

CODE OF CONDUCT FOR DIRECTORS AND OFFICE BEARERS



BEST PRACTICE GUIDE

It is recommended that co-ops adopt a Code of Conduct for Directors, aimed at promoting appropriate standards of governance, decision making, communication and co-operation within the co-operative.

A Code of Conduct is a written agreement that outlines how each Director will act while performing their responsibilities as a co-op member.

The Directors Code of Conduct should be developed by co-op directors in consultation with co-op members and formally adopted at a General Meeting. It is then signed by each individual as a formal commitment they make to each other. Typically, codes of conduct include topics such as:

- Acting in the best interests of the Co-op
- Communication between directors and members
- Decision Making
- Privacy
- Conflicts of Interest
- Resolving Disputes

The Code of Conduct can be printed as a single document to be signed by all, or as a document for each director, signed individually. Whichever form is chosen, a copy should be issued to each director so that they can remember the commitment they have made.

A breach of the Code of Conduct should be treated seriously and resolved using the formal Dispute Resolution processes in the Co-op's Rules.

The Code of Conduct should be reviewed on a regular basis to ensure that it continues to meet the needs of the co-op and its members.

SAMPLE Code of Conduct for Directors and Office Bearers

Adopted by: _____ Co-operative Ltd

At a General Meeting held on: _____

The Directors and Office Bearers of this co-operative are committed to acting in the best interests of the co-operative and its members, and maintaining high standards of privacy and confidentiality. This Code of Conduct outlines appropriate actions and behaviour agreed by all Directors and Office Bearers to manage the Co-operative.

This Code of Conduct does not replace the duties and responsibilities of Directors and Office Bearers under the Co-operatives Act 1996, or any responsibilities under the CCA with Common Equity Housing Ltd, or the Residential Tenancies Act 1997.

All Directors should read and understand their responsibilities under their Co-op rules and the CCA and ensure they are carried out.

Any unauthorised disclosure of personal information about a co-op member, their family, any applicant or CEHL staff member will be a breach of this Code of Conduct.

Under the Freedom of Information Act, co-op members and applicants can access any information stored about them. This co-op will ensure that only appropriate information is stored with suitable regard for privacy and confidentiality.

This Board commits to the following:

- Ensuring that Directors and Members abide by the co-op rules and the policies adopted by the co-op
- Acting in the best interests of this co-op and the co-op Program
- Maintaining strict confidentiality at all times
- Employing a high standard of care in all decision-making
- Declaration of any conflict of interest will be noted in the minutes. Once a declaration has been made, the Director is unable to be present at any deliberation, or take part in any decision related to the interest. Conflicts of interest may include:
 - A Director receiving a direct or indirect financial advantage or disadvantage from the operations of the co-op
 - Decisions regarding members who are family or friends
 - Decisions regarding an application to transfer to another property within the co-op
 - Maintenance decisions involving the Director's residence
- A conflict of interest also exists when any Office Bearer and/or Director is in rent arrears. In this instance, the Office Bearer and/or Director will not participate in any discussions and decisions regarding Rent Arrears, Catch-Up Agreements or relevant VCAT action
- Any Office Bearer or Director in rent arrears in excess of 21 days will voluntarily stand down or will be asked by the Board to do so. The Director will not be eligible for reinstatement until rental arrears are cleared
- Not using the position of Director or using any information acquired in the course of carrying out the role of a Director for personal and/or financial gain
- Not signing, or asking for blank cheques or authorizing unspecified payment under any circumstances. The repercussions are that this can lead to 'accessory to fraud' charges if payment is issued fraudulently

- Avoiding anti-social or disruptive behaviour at meetings and acting in a professional manner while conducting Co-op business
- Maintaining awareness of legal requirements regarding privacy, confidentiality and storage of information, and complying with all applicable laws including, but not confined to, the Information Privacy Act 2000

ACCOUNTABILITY TO MEMBERS AND TRANSPARENCY IN DECISION MAKING

To achieve this we will:

- Make all Board meetings open to all members, excluding items of a confidential and private nature
- Give members proper notice of meetings as specified in the Co-op Rules.
- Provide members with a summary of Board meeting decisions at any Special General Meeting.
- Make decisions based on, and in line with, the policies of the CEHL Program and the Co-op.
- Ensure that all Co-op policies are made available to new members.
- Treat all members with respect in accordance with the spirit of the International Principles of Co-operation, and consider any relevant input provided by members.
- Seek advice and information from appropriate sources in order to make well-informed decisions.
- Ensure copies of all minutes are available for inspection by members at the Registered Office.
- Ensure that members are notified of relevant forums, information and training sessions and actively support those who wish to attend.

This Code of Conduct was read and acknowledged by the Co-op Board of Directors at a Directors Meeting on

(insert date)

Signed: / /

Signed: / /

Signed: / /

Signed: / /

Signed: / /

Signed: / /

