's decisions are substantially influenced by factors other than the business and public interest. If you would have to declare interests frequently at meetings of a particular committee or in respect of any role which you are asked to discharge as a Director, you should not accept a role or appointment with that attendant consequence. Similarly, if any BID Company appointment or nomination to another body would give rise to objective concern because of your existing personal involvements or affiliations, you should not accept the appointment or nomination.

Definition of Exclusions

5.16 The following paragraphs refer to General Exclusions and Specific Exclusions

(1) The General Exclusions

The general exclusions referred to in this section of the Code are in relation to interests which a Director may have: -

- i. as a BID Company Improvement levy payer;
- ii. in relation to matters affecting Directors' expenses,

In relation to (i), a Director does not have an interest which has to be declared as a BID Company Improvement levy payer.

In relation to (ii), a Director does not have an interest which has to be declared in connection with any matter relating to Directors' expenses.

SECTION 6: LOBBYING AND ACCESS TO DIRECTORS

6.1 In order for BID Company to fulfil its commitment to being open, accessible, and responsive to the needs of the businesses and public, it needs to encourage appropriate participation by organisations and individuals in the decision-making process. Clearly however, the desire to involve others in the decision-making process must take account of the need to ensure transparency and probity in the way in which BID Company conducts its business.

6.2 You will need to be able to consider evidence and arguments advanced by a wide range of organisations and individuals in order to perform your duties effectively. Some of these organisations and individuals will make their views known directly to individual Directors or BID Company. The rules and standards in this Code set out how you should conduct yourself in your contacts with those who seek to influence you.

6.3 You may be lobbied by a wide range of people including individuals, organisations, companies and developers. As a rule, it is an essential element of the democratic system that any individual should be able to lobby BID Company or a Director.

SANCTIONS WHICH MAY BE APPLIED

- (i) censuring the Director;
- (ii) suspending, for a period not exceeding one year, the Director's entitlement to attend one or more but not all of the following: -
 - (a) all meetings of BID Company;
 - (b) all meetings of one or more sub-groups of BID Company;
 - (c) all meetings of any other body on which that Director is a representative or nominee of BID Company.
- (iii) suspension, for a period not exceeding one year, of the Director's entitlement to attend all meetings of BID Company, and of any committee or sub-committee of BID Company; and of any other body on which the Director is a representative or nominee of BID Company;
- (iv) disqualifying the Director, for a period not exceeding five years, from being or being nominated for election as, or from being elected as, a Director.

A period of suspension under (ii) or (iii) above which would continue until or beyond an ordinary election will come to an end at the beginning of the day on which that election is held.

Disqualification of a Director has the effect of vacating that Director's office and extends to the Director's membership of any sub-group of BID Company, any joint committee, joint board or other body on which the Director is a representative or nominee of BID Company.

DEFINITIONS

1. "**Remuneration**" includes any salary, wage, share of profits, fee, expenses, other monetary benefit or benefit in kind. This would include, for example, the provision of a company car or travelling expenses by an employer.
2. "**Undertaking**" means: (i) a body corporate or partnership; or (ii) an unincorporated association carrying on a trade or business, with or without a view to a profit.
3. "**Related Undertaking**" is a parent or subsidiary company of a principal undertaking of which you are also a director. You will receive remuneration for the principal undertaking though you will not receive remuneration as director of the related undertaking.
4. "**Parent Undertaking**" is an undertaking in relation to another undertaking, a subsidiary undertaking, if (i) it holds a majority of the voting rights in the undertaking; or (ii) it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors; or (iii) it has the right to exercise a dominant influence over the undertaking (a) by virtue of provisions contained in the undertaking's memorandum or articles or (b) by virtue of a control contract; or (iv) it is a Director of the undertaking and controls alone, pursuant to an agreement with other shareholders or Directors, a majority of the voting rights in the undertaking .
5. "**A person**" means a single individual or legal person and includes a group of companies.
6. "**Group of companies**" has the same meaning as "group" in Section 262(1) of the Companies Act 1985. A "group", within s262 (1) of the Companies Act 1985, means a parent undertaking and its subsidiary undertakings.
7. "**Any person**" includes individuals, incorporated and unincorporated bodies, trade unions, charities and voluntary organisations.
- 8 "**Spouse**" does not include a former spouse or a spouse who is living separately and apart from you.
9. "**Cohabitee**" includes a person, whether of the opposite sex or not, who is living with you in a relationship similar to that of husband and wife.
10. "**Chair**" includes Committee Convener or any person discharging similar functions under alternative decision-making structures.

PROTOCOL FOR RELATIONS BETWEEN DIRECTORS AND EMPLOYEES IN BID COMPANY

Principles

1. This protocol sets out the way in which Directors and employees of BID Company should behave towards one another. It does not cover all the variety of circumstances which can arise, but the approach which it adopts will serve as a guide to dealing with other issues as they come up.
2. Directors and employees should work in an atmosphere of mutual trust and respect, with neither party seeking to take unfair advantage of their position.

Scope

3. The most common contacts are between Directors and senior employees, and this protocol is largely about those contacts. There are also many contacts between Directors and other employees in their daily business, and the principles of this protocol also apply to them. The particular position of employees who provide direct support services for Directors is dealt with separately at paragraph 21.

Directors' and employees' roles

4. Within BID Company, Directors have a number of different roles.
5. Legally, employees are employed by BID Company and are accountable to it. Ultimately, they serve BID Company as a whole and not any individual director. Employees may properly be called upon to help individual directors in their different roles. Senior employees have ultimate responsibility to ensure that BID Company responsibilities are implemented.

Office bearers

6. It is clearly important that there should be a close professional working relationship between the Chair and the directors and other senior employees, however, such relationships should never be allowed to become so close, or appear to be so close, as to bring into question employees' ability to deal impartially with other Directors, and the ability of Chairs to deal impartially with other employees.
7. The Chair will often be consulted on the preparation of agendas and reports. Employees will always be fully responsible for the contents of any report submitted in their name and have the right to submit reports to directors on their areas of professional competence. While employees will wish to listen to the views of directors, they must retain the final responsibility for the content of reports.

Appointments

8 Where Directors are involved in the appointments of employees they must act fairly and openly and judge candidates solely on merit.

9. Chairs will have many dealings with employees. Those employees should always seek to assist a Chair.

Social Relationships

10. The relationship between Directors and employees depends upon trust and this will be enhanced by the development of positive, friendly relationships. Directors and employees will often be thrown together in social situations within the community and they have a responsibility to project a positive image of BID Company. Nonetheless, close personal familiarity between individual employees and Directors can damage the relationship of mutual respect and the belief that employees give objective and professional advice and commitment to BID Company. Directors and employees should, therefore, be cautious in developing close personal friendships while they have an official relationship.

Public Comment

11. Directors should not raise matters relating to the conduct or capability of employees in public. Employees must accord to Directors the respect and courtesy due to them in their various roles. There are provisions in the Code of Conduct for Employees about speaking in public and employees should observe them.

Employees supporting Directors

12. Where BID Company arranges for employees to support directors directly in carrying out their duties, considerations apply. Such employees are normally involved in administrative and practical support of Directors. While such staff may operate to the requirements of individual Directors in their daily business, it must be remembered that the employees are accountable to BID Company and the Board of Directors and any issues about conflicting priorities, conduct or performance must be referred.