

CODE OF CONDUCT FOR DIRECTORS OF SALIX FINANCE LTD

INTRODUCTION AND PRINCIPLES

Salix Finance Ltd ("Salix") is a publicly-owned limited company and as such its Directors (i.e. Board Members including Non-Executive Directors) are subject to UK law (especially company law), and to 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. GENERAL CONDUCT

Use of Public Funds

2.1 Directors have a duty to ensure the safeguarding of public funds and the proper custody of assets which have been publicly funded, taking 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.

Allowances

2.2 Directors must comply with the rules set by the board and by the sponsoring Government Department, the Department for Business, Energy and Industrial

Strategy (BEIS), regarding remuneration, allowances, and expenses, and are responsible for ensuring compliance with all relevant HM Revenue and Customs' requirements concerning payments, including expenses.

Gifts and Hospitality

2.3 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, and must never canvass or seek gifts or hospitality.

2.4 Directors must inform the Chief Executive of any offer of gifts or hospitality and ensure that, where a gift or hospitality is accepted, this is recorded in a public register kept by the Chief Executive's office. 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 bring Salix or BEIS into disrepute.

Use of Official Resources

2.5 Directors must not misuse official resources for personal gain or for political purposes.

Use of Official Information

2.6 Directors must not misuse information gained in the course of their public service for personal gain or for political purposes, nor 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.

Political Activity

2.7 In their public role Directors must be, and be seen to be, politically impartial. Directors should inform the Chair and either the Salix CEO or BEIS sponsorship lead before undertaking any significant political activity. They should not occupy a paid 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.

2.8 Subject to the above, 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.

Employment and Appointments

2.9 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 in accepting additional public appointments to avoid any appearance of being paid twice from the public purse for the same time. On leaving office, Directors must comply with any rules by BEIS on the acceptance of future employment or appointments.

3. CONFLICTS OF INTEREST

3.1 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 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, the Director should seek advice from the Chair and consider with advice from the appointing department how these should best be managed. Throughout the term of any appointment each Director must declare publicly, usually in the Salix register of interests, any private financial or non-financial interests of their own, or of close family members, which may, or may be perceived to, conflict with their public duties. 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.

3.2 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.

3.3 It is the responsibility of each Director to be familiar with the contents of this code of conduct 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.

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

4.1 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. They should promote an inclusive and diverse culture in Salix, helping to create an environment where different perspectives and backgrounds are encouraged and valued.

4.2 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.

4.3 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.

4.4 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. You must comply with any statutory or administrative requirements relating to your post.

4.5 Directors must within 14 days of the relevant event 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, and also of any subsequent change of circumstances leading to a risk of such an event occurring during their appointment. Notification to the sponsor department should be in writing/by email and the contact at BEIS is Catherine Birkbeck e-mail: catherine.birkbeck2@beis.gov.uk.

4.6 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 are upheld.

5. RESPONSIBILITIES TOWARDS EMPLOYEES

5.1 Directors must treat any Salix staff with courtesy and respect, and it is expected that employees will show you the same consideration in return. Directors must never ask or encourage employees to act in any way which might conflict with their own Code of Conduct.

6. SOCIAL MEDIA

6.1 Social media is a public forum and therefore the same considerations, including the provisions of this Code, apply as to any other public utterance. Directors must at all times respect confidentiality, financial, legal and personal information and protect the reputation of Salix. Whenever using social media they should make clear whether they are commenting or acting officially on behalf of Salix, or in a personal capacity.

7. RAISING CONCERNS

7.1 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.

7.2 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 BEIS.

This Code was adopted by the Board of Salix Finance Ltd on 29 January 2021