

# **CODE OF CONDUCT**

**CVRC  
CODE OF CONDUCT**

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~ Table of Contents ~

1. Introduction	3
2. Principles	4
3. Attendance to Duties	4
4. Duties of the Chairperson and Members	5
5. Obtaining Adequate Information	5
6. Dissent	6
7. Conflicts of Interest	6
8. Confidentiality	7
9. Use of Information or Position	7
10. Communication with Media	7
11. Discipline of Members	7
12. Maintenance and Promotion of Public Confidence	8
13. Words and Phrases	8
14. Committee Members Commitment	8

## 1. INTRODUCTION

- 1.1 Clare Valley Racing Club Incorporated is incorporated pursuant to the *Associations Incorporation Act 1985*.
- 1.2 The business of CVRC is conducted in accordance with its Rules.
- 1.3 The committee consists of persons appointed pursuant to the Rules.
- 1.4 The committee shall meet as often as necessary to conduct the business of CVRC
- 1.5 The committee is empowered to manage the affairs and general business of CVRC
- 1.6 Committee members must comply with the provisions of this Code in carrying out their Duties as committee members.

## 2. PRINCIPLES

The following guidelines are designed to assist the Chairman and committee in carrying out their obligations and responsibilities. They are not definitive and the Chairman and committee must recognise that the law dictates what is to be or not to be done as a committee member of CVRC

As a Committee Member charged with the responsibility of managing the affairs of an Incorporated Association all Committee Members should adhere to the principles of Corporate Governance adopted by the Australian Institute of Company Directors as varied from time to time, and as adapted for specific use of this committee. These are:

- (1) A Committee Member must act honestly, in good faith and in the best interests of the Association as a whole.
- (2) A Committee Member has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- (3) A Committee Member must use the powers of office for a proper purpose, in the interests of the Association as a whole.
- (4) A Committee Member must recognise the primary responsibility is to the Association's members as a whole, but should, where appropriate, have regard to the interests of all stakeholders of the Association.
- (5) A Committee Member must not make improper use of information acquired as a Committee Member.
- (6) A Committee Member must not take improper advantage of the position of Committee Member.
- (7) A Committee Member must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Association.
- (8) A Committee Member has an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.
- (9) Confidential information received by a Committee Member in the course of the exercise of Board duties remains the property of the original source from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless approval has been obtained from the original source to disclose such information, or is required by law.
- (10) A Committee Member should not engage in conduct likely to bring discredit upon the Association.
- (11) A Committee Member has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the Principles of this Code.

The following provides greater specificity in relation to the obligations of the Code of Conduct.

## 3. ATTENDANCE TO DUTIES

- 3.1 The Chairman and all Committee Members must carefully and diligently attend to the performance of their duties and the exercise of their powers.
- 3.2 The Chairman and all Committee Members must use their best efforts to ensure this properly managed and constantly improved to best meet its objectives.
- 3.3 The Chairman and all Committee Members should, where possible, attend all Board meetings.

- 3.4. The Chairman and all Committee Members must ensure that they are fully informed about the activities and affairs of CVRC Inc and the racing industry generally, including relevant statutory and regulatory requirements, and the physical, political and social environment in which thoroughbred racing is conducted.

#### **4. DUTIES OF THE CHAIRMAN AND COMMITTEE MEMBERS**

- 4.1 The general duties of the Chairman and Delegates arise from the common law. At the most fundamental level these duties are:
- To act honestly;
  - The fiduciary duty of loyalty, which is usually expressed as a duty to act in good faith and in the interests of the CVRC Inc; and
  - The duty to use reasonable care and diligence to fulfil the functions of office and exercise the powers of that office.
- 4.2 The fiduciary duty of loyalty is owed to CVRC Inc. This duty requires the Chairman and all Committee Members to:
- Act bona fide in the best interests of CVRC Inc as a whole;
  - Exercise the powers of office for the proper purposes of CVRC Inc and not for an extraneous purpose;
  - Avoid being placed in a position where his or her duty to CVRC Inc conflicts or may conflict with any personal interest or that of any individual Member Club; and
  - If such a possibility arises, disclose the matter to the Board and act on it in the interests of CVRC Inc.
- 4.3 Loyalty to CVRC Inc requires the Chairman and all Committee Members to:
- Support the decisions of CVRC Inc, even if the Chairman or Committee Member did not (and perhaps still does not) personally support the decision;
  - Be frank and honest in their dealing with each other; and
  - Deal impartially, without self-interest or regard to outside influences, including any individual Member Club in the interests of CVRC Inc;
  - Perform their role objectively and impartially;
  - Not act in any manner that may reasonably be expected to have adverse implications for CVRC Inc.

#### **5. OBTAINING ADEQUATE INFORMATION**

So that the Chairman or a Delegate can be fully effective, they need access to complete and reliable information.

- 5.1 The Chairman and all Committee Members should insist that sufficient detailed information is made available to them ahead of time to allow proper consideration of all issues before Board Meetings. Ordinarily such information will consist of:
- The agenda and explanatory documents for meetings of the Board.
  - Such other information provided to them by the Chairman or Secretary / Event Manager.
- 5.2 The Chairman or any Committee Member, who is not satisfied that complete information is provided to enable his or her duty of care to be exercised, must take positive action to receive the additional information required. What is required should be specified in writing to the Secretary / Event Manager. If he or she is unable to obtain such complete information, then the steps set out below in relation to "Dissent" may be utilised.

- 5.3 So that the Chairman and all Delegates can discharge their fiduciary duties properly, it may be necessary for them to be provided with expert advice. The Chairman and each Committee Member has the right to seek independent advice at the expense of CVRC Inc. However, prior approval of the Chairman where the request is by a Committee Member is required; such approval may not be unreasonably withheld. All written advice obtained is to be tabled at the next meeting of the Board.
- 5.4 Given the varying backgrounds, qualifications and experience of the Chairman and all Committee Members, it is desirable that they familiarise themselves with the Rules of CVRC Inc, the Australian and Local Rules of Racing and all legislation relevant to racing in South Australia. It is desirable that any Chairman or Committee Member with no previous board or committee experience should undertake suitable training in these obligations.

## 6. DISSENT

- 6.1 The Chairman and all Committee Members should recognise that their responsibilities to their colleagues and CVRC Inc require that, where disagreement occurs, every effort must be made to resolve the issue and avoid dissension.
- 6.2 Nevertheless, there may be times when the Chairman or a Committee Member feels so strongly about a matter of principle that they are unable to agree with a decision of the Board. If that occurs, that Committee Member should consider taking some or all of the following steps:
- Make the extent of the dissent and its possible consequences clear to the other Committee Members;
  - Ask for additional legal, accounting or other professional advice;
  - Write to the Chairman and all Committee Members explaining the reasons for dissent;
  - Ask for the recording of dissent to a particular decision in the minutes of that Board Meeting;
  - Table a statement of dissent and ask that it be Minuted.
- 6.3 The Chairman or any Committee Member does not have the right to ignore or attempt to frustrate properly made decisions of the Board or to pursue a private Agenda.

## 7. CONFLICTS OF INTEREST

The common law sets high standards for removing conflicts of interest.

- 7.1 At all times, the Chairman and all Committee Members must act in the interests of CVRC Inc. The interests of Associates, Affiliates, individual Member Clubs, other racing interests and personal interests of the Chairman or a Committee Member or their family or close personal Associates must not be allowed to prevail over those of CVRC Inc.
- 7.2 The pursuit of self-interest or representation of a factional interest above the interests of CVRC Inc is a breach of fiduciary duty to CVRC Inc.
- 7.3 Where a conflict or apparent or potential conflict arises, the Chairman or Committee Member must:
- Immediately advise the Chairman (or the Board in the case of the Chairman) of the nature of the conflict or apparent or potential conflict; and
  - Follow the instructions of the Board regarding whether to refrain from participating in the debate or from voting on the matter.
  - Accept the directions of the Board to resolve the conflict.

- 7.4 In extreme cases, the Chairman or Committee Member should consider whether to resign from the Board.
- 7.5 The Chairman is available to discuss potential conflicts of interest with all Committee Members. If appropriate, independent legal advice must be obtained.
- 7.6 Full disclosure of conflicts or apparent or potential conflicts must be made in writing, if requested, as soon as the conflicting matter arises.

## **8. CONFIDENTIALITY**

- 8.1 The Chairman and all Committee Members have an obligation to maintain the confidentiality of information provided to them in their capacity as a member of the Board.
- 8.2 Where confidential information is provided to the Chairman or a Committee Member, care must be taken to ensure that the information is kept secure. If a physical or electronic record of information is to be disposed of, it must be destroyed.
- 8.3 A Chairman or Committee Member, whose appointment to the Board terminates, must return any documents, items or things he or she may have because of being a Committee Member.
- 8.4 Unless authorised by the Board to do so, neither the Chairman nor any Committee Member may make any public comment regarding the considerations and determinations of the Board.

## **9. USE OF INFORMATION OR POSITION**

- 9.1 The Chairman and any Committee Member must not make improper use of information acquired as a result of their Board position.
- 9.2 This prohibition applies irrespective of whether the Chairman or Committee Member would gain, directly or indirectly, a personal advantage or cause advantage to any associated person or individual Member Club, or would or might cause detriment to CVRC Inc or any club or racing interest.
- 9.3 The Chairman and all Committee Members must not make any improper use of their position as a Committee Member to gain, directly or indirectly, a personal advantage or an advantage for any associated person including family or close personal associate, or which might cause detriment to any person, club or interest associated with racing.

## **10. COMMUNICATION WITH MEDIA**

- 10.1 No member of the Board other than the Chairman and the Secretary / Event Manager is authorised to communicate with any media, including all print, radio, television, and new media.

## **11. DISCIPLINE OF COMMITTEE MEMBERS**

- 11.1 Where it is alleged that any Committee Member has failed to comply with this Code of Conduct the matter shall be discussed at a meeting of the Board of which due notice of the matter to be discussed shall have been given.

11.2 After considering the matter and after considering any further or additional matters which the Committee Member concerned may raise regarding the allegation the Board may:

- Dismiss the allegation;
- Counsel the Committee Member;
- Reprimand the Delegate; or
- Call a General Meeting of CVRC Inc and move a special resolution to terminate or suspend the Committee Member of CVRC Inc

## 12. MAINTENANCE AND PROMOTION OF PUBLIC CONFIDENCE

12.1 The Chairman and all Committee Members must not conduct themselves in a manner that may adversely affect, either directly or indirectly, the honest and impartial exercise of their functions.

12.2 The Chairman and all Committee Members must not engage on conduct likely to bring discredit upon CVRC Inc, of the public or of participants in the racing industry in South Australia

12.3 Committee Members must report to the Chairman any actions by others which may adversely affect, either directly or indirectly, public confidence in the integrity of CVRC Inc

12.4 The Chairman and all Committee Members must avoid the impression that gifts, gratuities or hospitality, either for themselves or any other person or body, may influence their decisions as a Committee Member.

12.5 The Chairman and all Committee Members may accept only token gifts and modest hospitality

- If any gift, gratuity or hospitality of other than a token kind is offered, full and prompt disclosure must be made to the Chairman or the Board in the case of the Chairman.
- If the Chairman or a Delegate is uncertain they should disclose the matter to the Board.

## 13. WORDS AND PHRASES

“Chairman” means the Chairman of the Board of CVRC Inc Incorporated appointed pursuant to its Rules.

“Committee” means the Committee of CVRC Incorporated appointed pursuant to its Rules.

“Delegate” means a Committee Member of CVRC Incorporated appointed pursuant to its Rules.

“Rules” means the Rules of CVRC Incorporated.

“Secretary / Event Manager” means the Officer appointed pursuant to the Rules of CVRC Incorporated.

The masculine gender includes the feminine gender.

## 14. COMMITTEE MEMBER’S COMMITMENT

I agree to abide by the Code of Conduct as outlined in this document:

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 Name Signature Date