



Pensions Committee and Pension Board Code of Conduct

(November 2019)

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SECTION 1: INTRODUCTION TO THE CODE OF CONDUCT

- 1.1 The Ethical Standards in Public Life etc. (Scotland) Act 2000 provides for the introduction of codes of conduct for local authority councillors and the Pensions Regulator (and indirectly the Financial Conduct Authority and corporate statutes) set standards of governance and accountability around the administration of the pension funds and LPF group business. This '**Code**' therefore draws on elements of the Code of Conduct for Councillors¹ as well as aspect of best practice governance applicable to the administration of regulated occupational pension funds and oversight of an FCA regulated investment services arm.
- 1.2 This Code applies equally to all members of the Pensions Committee and Pension Board regarding their responsibilities on those bodies in carrying out an oversight role in relation to administration of the Lothian Pension Fund (acting through its administering authority the City of Edinburgh Council) (**LPF**) and its corporate subsidiaries LPFI Limited (*regulated investment services company*) (**LPFI**) and LPFE Limited (*staffing company*) (**LPFE**) (in this Code, LPF and its corporate subsidiaries are referred to as the '**LPF Group**'). It is your responsibility to make sure that you are familiar with, and that your actions comply with, its provisions whilst acting as a member of the Pensions Committee or Pension Board, or are perceived to be acting in that capacity, whether within relevant meetings of those bodies or when otherwise representing the LPF group in the wider business community or otherwise and when using social media.
- 1.3 The City of Edinburgh Council has set up a pensions committee (**Pensions Committee**) to oversee the business and operations of the LPF group. Its activities are subject to its own Standing Orders and Terms of Reference and comprises 7 members made up of 5 City of Edinburgh elected members and 2 external members (offered to pension fund stakeholders, one employer representative and one member representative). The Pensions Committee is therefore subject to both applicable local government and pensions regulations, and regulated by the SPPA and Pensions Regulator.
- 1.4 The Pension Board was established in 2015 in accordance with the Local Government Pension Scheme (Governance) (Scotland) Regulations 2014 to assist, and effectively scrutinise, the Pensions Committee in carrying out elements of its business. It has its own [constitution](#) and

¹ The Code of Conduct for Councillors was originally prepared by COSLA (Convention of Scottish Local Authorities) at the invitation of Scottish Ministers and approved by the Scottish Parliament and which was subsequently reviewed and re-issued in 2010 and then again in July 2018.

comprises ten members, including five employer and five trade union member representatives respectively. Members of the Pension Board are also subject to the applicable pension regulations, overseen by the Pensions Regulator.

- 1.5 LPF is the sole shareholder and regulatory ‘controller’ of LPFI, an FCA registered investment management company², and is therefore indirectly subject to the scrutiny of the FCA as a critical element of LPFI’s governance and operations.

Guidance on the Code of Conduct

- 1.6 It is your personal responsibility to comply with this Code and review regularly, and at least annually, your personal circumstances with this Code in mind, particularly when your circumstances change. You must not, at any time, advocate or encourage any action contrary to this Code.
- 1.7 The sections of this Code which follow have been developed in line with the key principles listed in **Section 2** and provide additional information on how the principles should be interpreted and applied in practice. No written information can provide for all circumstances and, if you are uncertain about how the rules apply, you should seek advice from the LPF Group’s Governance Manager in the first instance and/or the Chief Risk Officer or Chief Executive officer (as appropriate). You may also choose to consult your own legal advisers and, on detailed financial and commercial matters, to seek advice from other relevant professionals.
- 1.8 Members of the Pensions Committee and the Pensions Board who are also Councillors have a continuing obligation to comply with the Code of Conduct for Councillors (in force from time to time) and any other obligations as a Councillor when engaged in the activity of the Pension Committee or the Pensions Board as applicable, in addition to their obligation to comply with this Code. There is no primacy of codes – each applies alongside the other.

Breach of the Code of Conduct

- 1.9 Breach of any provision of this Code may result in termination of your appointment as a member of the Pensions Committee, Pensions Board and/or any other relevant sub-committee (as applicable), in addition to any other legal consequences that may attach to the breach in question.

SECTION 2: KEY PRINCIPLES OF THE CODE OF CONDUCT

- 2.1 The general principles upon which this Code is based should be used for guidance and interpretation only. These general principles are:

Duty

- 2.2 You have a duty to uphold the law and act in accordance with the law and the trust placed in you and to act separately from other roles. The assets of LPF are held for the beneficiaries of the

² Subject to the receipt of extended permissions from the FCA to carry out investment management activities.

scheme and solely fund the operations of the LPF group. The Pensions Committee is responsible for overseeing the operations of LPF for the benefit of the member and employer body stakeholders in the fund, and it owes a fiduciary duty to those stakeholders. The Pensions Board has responsibility for assisting LPF in securing compliance with applicable legislation and requirements imposed by the Pensions Regulator.

Selflessness

- 2.3 You have a duty to act solely in the interests of the LPF group and its relevant stakeholders, in the case of Pensions Committee members, or in accordance with your duties as a Pensions Board member, as applicable. You must not act in order to gain financial or other material benefit for yourself, family or friends.

Integrity

- 2.4 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.

Objectivity

- 2.5 You must make any recommendations solely on merit.

Accountability and Stewardship

- 2.6 You are accountable to the Pensions Committee or the Pension Board (as applicable) for your advice and actions. You have a duty to consider issues on their merits, taking account of the views of others, with a view to assisting the Pensions Committee or Pension Board to act prudently and in accordance with the law.

Openness

- 2.7 You have a duty to be as open as possible with the Pensions Committee or the Pension Board (as applicable) about your advice and actions.

Honesty

- 2.8 You have a duty to act honestly. You must declare any private interests relating to your duties as a member and take steps to resolve any conflicts arising in a way that protects the interests of the LPF group and its stakeholders, or the interests of the Pensions Board, as applicable.

Leadership

- 2.9 You have a duty to promote and support these principles by leadership and example, and to maintain and strengthen scheme members, employers and LPF group's business partners and regulators trust and confidence in the integrity of the Pensions Committee or the Pension Board (as applicable).

Respect

- 2.10 You must respect all other members of the Pensions Committee and all other members of the Pension Board (as applicable) and all LPF group employees, and the roles they play, treating them with courtesy at all times. Similarly, you must respect members of the public when performing duties as a member of the respective body.

You should apply the principles of this Code to your informal dealings with such other persons no less scrupulously than at formal meetings of the Pension Committees or the Pension Board (as applicable).

SECTION 3: GENERAL CONDUCT

- 3.1 The rules of good conduct in this section must be observed in all situations where you act as a member of either the Pensions Committee or the Pension Board or when you are perceived as acting as a member of either the Pensions Committee or the Pension Board, including representing LPF on official business and on social media. Members of the Pension Board must comply with the written constitution for that body from time to time. In addition, members of the Pensions Committee and members of the Pension Board must comply with the Training and Attendance Policy from time to time.

Conduct at Meetings

- 3.2 You must respect the convenor, other members of the Pensions Committee, members of the Pension Board, LPFE and Council employees and any other persons present during meetings of the Pensions Committee. You must comply with decisions from the convenor of the Pensions Committee or chair of the Pensions Board in the conduct of the business of these meetings as set out in the LPF Procedural Standing Orders and Pension Board Constitution respectively.

Relationships with Employees (including persons employed by contractors providing services to the Council)

- 3.3 You must respect all LPFE and Council employees and the roles they play and treat them with courtesy at all times. It is expected that employees will show the same consideration in return. Your role is to determine policy and to participate in decisions on matters placed before you (as that role applies to the remit of either the Pensions Committee or the Pension Board), not to engage in direct operational management of the pension funds services; that is the responsibility of the LPFE and Council employees. It is also the responsibility of the LPF group's Senior Leadership Team (with oversight from the Head of Finance and Executive Director of Resources) to help ensure that the policies of the LPF group are implemented.
- 3.4 You must follow the Protocol for Relations between members of the respective bodies, LPFE and Council Employees attached at [Annex B](#). A breach of the Protocol will be considered as a breach of this Code.
- 3.5 Bullying or harassment is completely unacceptable and will be considered to be a breach of this Code.

Allowances and Expenses

- 3.5 You must comply with the rules for the payment of allowances and expenses.

Gifts and Hospitality

- 3.6 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 disfavour 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.
- 3.7. You must never ask for gifts or hospitality.
- 3.8 You are personally responsible for all decisions connected with the acceptance of gifts or hospitality offered to you and for avoiding the risk of damage to public confidence in the Pensions Committee or Pensions Board (as appropriate) and the LPF group. 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; or
 - (ii) normal hospitality associated with your duties and which would reasonably be regarded as appropriate.
- 3.9 You must not accept any offer of a gift or hospitality from any individual or organisation who is an applicant awaiting a decision from the Pensions Committee, Pension Board or the Council or who is seeking to do business or to continue to do business therewith. If you are making a visit for the purposes of carrying out your duties as a member, then as a general rule you should ensure that the Council pays for the cost of this visit.
- 3.10 You must not accept repeated hospitality or repeated gifts from the same source.

Confidentiality Requirements

- 3.11 Pensions Committee documents (which might include Pension Board documents) are generally open to the public. This should be the basis on which you normally work, but there may be times when you will be required to treat discussions, documents or other information relating to the Pensions Committee or Pension Board in a confidential manner, in which case you must observe such requirements for confidentiality.
- 3.12 You will often receive information of a private nature which is not yet public, or which perhaps would not be intended to be made public. There are provisions in legislation on the categories of confidential and exempt information and you must always respect and comply with the requirement to keep such information private. In the course of your duties as a member, you are shown information not otherwise available to the public. Such information is, however, for your individual use in carrying out your duties as a member and must not be disclosed or in any way used for personal or party-political advantage or in such a way as to discredit the LPF group, Pensions Committee, the Pension Board or the Council. This will also apply in instances where you hold the personal view that such information should be publicly available.

Use of Council Facilities

- 3.13 The LPF group and Council (as appropriate) may provide facilities to assist members in carrying out their duties as members of the respective bodies. This may involve access to secretarial assistance, stationery and equipment such as telephones, electronic tablets or other portable devices and computers. Such facilities must only be used in carrying out your duties as a member and in accordance with the LPF group's information technology and communications policies or for incidental personal use as authorised by the LPF group and not related in any way to personal, work, party political or other activities. For Councillor members of the Pensions Committee, where the Council recognises party political groups, assistance to such groups as appropriate in relation to Council matters but must not extend to political parties more generally and you should be aware of and ensure the Council complies with the statutory rules governing local authority publicity.

Appointments to Partner Organisations

- 3.14 You may be appointed or nominated by the Council, employer or otherwise as a member of another body or organisation. If so, you will be bound by the rules of conduct of those organisations and your responsibility for any actions taken by you as a member of such an organisation will be to the organisation in question. However, you must also continue to observe the rules of this Code in carrying out the duties of that body as you must continue to be mindful of your ongoing obligations to either the Pensions Committee or the Pension Board in carrying out duties for any other organisation you become a member of.
- 3.15 If you become a director of a company as a nominee of the Council employer or otherwise you will assume personal responsibilities under the Companies Acts. It is possible that a conflict of interest may arise for you between the company and LPF group. In such cases it is your responsibility to take advice on your responsibilities to the LPF group and to the company. This will include questions of declarations of interest.

Dealings with the LPF Group

- 3.16 You may have dealings on a personal level with the LPF group and/or Council - for example as a member or beneficiary of LPF or recipient of another Council service. You must not seek preferential treatment for yourself or your family, friends, colleagues or employees because of your position as a member and you must avoid any action which could lead members of the public to believe that preferential treatment is being sought.

Responsibilities to the Council as a Member of the Public

- 3.17 Since the Council acts as administering authority for the LPF, there is potential for public perception of abuse of position, so you must seek to avoid being in debt to the Council.
- 3.18 Similarly, if you owe a debt to the Council, you must put in place at the earliest opportunity arrangements for repayment. You must avoid being in a situation which might lead the public to believe that preferential treatment is being sought.

SECTION 4: REGISTRATION OF INTERESTS

- 4.1 The following paragraphs set out the categories of interests, financial and otherwise, which you have to register. These are "Registrable Interests", and you must ensure that they are registered when you become a member and whenever your circumstances change. **The register should cover the period commencing from 12 months prior to your appointment as a member up to the present.**
- 4.2 You should review regularly, and at least once a year, your personal circumstances. Elected members will either declare any interest at a Committee meeting or record interests via the Councillor Code of Conduct process set out by the City of Edinburgh Council. Non-elected members and Pension Board members will either declare any interests at a Pensions Committee or Pension Board meeting or record interests by contacting LPF's Governance Manager and/or Chief Risk Officer. Annex A contains key definitions and explanatory notes to help you decide what is required when registering your interests under any 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.

Category One: Remuneration

- 4.3 You have a registrable interest where you receive remuneration by virtue of being: -
- (i) employed;
 - (ii) self-employed;
 - (iii) the holder of an office;
 - (iv) a director of an undertaking;
 - (iv) a partner in a firm; or
 - (vi) undertaking a trade, profession or vocation, or any other work.
- 4.4 You do not have a registrable interest simply because you are a member of a joint board/committee or other body directly relevant to the LPF group's national or local governance or wider industry representation.
- 4.5 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 Category Two (**Related Undertakings**).
- 4.6 If you receive any allowances in relation to membership of any organisation the fact that you receive such an allowance must be registered.
- 4.7 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.

4.8 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.

4.9 Where you otherwise 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.

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

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

Category Two: Related Undertakings

4.12 You must register any directorships held which themselves are 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.

4.13 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.

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

- (i) you are a director of a board of an undertaking and receive remuneration - declared under Category One; and
- (ii) you are a director of a parent or subsidiary undertaking but do not receive remuneration in that capacity.

Category Three: Contracts

4.15 You have a registrable 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 [4.20](#)) have made a contract with any member of the LPF group:

- (i) under which goods or services are to be provided, or works are to be executed; and
- (ii) which has not been fully discharged.

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

Category Four: Houses, Land and Buildings

4.18 You have a registrable interest where you own or have any other right or interest in houses, land and buildings, such as being an owner or a tenant, including Council tenant.

4.19 You are required to give the address of the property, or otherwise give a description sufficient to identify it.

Category Five: Interest in Shares and Securities

- 4.20 You have a registrable interest where you have an interest in shares comprised in the share capital of a company or other body and the nominal value of the share(s) is: -
- (i) greater than 1% of the issued share capital of the company or other body; or
 - (ii) greater than £25,000.

For the avoidance of doubt, you are not deemed to be sufficiently close to the operational and day to day trading activities of the LPF group to be subject to its own personal dealing policies, procedures and restrictions.

Category Six: Gifts and Hospitality

- 4.21 You must register the details of any gifts or hospitality received, however it is not necessary to record any gifts or hospitality as described in paragraph 3.8 (i) and (ii) of this Code.

Category Seven: Non-Financial Interests

- 4.22 Members may also have significant non-financial interests and it is equally important that relevant interests such as membership or holding office in public bodies, companies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described. In this context, non-financial interests are those which members of the public might reasonably think could influence your performance of your duties as a member.

Category Eight: Lobbying

- 4.23 You may be lobbied by a wide range of people including individuals, organisations and companies. As a general rule, it is an essential element of the democratic system that any individual should be able to lobby a councillor. However, particular considerations apply when you are dealing with applications under competing regulatory powers, as is the case for the Pensions Committee and Pension Board. If you are lobbied on such matters, you should make it clear that you are not in a position to lend support for or against any such application that you will have a responsibility for making a decision on in due course. Representations to councillors on such applications should be directed, by the councillor, to the LPF's Governance Manager. This does not prevent you from seeking factual information about the progress of the case.
- 6.4 Political group meetings should not be used to decide how councillors should vote on such applications, or on individual staffing matters such as the appointment or discipline of employees. It is a breach of this Code to comply with political group decisions on such matters where these differ from your own views.

SECTION 5: DECLARATION OF INTERESTS

- 5.1 The key principles of this Code, especially those which specify integrity, honesty and openness, are given further practical effect by the requirement for you to declare interests at meetings which you attend. The rules on declaration of interest, along with the rules which require registration of interests, are intended to produce transparency in regard to interests which might influence, or be thought to influence, your actions as a member. A financial or other interest arising by virtue of membership of any of the pension funds does not have to be declared.
- 5.2 It is your responsibility to make decisions about whether you have to declare an interest or make a judgement as to whether a declared interest prevents you from taking part in any discussions. You are in the best position to assess your personal circumstances and to judge how these circumstances affect your role as a member in regard to a particular matter. You can, of course, seek advice from appropriate Council officers or from other sources which may be available to you. In making decisions for which you are personally responsible you are advised to err on the side of caution.
- 5.3 You may feel able to state truthfully that an interest would not influence your role as a member in a meeting. You must, however, always comply with the *objective test* (**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 performance of your duties in your role as a member.*

Interests which Require Declaration

- 5.4 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 registrable in 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; your financial interests; your non-financial interests and the interests, financial and non-financial, of other persons.

Your Financial Interests

- 5.5 You must declare, if it is known to you, ANY FINANCIAL INTEREST (including any financial interest which is registrable under any of the categories prescribed in [Section 4](#) of this Code and any interest covered by the specific exclusion defined in paragraph [5.14](#)]).

There is no need to declare: -

- (i) an interest where a general exclusion, as defined in paragraph [5.14](#), applies (but an interest where a specific exclusion applies must be declared); or

- (ii) an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test [³].

You must withdraw from the meeting room until discussion of and voting on the relevant item where you have a declarable interest is concluded other than in the following circumstances.

There is no need to withdraw in the case of: -

- (i) an interest covered by a general exclusion or a specific exclusion; or
- (ii) an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

Your Non-Financial Interests

5.6 You must declare, if it is known to you, any NON-FINANCIAL INTEREST if: -

- (i) that interest has been registered under Category Seven (Non-Financial Interests) of Section 4 of this Code; or
- (ii) that interest would fall within the objective test.

There is no need to declare: -

- (i) an interest where a general exclusion applies (but an interest where a specific exclusion applies must be declared); or
- (ii) 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 and voting on the relevant item where you have a declarable interest is concluded other than in the following circumstances.

There is no need to withdraw in the case of: -

- (i) an interest covered by a general exclusion or a specific exclusion; or
- (ii) an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

5.7 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. In the context of any particular matter you will have to decide whether to declare a non-financial interest. You should declare an interest unless you believe that, in the particular circumstances, the interest is too remote or without significance.

³ The applicability of these exclusions will be revisited at the next annual review of the code of conduct.

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 as opposed to the interest of an ordinary member of the public.

The Financial Interests of Other Persons

5.8 This Code 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 registrable gift or registrable hospitality;
- (vi) a person from whom you have received registrable election 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 other than in the following circumstances.

There is no need to withdraw in the case of: -

- (i) an interest covered by a specific exclusion; or
- (ii) an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

5.9 This Code does not attempt the task of defining "relative" or "friend" or "associate". Not only is such a task fraught with difficulty but it is also unlikely that such definitions would reflect the intention of this part of this 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 and, as such, would be covered by the objective test.

The Non-Financial Interests of other persons

5.10 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 registrable gift or registrable hospitality; or
- (vi) (where applicable) a person from whom you have received registrable election expenses.

There is no need to declare the interest unless it is clear and substantial. There is only a need to withdraw from the meeting if the interest is clear and substantial.

Making a Declaration

- 5.11 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.
- 5.12 The verbal 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.

Frequent Declarations of Interest

- 5.13 Confidence in the LPF group could be damaged by a perception that decisions are substantially influenced by factors other than the interests of the LPF group. If you would have to declare interests frequently at meetings of the Pensions Committee or Pensions Board, you should not accept an appointment to the respective position or consider your existing appointment.

Definition of Exclusions

- 5.14 The following paragraphs refer to General Exclusions and a Specific Exclusion.

(1) The General Exclusions

The general exclusions referred to in this Code are in relation to interests which a member may have: -

- (i) as a Council tax payer or rate payer or in relation to the Council's public services;
- (ii) as a Council house tenant.

(2) The Specific Exclusion

The specific exclusion referred to in this Code is in relation to interests which a member may have as a member, or director, of an outside body

This exclusion applies to any member who has been nominated or appointed, or whose appointment has been approved, by the Council and who has registered an interest under Section 4 of this Code as a member or director of: -

- (a) a devolved public body as defined in Schedule 3 to the Ethical Standards in Public Life etc. (Scotland) Act 2000;
- (b) a public body established by enactment or in pursuance of statutory powers or by the authority of statute or a statutory scheme;
- (c) a body with whom there is in force an agreement which has been made in pursuance of Section 19 of the Enterprise and New Towns (Scotland) Act 1990 by Scottish Enterprise or Highlands and Islands Enterprise for the discharge by that body of any of the functions of Scottish Enterprise or, as the case may be, Highlands and Islands Enterprise;
- (d) a body being a company:-
 - i. established wholly or mainly for the purpose of providing services to the Council; and
 - ii. which has entered into a contractual arrangement with the Council for the supply of goods and/or services to the Council.

So as to enable the member to take part in the consideration and discussion of, and to vote upon, any matter relating to the body in question, the member is required to declare his or her interest at all meetings where matters relating to the body in question are to be discussed.^[4]

ANNEX A

DEFINITIONS

1. **"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.
2. **"Undertaking"** means: (i) a body corporate or partnership; or (ii) an unincorporated association carrying on a trade or business, with or without a view to a profit.
3. **"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.
4. **"Parent Undertaking"** is an undertaking in relation to another undertaking, a subsidiary undertaking, if (i) it holds a majority of the voting rights in the undertaking; or (ii) it is a member of the undertaking

⁴ See footnote 3.

and has the right to appoint or remove a majority of its board of directors; or (iii) it has the right to exercise a dominant influence over the undertaking (a) by virtue of provisions contained in the undertaking's memorandum or articles or (b) by virtue of a control contract; or (iv) it is a controller of the undertaking and controls alone, pursuant to an agreement with other shareholders or controllers, a majority of the voting rights in the undertaking.

[5. "**Election expenses**" means expenses incurred, whether before, during or after an election, on account of, or in respect of, the conduct or management of the election.]

6. "**A person**" means a single individual or legal person and includes a group of companies.

7. "**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.

8. "**Any person**" includes individuals, incorporated and unincorporated bodies, trade unions, charities and voluntary organisations.

9. "**Spouse**" does not include a former spouse or a spouse who is living separately and apart from you.

10. "**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.

11. "**Chair**" includes Committee Convener or any person discharging similar functions under alternative decision making structures.

12. "Members" referring to either members of the Pensions Committee or Pensions Board.

ANNEX B

PROTOCOL FOR RELATIONS BETWEEN MEMBERS AND LPF GROUP STAFF

Principles

1. This protocol sets out the way in which members should behave as members of the Pension Committee and Pension Board. It does not cover all the variety of circumstances which can arise, but the approach which it adopts will serve as a guide to dealing with other issues as they come up.

2. Members and employees should work in an atmosphere of mutual trust and respect, with neither party seeking to take unfair advantage of their position.

Scope

3. The most common contacts are between members and employees in the LPF group, and this protocol is largely about those contacts. The particular position of employees who provide direct support services for members is dealt with separately at paragraph 7.

Employees' roles

4. Legally, employees are employed by LPFE (or for certain oversight roles the Council) and are accountable to those organisations. Ultimately, they serve the LPF group as a whole. Nonetheless, certain employees may properly be called upon to assist members in their roles.

Communications

5. Communications between an individual member and an employee should not be inappropriately copied by the employee to any other person or member otherwise than in the ordinary course of LPF group business. Where it is necessary to copy the communications to another person or member, this should be made clear to the original member and/or employee at the time.

Public comment

6. Members should not raise in public matters relating to the conduct or capability of employees. Employees must accord to members the respect and courtesy due to them in their roles. There are provisions in the Code of Conduct for Employees about speaking in public and employees should observe them.

Employees supporting Members

7. Where the LPF group arranges for employees to support members directly in carrying out their duties, particular considerations apply. Such employees are normally involved in administrative and practical support of members. While such employees may sometimes operate to the requirements of individual members in their daily business, it must be remembered that the employees are accountable to their line managers and any issues about conflicting priorities, conduct or performance must be referred to those managers.

Lothian Pension Fund

The Pensions Committee

The Pension Board

UNDERTAKING

For signing by members of the Pensions Committee and the Pension Board

Code of Conduct

I hereby;

- (i) acknowledge that I have read and understood the Lothian Pension Fund's "Code of Conduct for Pensions Committee and Pension Board"; and
- (ii) undertake to comply with the said Code of Conduct.

Confidentiality

I hereby;

- (i) acknowledge that, as a member of the Pensions Committee/Pension Board, I am given access to documents of LPF Group's Pensions Committee (e.g. committee papers) which are of a confidential nature;
- (ii) undertake not to disclose any such document (or any information contained within any such document) to any other party without the prior written permission of a Member of the LPF group's Senior Leadership Team, having consulted with LPF's Governance Manager;
- (iii) agree to take all reasonable steps to prevent such disclosure; and
- (iv) accept that the confidentiality obligations of this undertaking continue even after I cease to be a member of the Pensions Committee/Pension Board

Signature:

Name (Block Capitals):

Post/Job Title: Date of signing:

