

# Scottish Rail Holdings Limited Code of Governance

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# Version control table

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# Code of conduct

## 1. OVERVIEW

The Code of Conduct provides guidance to Scottish Rail Holdings Limited (SRH) Board Members on how they should carry out their duties, in line with accepted best practice.

## 2. CODE OF CONDUCT

Individual Board Members shall act in accordance with their wider responsibility as Board Members—namely to:

- comply at all times with the Code of Conduct that is adopted by SRH and with the rules relating to the use of public funds, conflicts of interest and confidentiality;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations; and
- act in good faith and in the best interests of the organisation

Individual Board Members of sponsored bodies appointed by or with the approval of the Scottish Ministers who have acted honestly and in good faith should not have to meet out of their own personal resources any personal civil liability, which is incurred in the execution or purported execution of their board functions, save where the person has acted recklessly. Relevant claims established against a board member will therefore be met from funds provided to the sponsored body by the Scottish Ministers.

Board Members, the Chair, Committee members and employees shall be subject to a general duty of confidentiality in relation to the conduct of affairs of the organisation, insofar as this is consistent with the terms of the Freedom of Information (Scotland) Act 2002 and any codes of practice issued thereunder.

### 2.1 Introduction to the code of conduct

The Scottish public has a high expectation of those who serve on the boards of public bodies and the way in which they should conduct themselves in undertaking their duties. As a member of the SRH Board, you must meet those expectations by ensuring that your conduct is above reproach.

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; imposes on councils and relevant public bodies a duty to help their members to comply with the relevant code; and establishes a Standards Commission for Scotland, “The Standards Commission” to oversee the new framework and deal with alleged breaches of the codes.

As a Board Member, it is your responsibility to make sure that you are familiar with, and that your actions comply with, the provisions of this Code of Conduct which has now been made by the Board.

### 2.2 Appointments to the Boards of Public Bodies

Public bodies in Scotland are required to deliver effective services to meet the needs of an increasingly diverse population. In addition, the Scottish Government’s equality outcome on public appointments is to ensure that Ministerial appointments are more diverse than at present. In order to meet both of these aims, a board should ideally be drawn from varied backgrounds with a wide spectrum of characteristics, knowledge and experience. It is crucial to the success of public bodies that they attract the best people for the job and therefore it is essential that a board’s appointments process should encourage as many suitable people to apply for positions and be free from unnecessary barriers. You should therefore be aware of the varied roles and functions of the Board on which you serve and of wider diversity and equality issues. You should also take steps to familiarise yourself with the appointment process that the organisation will have agreed with the Scottish Government’s Public Appointment Centre of Expertise.

You should also familiarise yourself with how the organisation’s policy operates in relation to succession planning, which should ensure they have a strategy to make sure they have the staff in place with the skills, knowledge and experience necessary to fulfil their role economically, efficiently and effectively.

### 2.3 Guidance on the Code of Conduct

You must observe the rules of conduct contained in this Code of Conduct. It is your personal responsibility to comply with these and review regularly, and at least annually, your personal circumstances with this in mind, particularly when your circumstances change. You must not at any time advocate or encourage any action contrary to the Code of Conduct.

The Code of Conduct has been developed in line with the key principles listed in Section 2.5 and provides additional information on how the principles should be interpreted and applied in practice. The Standards Commission may also issue guidance. No Code can provide for all circumstances and if you are uncertain about how the rules apply, you should seek advice from the organisation. You may also choose to consult your own legal advisers and, on detailed financial and commercial matters, seek advice from other relevant professionals.

You should familiarise yourself with the Scottish Government publication “On Board – a guide for Board Members of public bodies in Scotland<sup>1</sup>”. This publication will provide you with information to help you in your role as a member of a public body in Scotland and can be viewed on the Scottish Government website.

## 2.4 Enforcement

Part 2 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 sets out the provisions for dealing with alleged breaches of this Code of Conduct and where appropriate the sanctions that will be applied if the Standards Commission finds that there has been a breach of the Code of Conduct. Those sanctions are outlined in **APPENDIX A**.

## 2.5 Key principles of the Code of Conduct

The general principles upon which this Code of Conduct is based should be used for guidance and interpretation only. You should apply the principles of this Code of Conduct to your dealings with fellow Board Members, SRH’s employees and other stakeholders. Similarly, you should also observe the principles of this Code of Conduct in dealings with the public when performing duties as a member of the SRH Board. The general principles are:

### 2.5.1 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 the public body of which you are a member and in accordance with the core functions and duties of that body.

### 2.5.2 Selflessness

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

### 2.5.3 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.

### 2.5.4 Objectivity

You must make decisions solely on merit and in a way that is consistent with the functions of the public body when carrying out public business including making appointments, awarding contracts or recommending individuals for rewards and benefits.

### 2.5.5 Accountability and stewardship

You are accountable for your decisions and actions to the public. You have a duty to consider issues on their merits, taking account of the views of others and must ensure that the public body uses its resources prudently and in accordance with the law.

### 2.5.6 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.

### 2.5.7 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.

### 2.5.8 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 the public body and its members in conducting public business.

### 2.5.9 Respect

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<sup>1</sup> <https://www.gov.scot/publications/board-guide-members-statutory-boards/>

You must respect fellow members of your public body and employees of the organisation and the role they play, treating them with courtesy at all times. Similarly, you must respect members of the public when performing duties as a member of your public body.

## **2.6 General conduct**

The rules of good conduct in this section must be observed in all situations where you act as a member of the SRH Board.

### **2.6.1 Conduct at Meetings**

You must respect the chair, your colleagues and employees of SRH in meetings. You must comply with rulings from the chair in the conduct of the business of these meetings.

### **2.6.2 Relationship with Board Members and employees of SRH\_(including those employed by contractors providing services)**

You will treat your fellow Board Members and any staff employed by SRH with courtesy and respect. It is expected that fellow Board Members and employees will show you the same consideration in return. It is good practice for employers to provide examples of what is unacceptable behaviour in their organisation. Public bodies should promote a safe, healthy and fair working environment for all. As an SRH Board member you should be familiar with the policies of SRH in relation to bullying and harassment in the workplace and also lead by exemplar behaviour.

### **2.6.3 Remuneration, allowances and expenses**

You must comply with any rules of SRH regarding remuneration, allowances and expenses.

### **2.6.4 Gifts and hospitality**

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.

You must never ask for gifts or hospitality.

You are personally responsible for all decisions connected with the offer or acceptance of gifts or hospitality offered to you and for avoiding the risk of damage to public confidence in SRH. 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) gifts received on behalf of the organisation.

You must not accept any offer of a gift or hospitality from any individual or organisation which stands to gain or benefit from a decision your body may be involved in determining, or who is seeking to do business with your organisation, and which a person might reasonably consider could have a bearing on your judgement. If you are making a visit in your capacity as a member of the SRH Board then, as a general rule, you should ensure that your organisation pays for the cost of the visit.

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

Board Members should familiarise themselves with the terms of the Bribery Act 2010 which provides for offences of bribing another person and offences relating to being bribed.

More information on how to deal with gifts and hospitality can be found in SRH's Anti-Bribery and Corruption policy for all staff.

### **2.6.5 Confidentiality requirements**

There may be times when you will be required to treat discussions, documents or other information relating to the work of SRH in a confidential manner. 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 the confidential nature of such information and comply with the requirement to keep such information private.

It is unacceptable to disclose any information to which you have privileged access, for example derived from a confidential document, either orally or in writing. In the case of other documents and information, you are requested to exercise your judgement as to what should or should not be made available to outside bodies or individuals. In any event, such information should never be used for the purposes of personal or financial gain, or for political purposes or used in such a way as to bring SRH into disrepute.

#### 2.6.6 Use of SRH's facilities

Board Members must not misuse facilities, equipment, stationery, telephony, computer, information technology equipment and services, or use them for party political or campaigning activities. Use of such equipment and services etc. must be in accordance with the organisations policy and rules on their usage. Care must also be exercised when using social media networks not to compromise your position as a member of the SRH Board.

#### 2.6.7 Appointment to partner organisations

You may be appointed, or nominated by the organisation, as a member of another body or organisation. If so, you are bound by the rules of conduct of these organisations and should observe the rules of this Code of Conduct in carrying out the duties of that body.

Board Members who become directors of companies as nominees of SRH will assume personal responsibilities under the Companies Acts. It is possible that conflicts of interest can arise for such members between the company and SRH. It is your responsibility to take advice on your responsibilities to SRH and to the company. This will include questions of declarations of interest.

### 2.7 Registration of interests

The following paragraphs set out the kinds of interests, financial and otherwise, which you have to register. These are called "Registerable Interests". You must, at all times, ensure that these interests are registered, when you are appointed and whenever your circumstances change in such a way as to require change or an addition to your entry in the SRH Register. It is your duty to ensure any changes in circumstances are reported within one month of them changing.

The Regulations<sup>2</sup> as amended, describe the detail and timescale for registering interests. It is your personal responsibility to comply with these regulations and you should review regularly and at least once a year your personal circumstances. **APPENDIX B** contains key definitions and explanatory notes to help you decide what is required when registering your interests under any particular 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.

#### 2.7.1 Remuneration

You have a Registerable Interest where you receive remuneration by virtue of being:

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

In relation to the above, the amount of remuneration does not require to be registered and remuneration received as a member does not have to be registered.

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 "Related Undertakings".

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

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.

<sup>2</sup> SSI - The Ethical Standards in Public Life etc. (Scotland) Act 2000 (Register of Interests) Regulations 2003 Number 135, as amended.

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.

Where you 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.

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

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

### **2.7.2 Related Undertakings**

You must register any directorships held which are themselves 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.

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.

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

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

### **2.7.3 Contracts**

You have a registerable 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 2.7.5 below) have made a contract with SRH 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.

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

### **2.7.4 Houses, land and buildings**

You have a registerable interest where you own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of SRH to which you are appointed.

The test to be applied when considering appropriateness of registration is to ask whether a member of the public acting reasonably might consider any interests in houses, land and buildings could potentially affect your responsibilities to SRH to which you are appointed and to the public, or could influence your actions, speeches or decision making.

### **2.7.5 Interest in Shares and Securities**

You have a registerable interest where you have an interest in shares comprised in the share capital of a company or other body which may be significant to, of relevance to, or bear upon, the work and operation of

(a) SRH to which you are appointed; and

(b) 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.

Where you are required to register the interest, you should provide the registered name of the company in which you hold shares; the amount or value of the shares does not have to be registered.

### **2.7.6 Gifts and Hospitality**



You must register the details of any gifts or hospitality received within your current term of office. This record will be available for public inspection. It is not however necessary to record any gifts or hospitality as described in section 2.6.4.

### **2.7.7 Non-Financial Interests**

You may also have a registerable interest if you have non-financial interests which may be significant to, of relevance to, or bear upon, the work and operation of SRH to which you are appointed. It is important that relevant interests such as membership or holding office in other public bodies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described.

In the context of non-financial interests, the test to be applied when considering appropriateness of registration is to ask whether a member of the public might reasonably think that any non-financial interest could potentially affect your responsibilities to SRH and to the public, or could influence your actions, speeches or decision-making.

## **2.8 Declaration of interests**

### **2.8.1 General**

The key principles of the Code of Conduct, especially those in relation to integrity, honesty and openness, are given further practical effect by the requirement for you to declare certain interests in proceedings of SRH. Together with the rules on registration of interests, this ensures transparency of your interests which might influence, or be thought to influence, your actions.

Public bodies inevitably have dealings with a wide variety of organisations and individuals and this Code of Conduct indicates the circumstances in which a business or personal interest must be declared. Public confidence in SRH and its members depends on it being clearly understood that decisions are taken in the public interest and not for any other reason.

In considering whether to make a declaration in any proceedings, you must consider not only whether you will be influenced but whether anybody else would think that you might be influenced by the interest. You must, however, always comply with 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 member of a public body.

If you feel that, in the context of the matter being considered, your involvement is neither capable of being viewed as more significant than that of an ordinary member of the public, nor likely to be perceived by the public as wrong, you may continue to attend the meeting and participate in both discussion and voting. The relevant interest must however be declared. It is your responsibility to judge whether an interest is sufficiently relevant to particular proceedings to require a declaration and you are advised to err on the side of caution. If a Board Member is unsure as to whether a conflict of interest exists, they should seek advice from the Chair.

As a member of a public body, you might serve on other bodies. In relation to service on the boards and management committees of limited liability companies, public bodies, societies and other organisations, you must decide, in the particular circumstances surrounding any matter, whether to declare an interest. Only if you believe that, in the particular 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 your public body and another body. Keep particularly in mind the advice about your legal responsibilities to any limited company of which you are a director.

### **2.8.2 Interests which require declaration**

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 registerable under the 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:

- (a) your financial interests;
- (b) your non-financial interests; and
- (c) the interests, financial and non-financial, of other persons.

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 member of SRH. In the context of any particular matter you will need to decide whether to declare an interest. You should declare an interest unless you believe that, in the particular 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 member of a public body as opposed to the interest of an ordinary member of the public.

**(a) Your financial interests**

You must declare, if it is known to you, any financial interest (including any financial interest which is registerable under any of the categories prescribed in paragraph 2.7 of this Code of Conduct).

There is no need to declare 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 the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

**(b) Your non-financial interests**

You must declare, if it is known to you, any non-financial interest if:

- that interest has been registered under section 2.7.7 (Non-Financial Interests) of the Code; or
- that interest would fall within the terms of the objective test.

There is no need to declare 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 the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

**(c) The financial interests of other persons**

The Code of Conduct requires only your financial interests to be registered. You also, however, have to 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 registerable gift or registerable hospitality;
- or
- (vi) a person from whom you have received registerable 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. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

This Code of Conduct 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 in regard to 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 member of SRH and, as such, would be covered by the objective test.

**(d) The non-financial interests of other persons**

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 registerable gift or registerable hospitality;  
or
- (vi) a person from whom you have received registerable election expenses.

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

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

**2.8.3 Making a declaration**

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.

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

**2.8.4 Frequent declarations of interest**

Public confidence in a public body is damaged by perception that decisions taken by that body are substantially influenced by factors other than the public interest. If you would have to declare interests frequently at meetings in respect of your role as a board member you should not accept a role or appointment with that attendant consequence. If members are frequently declaring interests at meetings, then they should consider whether they can carry out their role effectively and discuss with their chair. Similarly, if any appointment or nomination to another body would give rise to objective concern because of your existing personal involvement or affiliations, you should not accept the appointment or nomination.

**2.8.5 Dispensations**

In some very limited circumstances dispensations can be granted by the Standards Commission in relation to the existence of financial and non-financial interests which would otherwise prohibit you from taking part and voting on matters coming before SRH and its committees.

Applications for dispensations will be considered by the Standards Commission and should be made as soon as possible in order to allow proper consideration of the application in advance of meetings where dispensation is sought. You should not take part in the consideration of the matter in question until the application has been granted.

**2.9 Lobbying and access to members of public bodies**

In order for SRH to fulfil its commitment to being open and accessible, it needs to encourage participation by organisations and individuals in the decision-making process. Clearly however, the desire to involve the public and other interest groups in the decision-making process must take account of the need to ensure transparency and probity in the way in which SRH conducts its business.

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 members. The rules in this Code of Conduct set out how you should conduct yourself in your contacts with those who would seek to

influence you. They are designed to encourage proper interaction between members of public bodies, those they represent and interest groups.

### 2.9.1 Rules and Guidance

- (i) You must not, in relation to contact with any person or organisation that lobbies do anything which contravenes this Code of Conduct or any other relevant rule of SRH or any statutory provision.
- (ii) You must not, in relation to contact with any person or organisation who lobbies, act in any way which could bring discredit upon SRH.
- (iii) The public must be assured that no person or organisation will gain better access to or treatment by, you as a result of employing a company or individual to lobby on a fee basis on their behalf. You must not, therefore, offer or accord any preferential access or treatment to those lobbying on a fee basis on behalf of clients compared with that which you accord any other person or organisation who lobbies or approaches you. Nor should those lobbying on a fee basis on behalf of clients be given to understand that preferential access or treatment, compared to that accorded to any other person or organisation, might be forthcoming from another member of SRH.
- (iv) Before taking any action as a result of being lobbied, you should seek to satisfy yourself about the identity of the person or organisation that is lobbying and the motive for lobbying. You may choose to act in response to a person or organisation lobbying on a fee basis on behalf of clients but it is important that you know the basis on which you are being lobbied in order to ensure that any action taken in connection with the lobbyist complies with the standards set out in this Code of Conduct.
- (v) You should not accept any paid work:-
  - which would involve you lobbying on behalf of any person or organisation or any clients of a person or organisation.
  - to provide services as a strategist, adviser or consultant, for example, advising on how to influence SRH and its Board Members. This does not prohibit you from being remunerated for activity which may arise because of, or relate to, membership of the, such as journalism or broadcasting, or involvement in representative or presentational work, such as participation in delegations, conferences or other events.
- (vi) If you have concerns about the approach or methods used by any person or organisation in their contacts with you, you must seek the guidance of SRH.

## 3. CONFLICTS OF INTEREST

Before any Board Member or employee becomes involved in taking a decision or participating in a discussion on any matter, he or she should ensure that there are no conflicts of interest that, in the opinion of a fair-minded and informed observer, would suggest a real possibility of bias and shall have due regard to any rules on conflict of interest contained within the Code of Conduct.

If a Board Member or employee has, directly or indirectly, an interest or duty which is material and relevant or may be relevant to any matter being considered by SRH, they shall follow the procedure set out below.

Each Board Member must at all times comply with the requirement to adhere to the processes for dealing conflicts of interest and registering interests, which have been approved by SRH and are set out in the Code of Conduct.

### 3.1 Disclosing a conflict of interest (Board Member)

Each Board Member must disclose any conflict of interest. If a Board Member is in doubt as to whether a particular matter amounts to a conflict of interest, he/she should disclose it. If a Board Member becomes aware that there may be a conflict of interest during the course of a SRH meeting he/she must disclose the relevant interest that gives rise to the potential conflict immediately.

If any Board Member other than the Chair discloses a potential conflict of interest, he/she may either absent themselves from any discussion and decision relating to the matter to which his interest relates; or ask the Chair to determine how to proceed. When asked how to proceed by a Board

Member who has disclosed a potential conflict of interest in relation to any matter, the Chair shall in his/her discretion determine whether the interest disclosed by the Board Member amounts to a conflict of interest.

### **3.2 Disclosing a conflict of interest (Chair)**

If the Chair discloses a potential conflict of interest then, subject to any contrary decision of SRH (excluding the Chair), the above shall apply as if the Chair has asked for determination on how to proceed, with the Chief Executive Officer making all decisions that would otherwise be made by the Chair under those paragraphs.

### **3.3 Process to be followed when conflict of interest has been determined**

Where the Chair determines that a Board Member does have a conflict of interest in relation to any matter, they may decide that the Board Member: must absent themselves from any discussion or decision relating to the matter; may be present during any discussion or decision but may not participate in the discussion or decision; or may be present and participate in the discussion, but may contribute to it only statements of fact. In no case may a Board Member whom the Chair has determined to have a conflict of interest in relation to a matter either vote on a decision concerning that matter or contribute more than statements of fact to any discussion of the matter.

### **3.4 Recording conflict of interest**

All decisions as to whether a potential conflict of interest should be disclosed, whether it amounts to a conflict of interest, and how a Board Member should proceed in the case of a conflict must be made having regard to the terms, and the spirit and purpose, of the Code of Conduct. In the event that a Board Member receives a written paper in relation to any matter as to which they believe that a conflict of interest may arise, he/she must disclose his/her interest in the matter to the SRH Secretary at the earliest opportunity and return the paper to the SRH Secretary with an indication of the extent to which it has been read.

Any decision made under the above conflict of interest provisions shall be recorded in the minutes of the SRH meeting together with any additional information that the SRH considers appropriate (including for example, the extent to which the relevant Board Member participated in a discussion or had access to papers).

# Scheme of Delegation

## GOVERNANCE FRAMEWORK

### Revision History

This document should be routinely reviewed at least one in every three years.

Version number	Revision date	Details of changes
1.0		

### Approval

This document was approved by:

Name	Source of authorisation	Date of Issue	Version

### Distribution

This document has been distributed to:

Name	Date of Issue	Version

## 1. INTRODUCTION

The Scheme of Delegation for SRH sets out the matters reserved to the Board (**Section 2**). All other matters are delegated to either the Chair and the Chief Executive Officer together (**Section 3**) or the Chief Executive Officer (**Section 4**) who shall exercise such functions on behalf of SRH in accordance with the terms of the **Framework Document**.

The Chief Executive Officer may delegate this authority to one or more employees, and where this occurs this will be followed up in writing.

**Section 5** sets out the framework of reporting to the Board.

## 2. MATTERS RESERVED FOR THE BOARD

### 2.1 Strategic and governance

- Oversight of adherence to the requirements of the Scottish Government's **Framework Document**.
- Approval of any changes to Parts 1 and 2 of SRH's **Governance Framework**.
- Approval of the strategic aims and objectives for SRH.
- Approval, for submission to the Scottish Ministers, the Corporate Plan, which outlines the activities, key performance indicators, reporting and work plans to deliver the strategic objectives of SRH.
- Approval of any material amendments to the Corporate Plan.
- Establishment of any committee of SRH; the specification of its terms of reference; and approval of the appointment of members to serve on any such committee.
- Approval of any formal agreement to delegate (where permitted by law) SRH functions to any other body.

### 2.2 Financial and contractual issues

- Approval of SRH's Annual Work Plan.
- Approval of SRH's Annual Budget.
- Approval of SRH's annual report and accounts.
- Approval of any significant change in accounting policies and practices requirements which are not in line with the Scottish Government reporting requirements.
- In line with SRH's risk management strategy:
  - setting the tone and influencing the culture of risk management within SRH;
  - setting appropriate policies on internal control;
  - seeking regular assurance that the system is functioning effectively;
  - approving major decisions affecting the organisation's risk profile or exposure; and
  - annually reviewing the organisation's approach to risk management and appraising any changes or improvements to key elements of its processes and procedures.
- The entering into of any material contracts in the ordinary course of business which involve a liability exceeding £100,000 [**limit to be considered per Framework document**]
- Exercising the powers, functions and duties expressly conferred and/or imposed upon SRH through [**relevant legislation if applicable**]
- The oversight of any significant legal or regulatory dispute in which SRH is, or will potentially be, involved in the approval of or commencement of any significant legal or regulatory proceedings or whether to appeal any judgement given against SRH

### 2.3 Chief Executive Officer

- Approval of the appointment and removal, with the approval of the Scottish Ministers, the Chief Executive Officer, and the terms and conditions of service including remuneration all in line with SG [Pay Policy for Senior Appointments](#).

### 3 MATTERS DELEGATED TO THE CHAIR AND CHIEF EXECUTIVE OFFICER

- Approval of press releases containing matters likely to be controversial and of any major external statements or other significant communications including reports or evidence to the Scottish Parliament or any Parliamentary committee.
- Approval of the appointment of other Executive Directors.
- Approval of major changes to SRH's management structure.

### 4 MATTERS DELEGATED TO THE CHIEF EXECUTIVE OFFICER

#### 4.1 General

The Chief Executive Officer is responsible for all other functions not specified in Sections 2 and 3 above and for the leadership, day-to-day running and performance of SRH and is accountable to the Board for the effective discharge of these duties. Notwithstanding the foregoing general delegation, the following matters are delegated to the Chief Executive Officer.

#### 4.2 Compliance with Statutory Duties

- Save for the statutory provisions referred to in Section 2.2 above, all actions required to comply with legal or corporate duties placed on SRH or its staff are delegated to the Chief Executive Officer.

### 5 ADDITIONAL STATUTORY DUTIES OF THE CHIEF EXECUTIVE OFFICER

- The Chief Executive Officer has been designated as the Accountable Officer for SRH pursuant to section 15 of the Public Finance and Accountability (Scotland) Act 2000 (the "2000 Act"). As Accountable Officer the Chief Executive Officer is personally answerable to the Scottish Parliament for propriety and regularity in the management of public funds allocated to SRH and for which the Chief Executive Officer has charge.
- The Chief Executive Officer should act in accordance with the terms of this document, within the instructions and guidance in the Scottish Public Finance Manual and the other instructions and guidance issued from time to time by Scottish Government Financial Memorandum to Accountable Officers
- SRH Board Members (including the Chair) must not give the Chief Executive Officer instructions which conflict with the Chief Executive Officer's duties as SRH's Accountable Officer. Should instructions be issued in such terms the Accountable Officer is required to send a copy to the Auditor General in accordance with the 2000 Act.

### 6 REPORTING FRAMEWORK FOR THE BOARD

The Board will receive regular reports from the Chief Executive Officer and SRH staff to provide assurance that the Corporate Plan is being delivered and that SRH has discharged its statutory duties. The reporting framework shall allow the Board Members to:

- receive assurance that SRH has discharged its statutory functions;
- receives and reviews regular reports monitoring the delivery of SRH activity as set out in the Corporate Plan and Annual Work Plan;
- determine the steps needed to deal with changes, which are likely to impact on the strategic aims and objectives of SRH; the discharge of its statutory duties or on the attainability of its operational targets;
- promote the efficient, economic and effective use of staff and other resources by SRH consistent with the principles of [Best Value](#), including, where appropriate, participation in [shared services](#) arrangements;
  - ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control;
  - take account of relevant guidance issued by the Scottish Ministers;
  - ensure that the Board receives, and reviews regular financial information concerning the management and performance of SRH and is informed in a timely manner about any concerns regarding the activities of the SRH;
  - review the terms of reference of each Committee established annually;



- receive regular reports from each Committee established and approve recommendations of any Committee (where the powers are not delegated);and
- demonstrate high standards of corporate governance at all times, including openness and transparency in its decision making.

# SRH Board

## Terms of Reference

### 1. INTRODUCTION

The roles and responsibilities of the Board, the Chair, the Chief Executive and individual Board Members are set out in the governance framework and relevant SG publications including the SPFM and On Board. The overall role of the Board is to provide leadership, direction, support and guidance to ensure the organisation delivers and is committed to delivering its functions effectively and efficiently and in accordance with the aims, policies and priorities of the Scottish Ministers. The **SRH Board Terms of Reference** sets out in broad terms the decision-making processes.

### 2. COMPOSITION OF THE BOARD

The Board will operate based on collective responsibility and will ensure that the organisation operates in accordance with the guidance issued relevant to non-departmental public bodies. Decisions will be taken, based on consensus where possible, and will be recorded within the minutes of each Board meeting. The membership of the Board will consist of not fewer than 3, nor more than 9 ordinary Board members (including the Chair) and the Chief Executive Officer. The Scottish Ministers appoint the Board Members normally for a period of either 3 or 4 years. The length of appointments may vary to ensure continuity of in the membership of the Board.

Recognising the nature of SRH as a holding company on behalf of TS for SRT and any other subsidiaries, a representative (either a member of the TS Senior Management Team, or a member of the TS Sponsor team) may attend from Transport Scotland in its role as Sponsor body. This representative would be a non-speaking observer, with no voting rights and subject to the discretion of the Chair. In addition, there may be attendance as required by the Chief Executive Officer for specific agenda items, from SRT, recognising group reporting lines, with an individual in attendance on behalf of SRT, but with no voting rights.

### 3. RESPONSIBILITIES OF THE BOARD

The role of the Board is to provide strategic leadership, direction, support and guidance; to ensure the organisation delivers and is committed to delivering its functions effectively and efficiently and in accordance with the aims, policies and priorities of the Scottish Ministers; to ensure financial stewardship; and to hold the Chief Executive Officer and the senior management team to account. The Board has corporate responsibility, under the leadership of the Chair, to:

- set the strategic aims and objectives for SRH;
- approve the Corporate Plan;
- approve the Governance Framework;
- receive assurance that SRH has discharged its statutory functions;
- ensure that the Board receives and reviews regular reports monitoring the delivery of the SRH's activity;
- determine the steps needed to deal with changes, which are likely to impact on the strategic aims and objectives of SRH or on the attainability of its operational targets;
- promote the efficient, economic and effective use of staff and other resources by the organisation consistent with the principles of [Best Value](#), including, where appropriate, through participation in [shared services](#) arrangements;
- ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control;
- take account of relevant guidance issued by the Scottish Ministers;
- approve the annual accounts and ensure that Scottish Ministers are provided with the annual report and accounts to be laid before the Scottish Parliament. The Chief Executive Officer, as the

Accountable Officer, is responsible for signing the accounts and is ultimately responsible to the Scottish Parliament through the Scottish Ministers;

- approve the Annual Report;
- ensure that the Board receives, and reviews regular financial information concerning the management and performance of the organisation and is informed in a timely manner about any concerns regarding the activities of the organisation;
- establish such Committees as it sees fit. The terms of reference and reporting arrangements of such Committees will be agreed by the Board and reviewed annually;
- receive regular reports from each Committee and approve recommendations of any Committee (where the powers are not delegated)
- appoint, with the approval of the Scottish Ministers, the Chief Executive Officer, following appropriate approval of the chief executive's remuneration package in line with Scottish Government [Pay Policy for Senior Appointments](#);
- in consultation with the Scottish Ministers, the Board will set appropriate performance objectives for the organisation which give due weight to the proper management and use of resources within the stewardship of the organisation and the delivery of outcomes;
- demonstrate high standards of corporate governance at all times, including openness and transparency in its decision making; and

#### 4. MEETINGS

The Board shall hold formal meetings at least 6 times each year, with meetings held throughout the year, at such frequency as the Board may determine. Subject to the provisions on notice below, the Chair may convene a meeting of the Board. The Board may invite any person to attend all or part of a Board meeting. **These meetings may be in person or via Teams (remote technology) and this will be determined by the Chair and the Chief Executive.**

Where there is urgent business of the Board and it is not practical to convene a special meeting, the Chair may under **exceptional circumstances** deal with the matter(s) by correspondence. In these exceptional circumstances, relevant papers and resolutions will be circulated to Board Members. The actions/decisions arising from such exceptional circumstances will be reported to the subsequent Board meeting.

##### 4.1 Notice of Meetings

Members should receive written notice of a meeting, including the scheduled time and place, at least 10 working days in advance of the meeting. The Chair, or in their absence the Deputy Chair or the Board Member appointed to Chair the meeting in accordance with paragraph 4.3 below, shall have discretion in exceptional circumstances to relax or dispense with the requirements as to the timing of notices and circulation of agendas and papers for meetings. Failure of a Board Member to receive notice of a meeting does not invalidate that meeting or any business transacted at it.

##### 4.2 Agenda and papers

The agenda and papers for any meeting of the Board will be circulated **electronically** to Board Members 5 working days in advance of a Board meeting. The Board will be provided with appropriate information to allow it to fulfil the requirements of these terms of reference. Non-receipt of the agenda or papers by any Board Member will not invalidate the meeting or any business transacted at that meeting.

Draft minutes of meetings will be distributed to Board Members for approval **via email** or amendment at the next scheduled Board meeting.

##### 4.3 Quorum

The quorum for a meeting of the Board shall be three Board Members present. Board Members may attend meetings of the Board by telephone or video conferencing facility or other medium. Board Members participating by telephone or video conferencing or other medium shall be present at that meeting.

If the Chair is not present at a meeting of the Board, the Deputy Chair shall chair the meeting of the Board. If there is no Deputy Chair, the Board Members present shall appoint one of their number to chair the meeting.

In the event of a matter requiring a vote, only Board Members present will be able to vote. In the case of an equality of votes the chair of the meeting shall have a second or casting vote.

#### 4.5 Attendance

All Board Members are expected to attend all Board meetings. The Chief Executive Officer will ensure that the Board receives appropriate support.

### 5. OTHER COMMITTEES

The Board may establish such other Committees (either standing or ad-hoc) as it may consider appropriate and may determine the membership, terms of reference and procedures of those Committees.

The Board shall specify the extent, if any, to which any Committee has delegated authority to exercise any function of SRH (whether a reserved matter or otherwise).

### 6. RESERVED MATTERS

Decisions reserved to the Board are set out in SRH's **Scheme of Delegation**.

### 7. REVIEW OF EFFECTIVENESS

The Chair should ensure that the Board and all its Committees are subject to regular self-assessment to ensure that they are working effectively.

# Audit and Risk Committee Terms of Reference

## 1. INTRODUCTION

The Board has established an Audit and Risk Committee (the “**Committee**”) as a Committee of the Board, to support it in their responsibilities for issues of risk, control and governance and associated assurance through a process of constructive challenge.

## 2. MEMBERSHIP

The Committee will be chaired by a member of the Board other than the Chair. The Chair of the Committee will be appointed by the Board, on the recommendation of the Chair of the Board. The Board will also appoint the other members of the Committee.

The Chair of the Committee should be involved in the appointment of Committee members, including providing advice on the skills and experience being sought by the Committee.

The Committee will comprise of not less than three and not more than four non-executive members, including the Chair. The members of the Committee will be rotated on an appropriate cycle, usually every four years.

The Committee will have access to secretarial support and to such information as is required to discharge its remit.

## 3. REPORTING

The Committee will formally report in writing to the Board and Accountable Officer after each meeting. A copy of minutes of the meeting may form the basis of the report.

The Committee will provide the Board and Accountable Officer with an annual report, timed to support finalisation of the financial statements and the Governance Statement, summarising its conclusions from the work it has done during the year.

## 4. RESPONSIBILITIES

The Committee will advise the Board and Accountable Office on:

1. the strategic processes for risk, control and governance and the governance statement;
2. assurances relating to strategic risks for the organisation, including performance reporting against the Corporate Plan and compliance and project reporting;
3. the accounting policies, the financial statements, and the annual report of the organisation, including the process for review of the financial statements prior to submission for audit, levels of error identified, and management’s letter of representation to the external auditors;
4. the planned activity and results of both internal and external audit;
5. the adequacy of management response to issues identified by audit activity, including external audit’s management letter/report;
6. the effectiveness of the internal control environment;
7. assurances relating to the corporate governance requirements for the organisation;
8. proposals for tendering internal audit services;
9. anti-fraud policies, whistle-blowing processes, arrangements for special investigations; and
10. proposals to amend the policies and procedures forming Part 3 of the Governance Framework.

The Committee will also periodically review its own effectiveness and report the results of that review to the Board and Accountable Officer.

## 5. RIGHTS

The Committee may:

- co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience; and
- propose to procure specialist ad-hoc advice at the expense of the organisation, subject to budgets and/or delegation agreed by the Board.

## 6. ACCESS

The representatives of Internal and External Audit will have free and confidential access to the Chair of the Committee.

## 7. MEETINGS

The procedures for meetings are:

- The Committee will normally meet three or four times a year, as determined by the business as required. The Chair of the Committee may convene additional meetings, as they deem necessary;
- A minimum of two members of the Committee will be present for the meeting to be deemed quorate;
- Committee meetings will normally be attended by the Accountable Officer, the Finance Director, a representative of Internal Audit, and a representative of External Audit;
- The Committee may ask any other employees of the organisation to attend to assist it with its discussions on any matter;
- The Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of any matter; and
- The Board may ask the Committee to convene further meetings to discuss any matter on which they want the Committee's advice.

## 8. INFORMATION REQUIREMENTS

For each meeting the Committee will be provided with enough information to enable it to fulfil the requirements of these terms of reference, including but not limited to:

- Reports summarising any significant changes to the Board's risk register.
- Update reports from the Accountable Officer.
- Draft annual financial statements, including the accounting policies and governance statement.
- Quarterly financial results with explanatory notes.
- External audit:
  - work plan for the year;
  - Management letter; and
  - Final report for the year, including the audit opinion.
- Internal audit:
  - Internal Audit strategic and operational plans;
  - Progress report on work performed, key issues emerging from internal audit work and significant changes to the audit plan;
  - Annual plan;
  - Annual opinion and report; and
  - Quality assurance reports on the internal audit function.
- Reports on any proposal to tender for internal audit services.

Any other information as requested specifically by the Committee.

# Remuneration Committee Terms of Reference

## 1. INTRODUCTION

The Board has established a Remuneration and Appointments Committee (the “**Committee**”) as a Committee of the Board, to support it in its responsibilities regarding remuneration, performance and appointments.

## 2. MEMBERSHIP

The Committee will be chaired by a member of the Board other than the Chair. The Chair of the Committee will be appointed by the Board, on the recommendation of the Chair of the Board. The Board will also appoint the other members of the Committee.

The Chair of the Committee should be involved in the appointment of Committee members, including providing advice on the skills and experience being sought by the Committee.

The Committee will comprise at least two non-executive members of the Board, including at least the Chair and the Chair of the Board. The members of the Committee will be rotated on an appropriate cycle, in line with length of appointment to the Board, up to a maximum of 4 years.

The Committee will have access to secretarial support and to such information as is required to discharge its remit.

## 3. REPORTING

The Committee will formally report in writing to the Board after each meeting. A copy of minutes of the meeting may form the basis of the report.

The Committee will provide the Board with an annual report, timed to support finalisation of the financial statements and the Governance Statement, summarising its conclusions from the work it has done during the year.

## 4. RESPONSIBILITIES

The purpose of the Remuneration and Appointments Committee, on behalf of the SRH Board is to consider the remuneration of the SRH Board [and where relevant group] senior staff and to take an overview of appointments and remuneration issues. The committee will ensure compliance with the relevant sections on pay and performance as outlined in the framework document and the SPFM in particular ensuring adherence to SG pay policies.

Specifically, the committee will:

- agree the Board’s pay remit to be submitted to the Scottish Government
- consider the strategic implications of staff pay and reward policies including pensions arrangements for the Board
- consider remuneration and terms and conditions for the Chief Executive and Directors
- consider and advise, in consultation with the Chief Executive, appraisals and succession planning for the Executive Team.
- consider and advise, in consultation with the Chair, the annual appraisal and objectives of the Chief Executive.
- To review, discuss and approve any proposed settlement agreements in excess of £75,000, or those that relate to the senior management team and/or may be viewed as in the public interest and may be contentious.
- To support the Chief Executive in any voluntary redundancy arrangements arising through restructuring.

## 5. MEETINGS

The procedures for meetings are:

- The Committee will normally meet three times a year [as business requires] timed to inform the Scottish Government pay consideration timeline. The Chair of the Committee may convene additional meetings, as they deem necessary.
- A minimum of two non executive director members of the Committee must be present for the meeting to be deemed quorate.
- Committee meetings will normally be attended by the relevant representative from HR [or equivalent] and where appropriate the Accountable Officer.
- The Committee may ask any other employees of the organisation to attend to assist it with its discussions on any matter.
- The Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of any matter; and

The Board may ask the Committee to convene further meetings to discuss any matter on which they want the Committee's advice.



# Appendix A

## SANCTIONS AVAILABLE TO THE STANDARDS COMMISSION FOR BREACH OF THE CODE of CONDUCT

1. Censure – SRH may reprimand the member but otherwise take no action against them.
2. Suspension – of the member for a maximum period of one year from attending one or more, but not all, of the following:
  - all meetings of SRH;
  - all meetings of one or more committees or sub-committees of SRH; or
  - all meetings of any other public body on which that member is a representative or nominee of SRH of which they are a member.
3. Suspension – for a period not exceeding one year, of the member's entitlement to attend all of the meetings referred to above
4. Disqualification – removing the member from membership of SRH for a period of no more than five years.

Where a member has been suspended, the Standards Commission may direct that any remuneration or allowance received from membership of SRH be reduced, or not paid. Where the Standards Commission disqualifies a member of SRH, it may go on to impose the following further sanctions:

1. Where the member of SRH is also a councillor, the Standards Commission may disqualify that member (for a period of no more than five years) from being nominated for election as, or from being elected, a councillor. Disqualification of a councillor has the effect of disqualifying that member from SRH and terminating membership of any committee, sub-committee, joint committee, joint board or any other body on which that member sits as a representative of their local authority.
2. Direct that the member be removed from membership, and disqualified in respect of membership, of any other devolved public body (provided the members' code applicable to that body is then in force) and may disqualify that person from office as a member of SRH.

In some cases the Standards Commission do not have the legislative powers to deal with sanctions, for example if the respondent is an executive member of the board or appointed by the Queen. Sections 23 and 24 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 refer.

Full details of the sanctions are set out in Section 19 of the Act.

# Appendix B

## DEFINITIONS

“Chair” includes Board Convener or any person discharging similar functions under alternative decision-making structures.

“Code” code of conduct for members of devolved public bodies

“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.

“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.

“Parent Undertaking” is an undertaking in relation to another undertaking, a subsidiary undertaking, if a) it holds a majority of the rights in the undertaking; or b) it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors; or c) it has the right to exercise a dominant influence over the undertaking (i) by virtue of provisions contained in the undertaking’s memorandum or articles or (ii) by virtue of a control contract; or d) it is a councillor of the undertaking and controls alone, pursuant to an agreement with other shareholders or councillors, a majority of the rights in the undertaking.

“A person” means a single individual or legal person and includes a group of companies.

“Any person” includes individuals, incorporated and unincorporated bodies, trade unions, charities and voluntary organisations.

“Public body” means a devolved public body listed in Schedule 3 of the Ethical Standards in Public Life etc. (Scotland) Act 2000, as amended.

“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.

“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.

“Spouse” does not include a former spouse or a spouse who is living separately and apart from you.

“Undertaking” means:

- (a) a body corporate or partnership; or
- (b) an unincorporated association carrying on a trade or business, with or without a view to a profit.