
AUSTRALIAN RACING BOARD

CODE OF CONDUCT

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1. PURPOSE OF THIS CODE

This code aims to provide guidance to Board Members of the Australian Racing Board (hereinafter referred to as the “ARB”), to assist them to undertake and discharge their duties and responsibilities effectively. Board Members have an obligation to comply, at all times, with both the spirit and letter of this Code of Conduct.

2. ROLE OF THE BOARD

The role of the Board is to provide leadership to the Thoroughbred Racing Industry in the interests of all industry participants and stakeholders with the welfare of the horse paramount. It undertakes this role by meeting regularly to decide how best it can achieve its functions which are set out in its Constitution.

The Board’s role is to review and monitor the achievements of the objectives of the organization and its staff. Management has responsibility to carry out the policies approved by the Board.

Subject to a member being provided delegated authority by the Board, the Board acts as “one” and no individual Member is permitted to act singularly in the day to day operation or management of the organization.

3. DUTIES OF THE BOARD

Board Members are subject to a range of duties owed to the ARB. These are derived from the ARB’s Constitution, the Corporations Act, the Common Law and other sources. At the most fundamental level these duties are:

- The fiduciary duty of loyalty which is usually expressed as a duty to act in good faith and in the interests of the body as a whole; and
- The duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.

The fiduciary duty of loyalty is owed to the ARB itself as a whole. The Board Members’ duty of loyalty to the ARB as a whole is “fiduciary” that is to say it imposes the highest standard of fidelity, because the Board Member occupies a position of trust vis-a-vis the ARB. The nature of the duty is similar to that of the trustee towards the beneficiaries of a trust. The principal manifestations of this duty of a Board Member are:

- To act bona fide in the best interests of the ARB as a whole.

- To exercise the powers conferred by its Constitution and the Corporations Act for the proper purposes of the ARB and not for any extraneous purpose, and
- Seeking to avoid being placed in a position where his duty to the ARB as a whole conflicts or may conflict with personal interest, and if such a possibility arises disclosing the matter and handling it in the interests of the ARB as a whole.
- It is the duty of each member of the Board to act in the interest of the Thoroughbred Horse Industry in Australia as a whole.
- Loyalty to the ARB requires a Board Member to support policy decided by the ARB, even if the Board Member did not (and still does not) personally support the policy.

4. CONFIDENTIALITY OF INFORMATION

Board Members have an obligation to maintain the confidentiality of information provided to them which is the property of the ARB and information both written and verbal that is not known to other parties should not be released by an individual Board Member except with the approval of the Board. Confidential information available to Board Members must be used only in ways which are consistent with the obligations of Board Members to act impartially with integrity and in the interest of the ARB as a whole.

In particular, Board Members shall not:

- disclose to any member of the public any confidential information acquired by virtue of their position as a Board Member;
- disclose to any member of the public any confidential discussions conducted during Board meetings and shall not ascribe particular comments or decisions to individual Board Members;
- permit any unauthorized person to view or have access to any confidential documents or other information; and
- make any public comment regarding the considerations and determination of the Board, unless authorized by the Board to do so.

Media comment is restricted to the Chairman and Chief Executive Officer, or Officer delegated by the Chief Executive Officer.

5. CONFLICTS OF INTEREST

The Constitution, Corporations Act and Common Law set high standards for removing conflicts of interest. Conflicts of interest are assessed in terms of the likelihood that Board Members possessing a

particular interest could be influenced or might appear to be influenced, in the performance of their duties on any matter. At all times a Board Member must be able to act in the interests of the ARB as a whole. The interests of associates, affiliates and personal interests of the Board Member or the Board Member's family must not be allowed to prevail over those of the ARB.

Where a conflict or apparent conflict does arise, the Board Member must consider whether to refrain from participating in the debate and/or voting on the matter, whether to arrange that the relevant Board Papers are not sent, or in an extreme case whether to resign from the Board. The Chairman or Chief Executive Officer is available to discuss potential conflicts of Interest with Board Members. In any event, full disclosure of conflicts or potential conflicts must be made at the next Board meeting, or prior to it, in writing to the Chairman.

6. COMPLIANCE WITH THE LAW

Board members will abide by the law at all times.

7. DUE DILIGENCE

- A Board Member should attend all Board meetings but where attendance at meetings is not possible appropriate steps should be taken to obtain leave of absence.
- In order to be fully effective, a Board Member should insist upon access to all relevant information to be considered by the Board. This information should be made available in sufficient time to allow proper consideration of all relevant issues. In circumstances where information is not provided, the Board Member should make an appropriate protest about the failure on the part of the ARB to provide the information and if necessary abstain from voting on the particular matter on the basis that there has not been the time necessary to consider the matter properly. Any abstention, and the reasons for it, should be included in the minutes. It may also be appropriate to vote against the motion or move for deferment until proper information is available.
- A Board Member should endeavour to ensure that the ARB provides the Board, on a regular and timely basis, with necessary information to enable them to make a reasoned judgment and so discharge their duties of care and diligence.

8. GIFTS AND HOSPITALITY

In their dealings with other individuals and entities in the industry, Board Members must always act to foster the ARB's reputation for independence, impartiality, and scrupulous adherence to ethical standards.

Board Members must not solicit or accept gifts, rewards or benefits in connection with the performance of their duties, or which might compromise or be seen to compromise their independence and objectivity, or which might give rise to a real or apparent conflict of interest.

Board Members may accept minor hospitality offered in the course of their duties if:

- The total value is nominal;
- The offer is in accord with normal social practice; and
- The level of hospitality is not more than the Board would provide in similar circumstances.

Board Members must not accept, under any circumstances, an offer of:

- Money; and
- Service or favoured treatment.

Any offer of an unacceptable benefit, must be reported to the Chairman or Chief Executive Officer.

As a private individual, a Board Member may accept a benefit if is offered equally to and accepted by, the public or the industry.

9. IMPROPER OR UNDUE INFLUENCE

Board Members must take care not to use their position on the Board to influence any other Board Members or staff of the ARB in the performance of their duties or functions for the purpose of obtaining any advantage for themselves or any other person, whether the advantage is direct or indirect. Board Members must ensure contact with staff is:

- (a) through the Chief Executive Officer; and
- (b) is otherwise in accordance with specific resolution of the Board.

10. MAINTENANCE AND PROMOTION OF CONFIDENCE

Board Members must not engage in conduct likely to bring discredit upon the ARB or otherwise diminish the confidence in the ARB by industry participants and stakeholders.

Members must report to the Chairman, any actions by others which may adversely affect, either directly or indirectly, confidence in the integrity of the ARB.

11. DISSENT

Board Members should recognise that their responsibilities to their colleagues and the ARB as a whole require that where disagreement occurs every effort be made to resolve the issue and avoid dissension.

Nevertheless there may be times when a Board Member feels so strongly about a matter of principle that the Board Member is unable to acquiesce in a decision of the Board.

In such cases the Board Member should consider taking some or all of the following steps:

- Making the extent of the dissent and its possible consequences clear to the Board as a means of seeking to influence the decision;
- Asking for additional legal, accounting or other professional advice;
- Asking that the decision be postponed to the next meeting to allow time for further consideration and informed discussion;
- Recording of dissent in the Minutes;
- Tabling a statement of dissent and asking that it be minuted; and
- Writing to the Chairman, and asking that the letter be filed with the Minutes.

12. ENFORCEMENT OF THE CODE

In addition to legal obligations applying to Board Members generally, breaches of this code may result in the ARB recommending to the Principal Racing Authority that appointed the Board Member that the Board Member be removed from office.

13. SUMMARY

To meet the requirements of the ARB, Board Members must:

- At all times act honestly;
- At all times exercise due care in the performance of their duties;
- Be diligent, attend Board Meetings and make themselves knowledgeable about the Constitution and legal requirements, the operations of the ARB and the industry and general environment in which it operates.

- Ensure that systems are established within the ARB to provide sufficient and accurate data on a regular and timely basis, to enable the Board Member to discharge their duty of care and diligence;
- Act at all times in the interests of the ARB as a whole rather than any sectional interest;
- Avoid conflicts of interest;
- Be independent in their judgements and actions;
- Not release information outside the Board Room; and
- Report to the Chairman or Chief Executive Officer any actions by others which could adversely affect either directly or indirectly the honest and impartial exercise of their duties as a Board Member.