



## DIRECTORS' CODE OF CONDUCT

As a Director of Rowing Australia, you must:

- Act with **honesty and integrity**. Be open and transparent in your dealings and use your power responsibly and appropriately. Do not place yourself in a position of conflict of interest.
- Act in **good faith in the best interests of Rowing Australia**. Demonstrate accountability for your actions and accept responsibility for your decisions. Do not act recklessly or dishonestly, and always discharge your duties in the best interests of Rowing Australia and for a proper purpose. Do not engage in activities that may bring you or Rowing Australia into disrepute. Do not exercise your powers to obtain some private advantage.
- Act **fairly and impartially**. Avoid bias, discrimination and self-interest. Demonstrate respect for others by acting professionally and courteously.
- **Use information appropriately**. Ensure that information gained under your position as Director is used properly and kept confidential. As a Director, you must act with reasonable care and diligence. You must ensure that information gained under your position as a Director is not used for you to gain an advantage or to cause detriment to Rowing Australia. Suppose the information is confidential or in the best interest of Rowing Australia. In that case, it should not be disclosed or must be kept confidential to comply with your statutory and common law obligations. You must not disclose it to third parties during or after your term as a Director except as permitted by law or by the Board of Directors.
- **Use your position appropriately**. Do not use your position as a Director to seek an undue advantage for yourself, family members or associates or to cause detriment to Rowing Australia.
- Act in a **financially responsible** manner. Understand financial reports, audit reports and other financial material before the Board.
- Exercise **due care, diligence and skill**. Ascertain all relevant information, make reasonable enquiries and understand the financial, strategic and other implications of decisions.
- **Comply with the Rowing Australia Constitution and relevant legislation**. Fulfil the obligations and act within the powers set out in the Corporations Act and Rowing Australia Constitution.
- Demonstrate **leadership and stewardship**. Promote and support the application of Rowing Australia's values and act in accordance with the Directors' Code of Conduct.
- **Disclose material and personal interests**. Notify other Directors of any material, personal interest, or other conflict of interest related to the company's affairs.

### Breach of Duties:

- Action taken against a Director whose actions are not consistent with their responsibilities under the Directors' Code of Conduct may range from a reprimand by the Chair, suspension, a decision not to reappoint the Director for another term, or action being taken in accordance with the provisions of the Rowing Australia Constitution for removal as a Director.



### **Guidance Notes**

The following guidance notes are not part of the formal Rowing Australia Directors' Code of Conduct but are provided to assist in interpreting the Code.

#### **Act with honesty and integrity**

Directors should act and advise honestly and in all official duties. If a Director believes an aspect of Rowing Australia (**RA**) or administration may have unforeseen consequences or requires review, he or she should bring it to the attention of the Board.

Honesty is concerned with being open and transparent.

- Express genuine views clearly and without ambiguity
- Respect laws, policies and generally accepted standards of behaviour
- Explain reasons for views, including disclosing what information or considerations were relied on
- Be truthful
- Speak up when a decision or advice is being considered that may be detrimental to the interests of RA

Integrity is concerned with motive and being consistent with espoused values

- Avoid actual and perceived conflicts of interest
- Declare any outside interests:
  - annually;
  - when they arise (e.g., new appointments; new commercial interests); and
  - prior to consideration by the Board of matters or affairs relating to any such interest
- Withdraw from Board deliberations where an actual or apparent (perceived) conflict of interest arises
- Withdraw, or record a minority view where a matter of conscience arises
- Do not be rushed into making decisions without time for proper consideration
- Ensure that the minutes of the meeting record actions to declare conflicts
- The duty to act with integrity overlaps with a Director's other duties to act honestly and in good faith in the best interests of RA.

A Director should be:

- Honest, open and transparent in all dealings and act in RA's best interests; and
- Committed to high standards of professionalism, service to the rowing community and ethics.

Directors need to participate actively in the work of the Board.



**Act in good faith in the best interests of Rowing Australia**

Good faith is concerned with being cooperative and reasonable

Acting in the best interests of RA is about proper purpose and reputation

- Commit to be an active member of the Board before accepting a role on the Board
- Be professional and positive in all dealings with fellow Directors
- Exercise powers responsibly and in the best interests of RA
- Be mindful that your conduct in all aspects of your life can reflect on your standing as a Director and the reputation of RA

Directors should be sufficiently independent to provide balanced advice to the Board. They are more likely to make effective decisions if they pay close attention to making sure that each decision is made based on the best information available at the time and in the best interests of RA.

An independent Director is not personally, financially, commercially or professionally connected with any business or relationship that could interfere with their independent judgement.

**Act fairly and impartially**

Fairness and impartiality are concerned with being objective and acting with balance and justice

- Advise and behave in a manner that is free of favouritism, self-interest and preference
- Consider all relevant facts objectively when implementing RA policy and programs to ensure equitable outcomes
- Act in accordance with anti-discrimination legislation
- Respect human dignity and foster a culture that is free of intimidation and bullying

Judgement of Directors should be formed based on evidence without discrimination against any person or body. That is, Directors should act in accordance with anti-discrimination legislation, which protects people from discrimination.

**Use information appropriately**

Using information appropriately is concerned with respecting confidentiality and using discretion, prudence and good judgement

- Only use information gained as a Director for purposes intended by the Board and for purposes that are in the interests of RA as judged by the Board
- Be conscious that Directors hold privileged information and that strict rules of confidentiality apply to that information
- Be well-informed about Australian privacy and whistleblower legislation
- Never communicate official information for other than official purposes without the Board's permission. This includes (without limitation) leaking information to the media, Member Associations or an Officer of a Member Association (as defined in the RA Constitution), athletes or to stakeholders.

Directors must use information appropriately by ensuring it is only applied to proper purposes, maintaining confidentiality and not seeking undue benefit for any party.



Directors must not take improper advantage of any information, including commercially sensitive information, gained during their Board duties. They may disclose official information normally given to members of the public seeking that information or if they are called to give evidence in court or when given proper authority.

Comments should be confined to facts, and Directors should not express personal opinions on official policy or practice.

Information acquired by Directors through their position both during and after their appointment should not be disclosed to third parties if it is to gain an advantage for them or cause a detriment to Rowing Australia unless the disclosure is permitted or required by law or the Board of Directors of Rowing Australia. Rowing Australia expects that Directors will comply with their statutory and common law obligations regarding what information is confidential and that comes into their possession, control or knowledge by being a Director of Rowing Australia. Those obligations are specified in Sections 182 and 183 of the Corporations Act 2001 (Cth).

**Section 182** of the Corporations Act 2001 (Cth) provides that:

- 1) A director, secretary, other officer or employee of a corporation must not improperly use their position to:
  - (a) gain an advantage for themselves or someone else; or
  - (b) cause detriment to the corporation.

**Section 183** of the Corporations Act 2001 (Cth) provides that

- 1) A person who obtains information because they are, or have been, a director or other officer or employee of a corporation must not improperly use the information to:
  - (a) gain an advantage for themselves or someone else; or
  - (b) cause detriment to the corporation.

Additionally, Directors are required to comply with the general duties of a Director to act with reasonable care and diligence specified in Section 180 of the Corporations Act 2001 (Cth), which provides that:

- 1) A director or other officer of a corporation must exercise their powers and discharge their duties with the degree of care and diligence that a reasonable person would exercise if they:
  - (a) were a director or officer of a corporation in the corporation's circumstances; and
  - (b) occupied the office held by, and had the same responsibilities within the corporation as, the director or officer.

#### **Use your position appropriately**

Using your position appropriately is concerned with not abusing the influence or access to information that your role provides

- Do not misuse or abuse those powers for personal gain or some other motive
- Do not make decisions with any intention of malice
- Do not join the Board as a favor to a friend or colleague or where you consider that the impartiality of your decisions may be compromised or would reasonably be perceived to be compromised
- Never seek to gain undue benefit for any party from information gained as a Director

A Director who improperly uses their position to gain an advantage for themselves or someone else or to cause detriment to the corporation will be liable for their actions under both civil and criminal law.



**Act in a financially responsible manner**

Financial responsibility is concerned with being accountable, vigilant, prudent and acting legally

- Understand RA's financial accounts and financial position
- Ensure that RA's financial management system is adequate and designed to minimise processes that can lead to errors
- Ensure that there are clear, consistent financial reports from the Chief Financial Officer (CFO) and take an active interest in the work of the audit committee
- Request financial reports to the Board that are clear and concise, using graphs and techniques to assist directors in understanding reports where appropriate
- Ask management for trend analysis and benchmarking data to assist the Board in constantly reassessing the financial health of RA
- Do not support a Board resolution that has financial implications that you consider imprudent
- Record your disagreement, or abstain from voting, if you do not believe financial implications are sufficiently clear
- Raise questions if uncertain about any aspects of financial reports

Directors must become familiar with the business of RA and understand its financial accountability arrangements. They must exercise care in relation to public funds and assets.

A Director must be able to understand financial reports and the financial justifications for decisions taken by the Board. A Director who needs training should ask to attend an appropriate course.

Directors should actively inquire about the financial material put before the Board if that material needs to be clarified or raises matters that may be of concern from a financial perspective.

A Director may ask for reports from the CFO from time to time. The Board should have a protocol to direct such requests through the Chief Executive Officer (**CEO**) as a matter of good governance.

**Exercise due care, diligence and skill**

Due care, diligence and skill are concerned with being prudent, having commitment, and acting responsibly and professionally

- Get to know the business of RA and the way the Board operates
- Read Board papers and be prepared to ask questions about matters before the Board
- Attend Board meetings and be focused on the work under consideration
- Consider issues completely, taking account of all relevant evidence
- Understand the strengths, weaknesses, opportunities and threats facing RA. Ask management for detailed briefings and/or familiarisation tours of the details of RA's business and operations before strategic planning takes place
- Do not simply rubber stamp recommendations put by a committee or individual
- Ensure full compliance with the legal, ethical and policy obligations of RA



- Ensure you can guide and monitor the management of RA. To do this:
  - monitor the affairs and practices of RA
  - review the RA's financial statements and reports regularly
  - demand that Board papers are prepared thoroughly and sent well in advance of Board meetings
  - where appropriate, demand evidence-based documentation and seek further information if necessary to ensure that the Board's decisions are based on the best available information
  - Take an interest in candidates' qualifications and experience for senior executive jobs in RA, such as the CEO.

Directors must exercise powers and discharge duties with the degree of care and diligence of an ordinary prudent person.

The Board may delegate detailed consideration of issues to the officers of RA, individual Directors or committees. The individual or committee who is delegated to consider a matter cannot lawfully delegate that power or function to any other individual or body. The Board will be held to account for the actions of its delegates and committees.

RA, including the Board and its members, may be vulnerable to criticism or legal action if RA gets into difficulties. This may happen if:

- There have been very few Board meetings
- Directors have failed to come to grips with the business of RA
- Directors have not taken steps to ensure proper financial statements and records are kept
- The Board has not ensured that there is a proper audit and control system to detect and prevent fraud by officers and employees
- The Board has exercised its power inconsistently with the RA Constitution, relevant legislation or common law principles.

A Director with any special skills, such as a legal or accounting qualification, is expected to use them in working on the Board.

#### **Comply with the RA Constitution and relevant legislation**

Complying with relevant legislation is concerned with having the power and authority to act and with having respect for boundaries.

- Carry out duties in good faith and for a proper purpose as described in RA's Constitution
- Ensure you have ready access to up-to-date copies of the RA Constitution during Board meetings
- Where appropriate, ensure Board papers refer to relevant sections in the RA Constitution and any relevant RA policies
- Understand whether a decision is within RA's power and ask questions if you do not understand
- Be conscious that necessary delegations are in place and that matters reserved for the Board are clearly identified
- Be aware of RA's policies and priorities while remaining apolitical in applying those policies or priorities



**Demonstrate leadership and stewardship**

Leadership and stewardship are concerned with having foresight, providing an example and achieving sustainability.

- Understand the importance that strategic direction plays in ensuring that RA fulfils its objectives as specified in the RA Constitution
- Be conscious of, and value, the assets that belong to RA
- Assist in developing and promulgating the organisational culture the Board wishes for RA
- Behave in a way that exemplifies RA's values
- Ensure the Board schedules time to focus on strategic matters and reflection and for proper consideration of programmable work
- Watch for signs that the Board or RA is not performing well. These might include
  - getting bad news late
  - a poor accountability culture within RA
  - Board decisions not being implemented on time
  - decisions made without Board approval or by officers lacking delegated powers
  - an uncooperative, evasive or aggressive CEO
  - inadequate auditing of past mistakes
  - inadequate or ineffective control systems

Stewardship is the careful and responsible management of something entrusted to one's care. The core roles of oversight and leadership played by the Board are critical to good governance and require each Director to exercise independent judgement and goodwill.

Directors should see their stewardship duty as being responsible for RA's tangible and intangible assets.

Intangible assets include RA's:

- Reputation;
- Intellectual capital;
- Integrity and commitment to values;
- Goodwill resulting from working with other stewards, such as the ASC or the Minister
- Experience and corporate memory derived from product delivery; and
- Program outcomes over time.

Directors must always be conscious that their behaviour sets an example for others and can influence how RA is viewed. They must also ensure that the actions of RA are consistent with relevant standards.

Risk management is a critical aspect of a Board's stewardship obligations.



### **Disclose material, personal interests**

The duty to disclose material, personal interests overlaps with a Director's other duties to act honestly, with integrity, and in good faith in the best interests of RA.

- Upon election or appointment of any person as a Director of RA, the person shall:
  - resign from his or her position (if any) as an Officer of a Member Association; and
  - complete, execute and deliver a Conflict of Interest Declaration to the Company Secretary.
- Subject to the Corporations Act, a Director with a material, personal interest in a matter that relates to the affairs of RA must give the other Directors notice of the interest. The notice must give details of:
  - the nature and extent of the interest; and
  - the relation of the interest to the affairs of RA.
- Subject to the Corporations Act and the RA Constitution, a Director cannot receive or keep beneficially any remuneration, profits or benefits under any agreement or arrangement with RA or from acting in a professional capacity for RA. This does not preclude a Director from entering into any agreement or arrangement with RA or acting professionally other than as an RA auditor.
- A Director who has a material, personal interest in a matter that is being considered at a Directors' meeting must not:
  - be present while the matter is being considered at the meeting;
  - or vote on the matter, unless permitted by the Corporations Act to do so, in which case the Director may participate insofar as clause 18.4 of the RA Constitution permits.