

## CODE OF CONDUCT FOR DIRECTORS

This code applies to directors of Railfuture Ltd and Railwatch Ltd. The following document refers to "Railfuture" but it applies equally to both companies.

### 1. INTRODUCTION

The seven principles of public life identified by the Nolan Committee and first published in 1995 form the basis of the ethical standards expected of public office holders. These principles govern the way we operate and have been endorsed by the Directors of Railfuture. The Nolan principles are as follows:

**Selflessness:** take decisions solely in terms of the organisation's values and mission. We should not do so in order to gain financial or other material benefits for ourselves, our family or our friends.

**Integrity:** not place ourselves under any financial or other obligation to outside individuals or organisations that might influence us in the performance of our duties.

**Objectivity:** ensure that in carrying out the business of the organisation we ensure impartiality and make choices based on merit alone.

**Accountability:** accept accountability for our decisions and actions to all our stakeholders and submit ourselves to whatever scrutiny is appropriate.

**Openness:** be as open as possible about all the decisions and actions we take. We should give reasons for our decisions and restrict information only when individual or commercial confidentiality demands.

**Honesty:** declare any private interests relating to our duties and take steps to resolve any conflicts arising in a way that is lawful, and protects the organisation's reputation, values and mission.

**Leadership:** promote and support these principles by leadership and example.

### 2. APPLICATION OF THE CODE

This Code of Conduct applies equally to all directors who must act in the best interests of Railfuture. Directors carry important duties of accountability to the membership. Any co-opted director will be expected to observe the principles of the Code when carrying out their duties as a co-opted member.

### 3. SETTING STANDARDS

The following sections give guidance on what is expected of directors. The Code deals with our relationships with other Board members and what we should do if a problem arises. It also covers our collective responsibility and how we should go about setting high standards in all that we do:

#### 3.1 STANDARDS OF SERVICE

Railfuture seeks to provide the highest possible standards of service to its membership and as directors we should reflect this.

#### 3.2 ACTING IN THE BEST INTERESTS OF RAILFUTURE

We must act reasonably and with care in all matters relating to Railfuture and must always bear in mind the interests of the organisation. We should not let our personal views affect our conduct as Board members. We should exercise the same degree of care in dealing with Railfuture's affairs as a prudent business person would in managing their own affairs or those of someone else for whom they were responsible.

#### 3.3 CONFLICTS OF INTEREST

We each carry responsibility to anticipate and avoid any conflicts of interest arising especially where they involve financial transactions.

If we need to take a decision on an issue, which affects us personally, we must declare an interest at the beginning of the meeting and we must not vote on the matter. The chairman of the meeting may decide that we should not be present for the discussion.

As directors we are responsible for deciding the policies and strategic direction of Railfuture. Sometimes situations may arise where involvement in an activity may lead to a conflict of interest. It is inappropriate for a director to be engaged in any area of Railfuture's day to day business where payment is received. As unpaid company directors we recognise the inherent conflict which would arise if we were to seek paid employment with Railfuture and therefore accept that during our period of office we will not apply for or be considered for any such employment. There may be instances where Board members are in a position to offer their services on a freelance basis and this is not precluded as long as there is a transparent process and directors have regard for and manage any potential conflicts of interest.

We should also be alert to any potential conflicts of interest between the interests of Railfuture and those of any other organisations to which we belong.

#### 3.4 CONFIDENTIALITY

Whilst operating in an open and transparent manner, we understand that some information will be confidential and we will respect that. We will not use any information for personal gain and benefit or for the advantage of any organisations for which we work or are members. Information should not be used to the detriment of Railfuture. Papers presented to the Board

may be marked “Confidential” to indicate that information must not be communicated to those outside of Railfuture.

### 3.5 COLLECTIVE RESPONSIBILITY

We are all responsible collectively for the decisions reached by the Board and must act together. Once the Board has agreed a course of action we must support that decision even if, as an individual, we voted against a decision. Even if we have disagreed with or voted against a decision at a Board meeting we must always support the decision of the meeting, especially to external parties.

We each have the opportunity to raise our views in Board meetings and it is our responsibility to make sure our views are heard before a decision is taken.

We must not later deny our role in the decision making process, nor claim that we were demurred from such a decision in order to gain electoral or other advantage.

### 3.6 ATTENDANCE AT MEETINGS

We must be willing to spend an appropriate amount of time preparing for and attending meetings of the Board and its working groups as they play a vital part in the successful running of Railfuture.

### 3.7 CONDUCT AT MEETINGS

We must respect the Chairman’s position in exercising control over the meeting. Our conduct at all meetings of Railfuture should be polite and business-like. We must never use racist, sexist or other offensive remarks or disruptive behaviour. We must allow all members equal opportunity to put forward their views.

### 3.8 CONDUCT AND INTEGRITY

We must uphold and promote Railfuture’s vision and core values. Our behaviour must not bring Railfuture into disrepute or cause unnecessary embarrassment. Our conduct and personal integrity must always be beyond reproach. We must ensure that the reputation of Railfuture is not damaged by any personal activities which we might undertake outside of Railfuture.

### 3.9 GIFTS

We must not solicit personal gifts or accept gifts of cash as this creates a relationship that could be seen to influence judgements in our role as directors. Occasionally very small personal gifts may be accepted where refusal would cause offence and where the value is less than £25. Any gifts received should be notified to the Director of Corporate Governance.

### 3.10 HOSPITALITY

We should not solicit or accept repeated or lavish hospitality from other organisations. If in doubt the Director of Corporate Governance should be consulted.

### 3.11 USE OF SUPPLIERS

We must ensure orders and contracts are awarded on merit and by fair competition. No favourable treatment should be shown to a business run by friends, partners or relatives in the tendering process. No part of the community should be discriminated against. If a conflict of interest arises during a meeting we should withdraw from the debate and any subsequent vote.

### 4. RAISING ISSUES OF CONCERN

We have a mechanism in place for raising issues of concern relating to conduct. Some conduct issues can arise from a member raising concerns in an inappropriate way. On smaller issues it is expected that the matter will be discussed between the individuals concerned to reach an amicable solution.

Where an issue remains unresolved or where there is a perceived breach of the Code of Conduct, the Director of Corporate Governance will deal with any complaints in the first instance. With proven breaches, the Board may consider removal of the director where it is deemed the director is not fit to continue.

### 5. FAILURE TO FOLLOW THE CODE OF CONDUCT

Failure to follow this Code of Conduct may damage Railfuture and its reputation. The Director of Corporate Governance will deal with any complaints made where it is felt a breach of this Code has occurred. If a director is dissatisfied with the decision of the Director of Corporate Governance then it will be referred to a Panel of 3 directors, including the Chair, who will arbitrate on the issue. Any action that has to be taken against a Board member will be dealt with in accordance with the Articles.

### 6. DISQUALIFICATION

When we take up our duties on the Board we do so on the basis that we are not disqualified from acting as a director. We are also required to vacate office should we become prohibited by law from acting as a director or if the company is unable to obtain directors' liability insurance to cover the director.

**Final draft 5<sup>th</sup> December 2016 and subsequently approved by the Board for introduction on 1<sup>st</sup> January 2017. Amended in 2018 for change of company name.**

This expanded version replaces the one-page code of conduct approved by directors on 24<sup>th</sup> November 2015.

## **Railfuture – Promoting Britain’s Railway for Passengers and Freight**

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