

## **NA-004 Rules of Governance:**

### Duties and Responsibilities of NANDTB members

Members of the Board owe their fiduciary duty solely to the Board when exercising their duties as a member. This requires members to act in good faith in the best interest of the Board, irrespective of the separate interests of any organisation, agency or profession that they might belong to. These fiduciary duties are owed individually by each member.

### Each member of the Board more generally also has a duty to:

Act honestly and in good faith  
Exercise care, skill and diligence  
Exercise the powers, duties and responsibilities of the Board for the purpose for which they were conferred  
Avoid conflicts of interests.

*Confidentiality:* Board members are bound to treat all Board matters as confidential unless in the public domain. Release of information from the Board is only by authority of the Chairman.

*Conflicts of interests and disclosures:* Members must at all times avoid situations in which there is a real possibility of conflict arising between their personal interests or professional duties and the duty owed to the Board.

Such a conflict may exist when a member has a direct pecuniary interest in a matter that is before the Board. Alternatively, a conflict may occur when an issue listed for discussion by the Board involves an institution or organisation to which a member owes a duty in a professional context.

Consequently, members must be attuned to the possibility of conflicts of duty or interest arising between their duties to the Board and their personal and professional affairs. Therefore when a member believes that such a situation may occur, whether it be actual or potential, full disclosure of the conflicting interest or duty must be made to the Board.

*Disclosure of interest:* Where a member has a potential conflict of interest in relation to any matter before the Board, the member must disclose that interest and the nature of it at the beginning of the meeting as provided in the agenda. Any disclosures made are to be recorded in the minutes.

*Action to prevent conflict arising:* When a potential conflict of interests has been disclosed, it is the duty of the meeting to determine what further action, if any, is necessary to prevent a conflict from arising. Such action could include:

Noting the potential conflict and its nature, and taking these facts into account during debate of the issue. Directing that the member abstain from any vote that may be called on the matter. Allowing the member to confirm any relevant facts of the matter, but requiring the member to abstain from any discussion on it. Require the member to leave the meeting during discussions and any vote on the matter.

Some combination of the above may be considered appropriate by the Board. The more drastic of these actions would normally be reserved for a conflict involving direct pecuniary interest. Where action is taken to prevent a conflict, the nature of that action must be recorded in the minutes.

In the unusual event of a serious on-going conflict, the question of the member's continued membership of the Board may need to be considered.

Additionally, each member is obliged to advise the Board as soon as practicable, when there is a change in his/her employment. This is to permit timely consideration by the Board of what impact this change may have on the member's role.

*Exercise of due diligence:* Each member of the Board is expected to display the degree of care, skill and diligence that it is reasonable to expect from a member of the Board.

“Reasonable expectation” takes into account the knowledge, skill and experience that the member brings to the Board or could be reasonably expected to bring to it, bearing in mind the distribution of members and the fact that each member of the Board brings different expertise to it. Care and diligence also include the concept of acting honestly in the discharge of one's duties.

Members of the Board being co-opted, are not bound to give continuous attention to the affairs of the Board.

*Amendment, rescission or addition to the Rules:* The Board may include in meeting agendas proposed changes to the Rules. Changes to the Rules will be agreed in accordance with procedure NA-005 Note 1, and validated by endorsement of the Board through the minutes.

*Common Seal:* The Board uses its logo and name on official correspondence, procedures and promotional material. All official correspondence is signed by a current Board officer. No common seal in the form of stamp or similar is held.