

# Code of Conduct for Board Members

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## **1. Introduction**

1.1 This code is intended as a guide for Board Directors,

- i. to indicate the standards of conduct which are expected of them;
- ii. to enable them to understand their obligations in carrying out their duties and;
- iii. to assist them in their relationship with other Director of the Board and the Distillery Manager.

The Code is therefore aimed at promoting effective and well-informed organisation governance. It is not intended to be a definitive or authoritative statement of the legal implications of Board members.

1.2 In addition to this Code, Directors are recommended to familiarise themselves with the following documents, copies of which can be found in Dropbox folder “GlenWyvis Directors/Governance Documents for Comment”;

- i. The purpose and objects of the Organisation (as set out in the Society Rules).
- ii. The Organisation’s current Vision and Business Plan, Annual Report and Financial Statements;
- iii. Information on the role of Directors of the Board
- iv. The Standing Orders, Operating Guidelines, Code of Conduct and Rules.

1.3 This is not an exhaustive statement. Directors wishing full details will find descriptions in the source documents listed above. If necessary, the Secretary to the Board is empowered to take legal advice. However, ultimate responsibility for the appropriateness of conduct of any member of a corporate body and for any act or omission in that capacity rests with the individual member.

1.4 This Code applies to the Board, all Sub Committees that it might appoint or other bodies to which Directors may be appointed.

1.5 Acceptance of appointment as a member of the Committee of Management or a Sub Committee shall be taken to include acceptance of this Code,

## **2. Duties and Responsibilities**

2.1 Directors of the Board owe a fiduciary duty to the Organisation. This means that they must show loyalty and trust and must act in good faith and in its interest. Directors must conduct themselves honestly, diligently and, subject to collective responsibility, independently of any obligation or commitment that they may have to another person or body.

2.2 Any decisions Directors take at meetings of the Board or its Sub Committees must have regard to the interest and benefit of the Organisation as a whole and not for any improper purpose, sectional interest or personal motive. The “benefit of the Organisation” can be taken to mean, first and foremost, the interests of the community and the members of the Society, the safeguarding and administration of the Organisation’s funds.

2.3 Directors are appointed in a personal capacity, not as “representatives” or “delegates” of any external body, and are not in law bound by any mandate given by others.

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2.4 Directors are required to observe the responsibilities given to the Management Committee (Board) within the legislation governing the operation of the Organisation.

2.5 In the transaction of the Board's business, Directors must have regard to the different, but complementary, responsibilities given to the Distillery Manager as the organisation's senior executive. It is the Board's function to decide strategic policy and overall direction and to monitor the performance of the Distillery Manager. It is the Distiller Manager's role to implement the Board's decisions, and to manage the distillery's affairs within the budgets and framework determined by the Board.

2.6 Directors must note that they are also responsible for the proper use of income derived from all sources, such as from shares offer, issuing of bonds, enterprise companies, local government or national government etc

2.7 In their work for the Board, Directors must utilise such skills as they possess and exercise such care and diligence as would be expected from a reasonable person in the circumstances. This is particularly relevant when functions are delegated to a Sub Committee of the Board or to an individual. Directors of any Sub Committee must be careful to act within the terms of reference of any Sub Committees on which they serve.

2.8 The Chair shall raise any conduct issues with any Director or with the Distillery Manager

### **3. Powers**

3.1 Directors are responsible for taking decisions which are within the powers given to the Board.

3.2 Any member who believes that the Board is likely to exceed its powers by taking a particular decision must refer to the Secretary to the Board for advice.

### **4. Personal Interest**

4.1 Like other persons who owe a fiduciary duty, Board members must seek to avoid putting themselves in a position where there is a conflict either actual or potential between their personal interests and their duties to the Board. In particular, they must not allow any conflict of interest to arise, which might interfere with the exercise of their independent judgement.

4.2 Directors must disclose to the Board any financial interest, which they have, or may have, in:

- i. the supply of work or goods to or for the purposes of the organisation;
- ii. any other contract or proposed contract concerning the organisation;
- iii. any other matter relating to the organisation.

4.3 An interest does not have to be financial for the purposes of disclosure. If it is likely or would, if publicly known, be perceived as being likely to interfere with the exercise of a member's independent judgement, then the interest, financial or otherwise, must be reported to the Secretary to the Board and be fully disclosed to the Board before the matter giving rise to the interest is considered.

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4.4 Conflicts of interest may also exist for Directors involved in the appointment of new Directors to the Board. Such conflicts of interest must be disclosed at the earliest opportunity to the Secretary to the Board who will decide if that Director is able to participate in the appointment process. In the event that the conflict of interest involves the Secretary, the Secretary will raise the matter with the Chair who will decide.

4.5 Directors must not participate in the discussion on a matter giving rise to conflict of interest. On no account must Board members vote in relation to any such matter.

4.6 Directors must not accept gifts, hospitality or benefits of any kind from a third party which might be seen to compromise their personal judgement or integrity. Offers of such gifts, hospitality or benefits must be referred to the Secretary to the Board, who will advise as appropriate.

4.7 The Secretary to the Board maintains a Register of Directors' Interests, which is open for inspection by any member of the Board. Directors are responsible for routinely disclosing such relevant business interests, financial or otherwise, which they or, so far as they are aware, their spouses or partners, children or other close relatives may have. Directors must also inform the Secretary to the Board whenever their circumstances change and any interests are acquired or lost.

### **5. Collective Responsibility**

5.1 The Board operates by its directors taking consensus or majority decisions at quorate meetings. Therefore, a decision, even when it is not unanimous, is a decision taken by the directors collectively and each individual member has a duty to stand by it. This applies whether or not the member was present at the meeting of the Board, when the decision was taken. If the Chair considers a matter to be of such importance that a majority vote of a quorate meeting is not sufficient to pass the matter, the Chair can exercise discretion to seek agreement from the majority of board directors.

5.2 Board directors are collectively responsible for carrying out the fiduciary duties required of the organisation.

5.3 Although collective responsibility is the expected norm, circumstances may arise when a member has a duty to dissent from a decision taken by the Board or a Sub Committee and, if authorised, raise the matter with the Committee/Board agreement of the other directors to have the disagreement recorded in the minutes. A Director also has the right to consult the Chair of the Board or Sub Committee when it next meets. In exceptional circumstances of a serious nature, a Director can discuss with the Secretary to the Board the calling of a special general meeting and, if appropriate, request the Secretary to the Board to circulate the member's views in advance of the special general meeting to the other directors.

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#### **6. Confidentiality**

6.1 Because of the Board's accountability to its members, Directors must ensure that as a general principle, any member has access to information about the proceedings and decisions of the Board.

6.2 There will be occasions when the record of discussions and decisions will not be made available for public inspection, for example, when sensitive issues are considered, individuals named, or for other good reasons. The records of such excluded items are kept confidentially by the Minute Secretary to the Board and are circulated in confidence to those directors entitled to receive them.

6.3 It is important that the Board and its Sub Committees have full and frank discussions in order to take decisions collectively. To do so, requires trust between Directors and a shared corporate responsibility for decisions. Directors must keep confidential any matter which the Chair or the Directors of the Board or of any Sub Committee, are satisfied must be dealt with on a confidential basis.

6.4 Directors shall not make statements relating to the proceedings of the Board or its Sub Committees to the press or media or, at any public meeting without first having obtained the approval of the Chair. In the absence of the Chair it would normally be appropriate to discuss the matter with the Distillery Manager. Directors must understand and accept that it is not ethical to criticise, canvass or reveal the views of other directors, which have been expressed at meetings of the Board or its Sub Committees.

6.5 The organisation recognises that the internet provides unique opportunities to participate in interactive discussions and to share information on particular topics using a wide variety of social media, such as Facebook, Twitter, blogs and wikis. However, Directors' use of social media can pose risks to the organisation's confidential and propriety information, and reputation, and can jeopardise its compliance with legal obligations. To minimise these risks Directors are expected not to use social media in a way that breaches confidentiality, legal obligations or damages the reputation of the organisation or its Directors or employees.

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#### 7. Attendance at Meetings

7.1 Whilst it is understood that many Directors have numerous other commitments, a high level of attendance at meetings of the Board is expected so that Directors can fully understand the functioning of the organisation and can perform their functions effectively. Directors who are unable to attend meetings are expected to tender apologies and to inform the Minute Secretary if they are likely to be unavailable for an extended period.

7.2 In the event of regular non-attendance at meetings of the Board a Director can cease to be a member of the Board.

<b>Adopted by resolution of the Management Committee</b>	9 December 2019
<b>Date Last Reviewed</b>	biannually unless otherwise required
<b>Responsibility for monitoring and review of policy</b>	Company Secretary