

NEWPORT UNLIMITED

**CODE OF CONDUCT FOR DIRECTORS
AND EMPLOYEES**

December 2003

CODE OF CONDUCT FOR BOARD AND EMPLOYEES OF NEWPORT UNLIMITED (“the Company”)

Purpose

In pursuit of its aims and objectives in accordance with its Memorandum and Articles of Association, the Company must maintain high standards of conduct and probity. There is therefore a general duty on all Board Directors and officials to promote the probity and transparency of the Company and not to use information acquired during the Company’s business to the advantage of themselves, their families or any organisation with which they are associated. It is also their responsibility to ensure that these standards are recognised by and are demonstrable to the general public, local government, the Welsh Assembly Government, and partners.

This is particularly the case because the Company’s aims, and its reasons for selecting its Board Directors, mean that from time to time Board Directors’ other occupations will impact directly or indirectly on the work of the Company. It is therefore particularly important to comply with the law’s provisions that a Board Director must act only in what he/she believes to be the best interest of the Company when acting on behalf of the Company. In order to fulfil this principle:

- Board Directors must ensure that their professional, private or personal interests and those of their family or household do not influence their decisions and that they do not use their position to obtain personal gain of any sort to themselves.
- Board Directors must be meticulous about declaring conflicts of interest, whether actual, potential or likely to be perceived as such.
- The Articles of Association of the Company set out the procedure for dealing with Board Directors’ interests in clauses 13.7, 13.8 and 13.9. The relevant clauses are set out in Annex 1 attached.

This code sets out the detail of arrangements for implementing these procedures, and supplements the Articles for these purposes.

Interpreting and applying these requirements

The Board has resolved the following in order to apply the general principles set out above.

- i) Board Directors perform their role as volunteers and, as a general principle, receive no remuneration from the Company (other than expenses actually incurred in attending meetings, functions, or related training courses or conferences) except in the case of the Chief Executive who is also a Board Director. They are requested to respect this Code of Conduct, which recognises that it cannot fetter their activities in respect of undertaking their principal occupations.

- ii) A prior resolution of the Board will be required before the Company enters into any business arrangement or contract with any contractor, supplier, professional firm, company or business associate in which any Board Director has any interest, with a value of £20,000 or more. (This will not normally apply to major service providers such as Gas, Electricity or Water Companies, and will not apply to the Welsh Assembly Government, the Welsh Development Agency, or Newport City Council, or any subsidiary company of theirs). The power to enter into any such arrangement or contract in which any Board Director except the Chief Executive has an interest, and which is below the value of £20,000, is delegated to the Chief Executive. If the Chief Executive has such an interest the power shall be exercisable by the Board in his absence.
- iii) The Company Secretary will maintain a Register of Board Directors Interests, which will be available for inspection by the Board and the Company's Auditors. It is the responsibility of every Board Director to ensure that their entry in this Register is complete and up to date, and the Register as a whole will be reviewed on an annual basis. The Register will contain the name of any company, organisation or other relevant outside interest with which the Board Director is associated, along with a brief description of its principal activities. Board Directors should also declare any interests of which they are aware on the part of any persons living in the same household.
- iv) In the course of meetings of the Company's Board, immediately prior to the commencement of the relevant agenda item, Board Directors shall declare:
 - a) Any interest in an organisation relevant to that agenda item which is not listed in the Register, including shares held in any company relevant to that item.
 - b) Any interest in an organisation which is listed in the register but where the subject of the agenda item lies outside the description of the nature of activity specified in the Register.
 - c) Irrespective of the Register, any actual or potential ownership of land or property or other pecuniary interest of relevance to the agenda item under discussion, of which the Board Director is aware.
- v) If any item under iv) above becomes apparent to a Board Director after discussion of the agenda item has commenced, he/she shall declare it at that time.
- vi) For all declarations under iv) and v) above, the Board shall determine whether the Board Director shall participate in discussion, remain in the room, or leave the room for the duration of that item, in accordance with para 13.9 of the Articles of Association.

- vii) Items ii) to vi) inclusive above shall apply to employees of the Company in the same way as they do to Board Directors; save that the employee shall give the appropriate notification to the Chief Executive.
- viii) No employee of the Company shall, in pursuit of private business interests, engage in activities similar to those for which he/she is employed by the Company in any of the following circumstances:-
 - a the acquisition of land and property, except in respect of his/her personal residence, within the geographical area in which the Company operates.
 - b With, or on behalf of, any registered firm which is, or within the last twelve months has been, engaged by the Company.

These restrictions will also apply to the members of his/her household.

- (ix) Any Board Director or employee who has reason to believe that he/she is or has been engaged upon business enterprises that could give rise to questions or duality of interest should advise the Chief Executive of the circumstances.

Materials and Services

Any Board Director or employee or a member of his/her household wishing to engage a company utilised by the Company to carry out work or private services on behalf of him/herself or a member of his/her household or immediate family to a value greater than £120 (inclusive of VAT) shall register the fact with the Chief Executive in a register set up for that purpose. No work should be so contracted without the prior approval of the Chief Executive of the Company. Whilst not preventing Board Directors or employees from using such firms, this ensures that all such transactions can be demonstrated to be proper and legitimate.

Gifts and Hospitality

Gifts, other than of nominal value, shall not in any circumstances be accepted from any company or organisation which has a past, current or potential commercial relationship with the Company and/or past, current or potential involvement in projects in its area.

A register will be kept by the Company Secretary of hospitality received by Board Directors or employees from any company or organisation, and hospitality involving an overnight stay will not normally be accepted.

Annex 1

Extract from the

ARTICLES OF ASSOCIATION

OF

NEWPORT URBAN REGENERATION COMPANY LIMITED

13.7 Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any interest of his, a director notwithstanding his office:

13.7.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;

13.7.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;

13.7.3 may or any firm or company of which he is a member or director may act in a professional capacity for the Company or any body corporate in which the Company is in any way interested; and

13.7.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

13.8 For the purposes of **Article 13.7**:

13.8.1 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;

13.8.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have

knowledge shall not be treated as an interest of his; and

13.8.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when the Company was incorporated) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

13.9 Whenever a director has an interest in a matter to be discussed at a meeting of the board of directors (or a committee of the board of directors) the director concerned shall:

13.9.1 declare such interest at or before discussions begin on the matter;

13.9.2 unless the board of directors resolve otherwise:

13.9.2.1 withdraw from the meeting for that item;

13.9.2.2 not be counted in the quorum for that part of the meeting;

13.9.2.3 not be entitled to vote on the matter.