

MDI EXECUTIVE COMMITTEE / BOARD OF DIRECTORS'

CODE OF CONDUCT



INTRODUCTION:

This Code of Conduct applies to members of Muscular Dystrophy Ireland (MDI) Executive Committee (also referred to as MDI Board of Directors). The Chief Executive Officer is not a member of the Board but reports to the Executive Committee. The Code outlines the responsibilities of each board director to MDI and amongst other things establishes procedures for dealing with any potential conflict of interest which may arise between the responsibilities of a director and any other outside interest which he/she or a connected party may have.

All MDI Executive Committee members have legal duties and responsibilities. The directors of a charitable company are Charity Directors and have duties under company law as well as charity law.

PURPOSE OF THE CODE:

To set out the relevant standards expected by Directors of MDI, in order to maintain the highest standards of integrity and stewardship to ensure that MDI is effective, open and accountable, and to ensure a good working relationship with members, associates and with the CEO and MDI staff.

THE CODE – General:

- Directors must act with probity, due prudence and should take and consider professional advice on any matter on which the Directors do not have expertise themselves.
- A director must participate in the governance and administration of the MDI Management Board and all its assets in the interest of current, potential and future beneficiaries.
- Directors should hold themselves accountable to MDI stakeholders, including affiliated members, funders, and the public; for the decisions of the Board, the performance of the Board and the performance of MDI.
- Except where legally authorised, Directors must not gain financial or other material benefit for themselves, their families or their friends, from their Directorship, as they are acting in a personal capacity. Directors should not use MDI management board meetings to principally benefit their own affiliated organisation.
- A Director must not place him/herself under any financial or other obligation to outside individual organisations or agencies that might influence him/her in the performance of his/her official duties.

- Directors should conduct themselves in a manner which does not damage or undermine the reputation of MDI.
- Directors must make decisions together and take joint responsibility for them. The extent to which any one Director or a small group of Directors is empowered to speak for or take action on behalf of the MDI Board must (subject to any specific constitutional rules) be a matter for all Directors to decide together. Such decisions must be recorded.
- Directors who sit on the Board as the nominee of an affiliated organisation must accept that their responsibility is to MDI as a whole, of which they are Directors, and not to promote the interests of their own organisation in a way that may be detrimental to the interests of other affiliates or MDI.
- It is recognised that directors are also employees/management board members of affiliated organisations and should seek to balance their view in the context of their being elected by members to serve the interests of Muscular Dystrophy Ireland. In the context of being a company director of MDI, Directors are legally responsible for taking decisions with due prudence in the interests of MDI.

RESPONSIBILITIES

- Directors must, with the advice of the CEO, formulate and review regularly MDI vision, values and long-term strategy, as well as policies, for the day to day management and development of the organisation.
- With the assistance of the CEO and appropriate professional advisers, Directors must ensure that MDI complies with regulatory and statutory requirements and must exercise overall control over MDI financial affairs. In addition to compliance with statutory requirements, directors should have a commitment to the development and implementation of good practice.
- Directors must be familiar with and keep under regular review the rules and constitution of MDI. Any changes must be made in accordance with constitutional and legal requirements.
- In order to develop a working knowledge of MDI and to give themselves credibility, Directors should endeavour to maintain links and keep in touch with the CEO by regular visits to MDI office. All such visits to the MDI office should be made by arrangement with the CEO.

MEETING OF THE BOARD OF DIRECTORS

- Directors must strive to attend all meetings regularly, ensuring that they prepare for and contribute appropriately and effectively. This would include reading and analysis of any documentation prepared for the meeting.
- Directors should bring a fair and open-minded view to all discussions of the Board and should ensure that all decisions are made in the best interests of MDI.
- Directors must aim to foresee and avoid any conflict of interest. Where one arises, a Director must at once declare the interest and absent him/herself from any discussion

or vote taken on the matter by the other Directors. Any transaction, under which the Director will benefit, whether directly or indirectly, must have proper legal authority.

- Confidential information or material (relating to users, beneficiaries, donors, members, staff, commercial business, etc.) provided to, or discussed at Board meetings, must remain confidential and within the confines of the Board and must not be discussed outside the MDI Board.
- Where MDI directors are nominated or appointed by the Management Board to outside bodies they should seek to keep the management Board fully informed and also seek guidance where necessary when key decisions have to be made. Prior to seeking nomination, MDI directors should have approval from their own member organisation. MDI directors should be fully aware of the MDI policy on various issues when they are nominated to various bodies.

GENERAL CONSIDERATION OF GOOD PRACTICE

- The fundamental principles of natural justice will be applied in the consideration of any decision made by the Board. The first is known as the *audi alterum parterm* rule (hear the other side), *i.e.* that all parties must be fully and fairly heard. The second is described as *nemo index in causa sua* (none shall be principally a judge in his/her own course) *i.e.*, conflicts of interest must be avoided. Bias may arise from pecuniary interest, personal attitude or personal relationships.
- Each director should display a sense of loyalty to the MDI management board. In particular, s/he should refrain from criticising, on a public occasion, the services and activities of MDI. This discussion should be reserved for MDI Board Meetings.
- Each director should ensure that they conduct themselves in a proper manner and use language which is appropriate to their fellow directors.
- In the decision making process an appropriate opportunity should be given to all directors to state their views and conclusions before an agreed decision is made.
- An induction/introduction pack should be made available to all new directors of the MDI Management Board.

STAFF

- Directors must ensure there is a clear understanding of the scope of the authority delegated to the CEO.
- Policies and strategies agreed by the Directors should be expressed in unambiguous and practical terms, so that the CEO and staff responsible for implementing those policies are clear about what they need to do. Directions given to the CEO and the staff should come from the Board as a whole through agreed channels.
- Directors should act fairly and in accordance with good employment and equal opportunities principles in making decisions affecting the appointment, recruitment, professional development appraisal, remuneration and discipline of the CEO and other staff.

- Directors must understand, accept and respect the difference in roles between the Board, the CEO and staff, ensuring that the honorary officers, the Board, the CEO and his/her staff team, work effectively and cohesively for the benefit of MDI and develop a mutually supportive and loyal relationship.
- Having given the CEO delegated authority, directors should be careful – individually and collectively – not to undermine that authority by word or action.

CONFLICT OF INTEREST:

The duty of each board director is to act at all times solely in the interests of the MDI to the exclusion of all other considerations. A conflict of interest exists in any situation where the personal or other interest of a board director or a connected party might in any way affect the discharge by a board director of his/her duties or his/her deliberations in a situation where a board director or a connected party could benefit. It makes no difference that MDI does not suffer by the conflict of interest. A board director or his/her relatives, friends or associates must not under any circumstances obtain any such benefit.

Board Directors are expected to act as follows in the event of a conflict of interest.-

1. Where at a meeting of the board directors any of the following matters arise, namely
 - a. an arrangement to which the organisation is a party or a proposed such arrangement, or
 - b. a contract or other agreement with the organisation or a proposed such contract or other agreement,
 then any board director of MDI present at the meeting who, otherwise than in his capacity as a director, is in any way, whether directly or indirectly, interested in the matter shall at the meeting disclose to the organisation the fact of such interest and the nature thereof and shall not vote on a decision relating to the matter and, where an interest is disclosed pursuant to this Article, the disclosure shall be recorded in the minutes of the meeting concerned, and for so long as the matter to which the disclosure relates is being dealt with by the meeting, the board director by whom the disclosure is made shall not be counted in the quorum for the meeting.
2. Where at a meeting of the board directors a question arises as to whether or not a course of conduct, if pursued by a board director, would be a failure by him to comply with the foregoing requirements of this Article, the question may be determined by the Chairman of the meeting whose decision shall be final and where such a question is so determined particulars of the determination shall be recorded in the minutes of the meeting.

DECLARATION OF DIRECTOS'S INTEREST:

On appointment to the MDI Executive Committee each director should furnish to the Secretary the following;

- Details of his employment and of all other business interests including shareholdings and professional relationships. Disclosures over and above those required by the Companies Acts will be treated as confidential.
- The interests of any connected party which could involve a continuing conflict of interest should be disclosed as far as they are known to the director.
- Each director should consult the Chairman if in doubt regarding disclosure of an interest of his/her own or a connected person (as defined above).

REGISTER OF DIRECTORS' INTERESTS:

The Secretary will maintain a confidential Register of the interests of each director. The Register will be updated on a half yearly basis. Changes in interests should be notified to the Secretary in the interim as soon as possible. Only the Chairman, CEO and Secretary will have access to the register. Use of the register will be strictly limited to the requirements of this Code.

GIFTS AND BENEFITS:

A director must not obtain personal advantage from any person dealing with the organisation.

In particular a director must not accept any gifts, or inducements where the value of such could make it appear that the person giving the gift is attempting to influence the director to gain advantage. Any such gifts or inducements received should be returned tactfully with the request that no gifts be forwarded in future.

The detailed provisions on giving and receiving gifts, sponsorship and entertainment set out in the Code of Conduct should be observed by directors.

CIRCULATION OF THE CODE:

This Code will be circulated to all directors for their retention. Directors will be required to acknowledge their receipt and understanding of same.

FAILURE TO COMPLY WITH THE CODE:

Failure by a director to comply with this code of conduct may result in his/her actions being referred to the Chairman and will make a director liable to such action (including removal from the Board) as is considered necessary.

REVIEW OF CODE OF CONDUCT:

This Code will be reviewed at least every two years.

Signed: _____

Position: _____

Date: _____