

Salix Finance Ltd. Directors' Code of Conduct

Overview

Document type	Code of Conduct for Board Directors
Purpose	This code of conduct sets out the standards of behaviour expected of the company directors of Salix
Data Classification	Public
Executive Lead	Director of Finance and Resources
Policy Author/Lead	Head of Governance and Company Secretary
Version	V2
Date of Review	November 2025
Final approval by	Board
Date for next Review	November 2026

INTRODUCTION

- 1.1 This Code is based on the Cabinet Office's Code of Conduct for Board Members of Public June 2019 (as updated at November 2019) as non-executive board members of UK public bodies must abide by the principles set out in that Code (CO Code).
- 1.2 Salix Finance Ltd is a publicly owned limited company. Its Directors (i.e. board members including non-executive directors) are subject to company law and other guidance (to the extent appropriate) applicable to UK companies.¹ The Directors will also be required to follow guidance² that applies to public office holders.
- 1.3 Salix's Directors are also required to ensure that the company's values underpin their decision-making. These are: i) seamless delivery, ii) environmental champions, iii) respect for everyone, iv) visionary transformation and v) being engaged as one.

2. KEY PRINCIPLES OF PUBLIC LIFE AND DIRECTORS' DUTIES

- 2.1 The key principles upon which the CO Code is based are the Seven Principles of Public Life. These are:
 - a. **Selflessness** - Holders of public office should act solely in terms of the public interest.
 - b. **Integrity** - Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
 - c. **Objectivity** - Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
 - d. **Accountability** - Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
 - e. **Openness** - Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
 - f. **Honesty** - Holders of public office should be truthful.
 - g. **Leadership** - Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

¹ Including Companies Act 2006, Economic Crime and Corporate Transparency Act 2023, Financial Reporting Council UK Corporate Governance Code and Guidance

² See Annex A Salix's Framework Document 10 January 2025 for full list of applicable guidance.

- 2.2 Company directors are subject to the statutory duties set out in sections 171 to 177 of the Companies Act 2006 to:
- Act within powers (s.171) - in accordance with the company's constitution (the Memorandum and Articles of Association "Articles"), and only exercise powers for the purposes for which they were given.
 - Promote the success of the company (s.172) – to act in the way which the director considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole.
 - Exercise independent judgement and make own decisions (s.173).
 - Exercise reasonable care, skill and diligence (s.174) i.e. use the same care, skill and diligence that would be exercised by a reasonably diligent person with: (1) the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as the director in relation to the company; and (2) the general knowledge, skill and experience that the director actually possesses.
 - Avoid conflicts of interest (s.175) – i.e. situations in which a director has, or could have, an interest that conflicts, or may conflict, with the interests of the company (see also Article 17 of Salix's Articles of Association). This also includes a conflict of duty (s.175(7)).
 - Not accept benefits from third parties (s.176).
 - Declare interests in any proposed transaction or arrangement (s.177).

GENERAL CONDUCT

3.1 Use of Public Funds

- 3.1.1 Directors have a duty to ensure the safeguarding of public funds and the proper custody of assets which have been publicly funded.
- 3.1.2 Directors must carry out these obligations responsibly – that is, take appropriate measures to ensure that Salix uses resources efficiently, economically, and effectively, avoiding waste and extravagance. It will always be an improper use of public funds for public bodies to employ consultants or other companies to lobby Parliament, Government, or political parties.

3.2 Allowances

- 3.2.1 Directors must comply with the rules set by the board and by our sponsoring Government Department, the Department for Energy Security and Net Zero (DESNZ) (or any successor sponsor), regarding remuneration, allowances, and expenses, and are responsible for ensuring compliance with all relevant HM Revenue and Customs' requirements concerning payments, including expenses.

3.3 Gifts and Hospitality

- 3.3.1 Directors must not accept any gifts or hospitality which might, or might reasonably appear to, compromise their personal judgement or integrity, or place them under an improper obligation.
- 3.3.2 Directors must never canvass or seek gifts or hospitality.
- 3.3.3 Directors must comply with the Gifts and Hospitality Policy³. You should inform the Chief Executive or Head of Governance and Company Secretary as set out in the policy of any offer of gifts or hospitality and ensure that, where a gift or hospitality is accepted, this is recorded in a public register. This register⁴ is maintained by the Governance Team and published on Salix's website.
- 3.3.4 Generally speaking, small one-off gifts of a value of less than £25 can be retained if it would not be appropriate or possible for them to be declined or returned. However, this will depend upon the circumstances of the gift made and directors should consult the policy for guidance and seek the advice of the Governance Team if further guidance is needed. All gifts should be declared (other than those of negligible value e.g. promotional stationery or shared food to celebrate religious festivals etc.), whether or not they meet registration thresholds.
- 3.3.5 Modest hospitality offered in the course of legitimate business is likely to be regarded as sustenance. A meal up to the value of £25 without alcohol need not be declared, so long as there could be no perception of improper influence.
- 3.3.6 Directors are responsible for their decisions on the acceptance of gifts or hospitality and for ensuring that any gifts or hospitality accepted can stand up to public scrutiny and do not

³ [Gifts and Hospitality Policy](#)

⁴ [Salix Register of Interests](#)

bring Salix or DESNZ into disrepute.

3.4 Use of Official Resources

- 3.4.1 Directors must not misuse official resources for personal gain or for political purposes. Use of equipment such as software etc., access to facilities and other services should be for Salix's business purposes and must comply with any relevant internal policies.

3.5 Use of Official Information

- 3.5.1 Directors must not use information gained in the course of their public service for personal gain or for political purposes.
- 3.5.2 Directors must not disclose any information which is confidential in nature or which is provided in confidence without authority. This duty continues to apply after a Director has left the board.

3.6 Political Activity

- 3.6.1 In their public role Directors must be, and be seen to be, politically impartial. Directors should inform the Chair and/or the Salix CEO or DESNZ sponsorship lead before undertaking any significant political activity. They should not occupy a salaried party-political post nor hold a particularly sensitive or high-profile role in a political party. They should abstain from all controversial political activity and comply with the principles set out in Cabinet Office rules on attendance at party conferences and on conduct during the period prior to elections and referendums, whether local or national.
- 3.6.2 On matters directly related to Salix's work, Directors should not make political statements or engage in any other political activity.
- 3.6.3 Subject to the above and 3.6.4 below, Directors may engage in political activity but should, at all times, remain conscious of their responsibilities as a board member, exercise proper discretion and be even-handed in all dealings with political parties.
- 3.6.4 Requirements 3.6.1 – 3.6.3 are varied for Members of Parliament, members of a devolved legislature, directly elected mayors, local councillors or police and crime commissioners. There is no bar on such representatives taking a political party whip relating to their political role. They must exercise proper discretion on matters

directly related to the work of Salix and recognise that certain political activities may be incompatible with the role as a board member. Directors should not allow themselves to become embroiled in matters of political controversy.

- 3.6.5 In an official capacity, Directors should be even-handed in all dealings with political parties.

3.7. Employment and Appointments

- 3.7.1 Any Director wishing to take up additional employment or appointments during their term of office must inform the Chair and/or the relevant parent department in advance and allow them the opportunity to comment. Care should be taken if you accept additional public appointments to ensure that you are not being paid twice from the public purse for the same time.
- 3.7.2 On leaving office, Directors must comply with any rules by DESNZ on the acceptance of future employment or appointments.

4. CONFLICTS OF INTEREST

- 4.1 Directors must ensure that no conflict arises, or could reasonably be perceived to arise, between their public duties and their private interests, financial or otherwise. Before accepting appointment to the board of Salix, a non-executive director must consider if any conflicts of interest arise from their private interests or by virtue of any other roles held previously or currently. If so, that person should seek advice from the Chair and consider with advice from the appointing department how these should best be managed.

- 4.2 Directors must comply with the [Declarations and Conflicts of Interests Policy](#).

4.2.1 Meetings

Directors are required to disclose any relevant interests at the start of all meetings.

4.2.2 Declarations of interests register and monitoring

Throughout the term of any appointment each Director must declare, in the Salix register of interests, any private financial or non-financial interests of their own, or of close family members or friends or business associates, which may, or

may be perceived to, conflict with their public duties⁵. An annual return is issued to Directors for completion and directors are required to inform the governance team of any new interest arising as soon as reasonably practicable. This register is published on our internet. Depending on their nature, other interests may also need to be recorded elsewhere, such as in registers maintained by our procurement team or by DESNZ.

- 4.3 In compliance with Article 7 of Salix's Articles of Association, Directors will be required to remove themselves from the discussion or determination of matters in which they have a financial interest. In matters in which they have a non-financial interest, they should only participate in the discussion or determination of a matter if there is no possible danger of actual or perceived bias.
- 4.4 Directors must not use, or attempt to use, the opportunity of public service to promote their personal interests or those of any connected person, business or other organisation.
- 4.5 It is the responsibility of each Director to be familiar with the contents of this Code of Conduct and the Declarations and Conflicts of Interests Policy on handling potential and actual conflicts of interests, and to ensure that their entry in the Salix public register of members' interests is accurate and up-to-date.

5. RESPONSIBILITIES AS A BOARD MEMBER, INCLUDING NON-EXECUTIVE CHAIRS

- 5.1 Directors are expected to play a full and active role in the work of Salix, fulfilling their duties and responsibilities responsibly and, at all times, acting in good faith and in the best interests of the body.
- 5.2 Directors should endeavour to integrate ethical and sustainable practices into business decision-making, taking into account societal and environmental impacts.
- 5.3 They should promote an inclusive and diverse culture in Salix, helping to create an environment where different perspectives and backgrounds are encouraged and valued.

⁵ The default guidance in the Cabinet Office Code of Conduct, footnote 7, is that "in general, all financial interests should be declared. When considering what non-financial interests should be declared, you should ask yourself whether a member of the public, acting reasonably, would consider that the interest in question might influence your words, actions or decisions".

- 5.4 Directors should deal with outside bodies and members of the public fairly, efficiently, promptly, effectively and sensitively, not unjustifiably favouring or discriminating against particular individuals or interests.
- 5.5 Directors must not harass, bully, act inappropriately towards or discriminate in favour of or against any individual or group. Such behaviour will not be tolerated.
- 5.6 Directors must comply with any statutory or administrative requirements relating to their post. As directors of a limited company, these will include any requirements under company law.
- 5.7 Directors must respect the principle of collective decision-making and corporate responsibility. This means that, once the board has made a decision, they should all support that decision.
- 5.8 You must not use, or attempt to use, the opportunity of public service to promote your personal interests or those of any connected person, firm, business or other organisation.
- 5.9 Directors must inform the Chair, Chief Executive and the sponsor department of any bankruptcy, current police investigation, unspent criminal conviction or disqualification as a company director in advance of appointment. Any circumstances arising during the term of appointment leading to a risk of such an event must be reported as soon as reasonably practicable of becoming aware of the risk. Notification to DESNZ should be in writing/by email to Andrew Jones Andrew.Jones4@energysecurity.gov.uk. Non-executive directors must also notify the Chair immediately in the event of any of the matters relating to conduct etc. arising that appear in their contracts of engagement which may lead to the termination of appointment.
- 5.10 The Chair of the board has additional responsibilities in leading Salix and the board in ensuring that the principles covered in this Code of Conduct for Directors and the separate internal Code for Staff are upheld.

6. RESPONSIBILITIES TOWARDS EMPLOYEES

- 6.1 Directors must treat all Salix employees with courtesy and respect, and it is expected that employees will show you the same consideration in return.

- 6.2 Directors must never ask or encourage employees to act in any way which might conflict with their own Code of Conduct.

7. SOCIAL MEDIA

- 7.1 Social media is a public forum and therefore the same considerations, including the provisions of this Code, apply as would to speaking in public or writing something for publication, either officially or in a personal capacity. Directors must at all times respect confidentiality, financial, legal and personal information and protect the reputation of Salix.
- 7.2 Non-Executive Directors are not empowered to speak on behalf of Salix.
- 7.3 Where any personal social media accounts used make reference or link to your public role, you should take care to ensure that it is clear in what capacity you are acting.

8. RAISING CONCERNS

- 8.1 Directors should ensure that Salix has an open, transparent and safe working environment where employees feel able to speak up and raise concerns, and where complaints procedures are clearly communicated to them.
- 8.2 If any Director has a concern related to a possible breach of this Code, including concern that the Director or an employee is being asked to act in contravention of their own code of conduct, or concern about misconduct or wrongdoing in any other areas, then that Director must raise the matter internally with the Chair, or (where more appropriate) with the Permanent Secretary of DESNZ.

This Code will be reviewed in November 2026 or earlier in the event of significant legal, regulatory or organisational change.

This Code was adopted by the Board of Salix Finance Ltd on 27 November 2025.