

Approved: 4 June 2020

APPENDIX 1 – To be read in conjunction with the Board Charter

1. Objective of Policy

- (a) The objective of this Policy is to promote high standards of conduct and ethical behaviour and establish a clear standard of behaviour for Directors of Motorsport Australia.
- (b) This Code of Conduct is subservient to the Motorsport Australia Board Charter, Constitution and the Corporations Act 2001, to the extent of any inconsistency.

2. Scope of Policy

This Policy applies to the Directors of Motorsport Australia.

3. Definitions

Capitalised terms used in this Policy have the following meanings unless stated otherwise:

- (a) **Board** means the Board of Motorsport Australia;
- (b) **Code** means this Code of Conduct;
- (c) **Director** means a non-executive director of Motorsport Australia;
- (d) **Motorsport Australia** means the Confederation of Australian Motor Sport Ltd. trading as Motorsport Australia.

4. Principles

Director's duties are predominantly derived from legislation. The principles with which Directors must comply are as follows:

- (a) A Director must act honestly, in good faith and in the best interests of Motorsport Australia as a whole.
- (b) A Director has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- (c) A Director must use the powers of office for a proper purpose, that being in the best interests of Motorsport Australia as a whole.
- (d) A Director must recognise that their primary responsibility is Motorsport Australia but should, where appropriate, have regard for the interests of all stakeholders of the organisation.
- (e) A Director must not make improper use of information acquired as a Director.
- (f) A Director must not take improper advantage of the position of Director.

- (i) A Director must not allow personal interests, or the interests of any associated person, to conflict with the interests of Motorsport Australia.
- (g) A Director 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.
- (i) Confidential information received by a Director in the course of the exercise of Directorial duties remains the property of Motorsport Australia and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Board, or the person from whom the information is provided, or is required by law, even after the Director ceases to be a Director or officer of Motorsport Australia (see also Clause 5 (f)).
- (ii) A Director must not engage in conduct likely to bring discredit upon Motorsport Australia.
- (iii) A Director 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.

5. Guidelines for the Interpretation of Principles

The following guidelines are intended to assist Directors in complying with requirements of the Corporations Act 2001 and the core principles of this Code. They are not meant to be exhaustive and may be added to over time to address issues of importance as they arise.

- (a) Duties to Motorsport Australia
 - (i) Each Director should endeavour to ensure that the functions of the Board have been specified clearly, are properly understood and are competently discharged in the best interests of Motorsport Australia.
 - (ii) A Director's obligations are to Motorsport Australia and the Board which are greater and take precedence over his/her obligations to the State Council which elected him/her.
 - (iii) It is imperative that no Director acts in such a way that may compromise a fellow Director's ability to meet their responsibilities.
 - (iv) A Director should endeavour to ensure that the management of Motorsport Australia is competent and is devoting its best endeavours in the interests of the organisation.
 - (v) In evaluating the interests of Motorsport Australia, a Director should consider the interests of the members and other stakeholders.
- (b) Duties to Members
 - (i) Each Director should endeavour to ensure that Motorsport Australia is financially viable, properly managed and constantly improved so as to protect and enhance the interests of the members and stakeholders.

- (ii) A Director should seek to ensure that all members are treated fairly.
 - (iii) A Director should consider whether any benefit to be received by the Director or associated person is of sufficient magnitude that the approval of members should be sought, even though not required by law. In the event of any uncertainty, the Director should seek the guidance from the Chair or Legal Counsel of Motorsport Australia.
 - (iv) A Director who is elected to the Board by a State Council, should recognise the particular sensitivity of the position. Fiduciary duty requires the Director to make a contribution in the interests of Motorsport Australia and the members as a whole and not only in the interest of the nominators. A Director so elected is not a representative of the respective State Council.
 - (v) Where obligations to other people or bodies preclude an independent position on an issue, the Director should disclose the position and consider whether to be absent or refrain from participating in the Board's consideration of the issue (see also Clause 5 (e) (ii)). Before taking the decision to be absent, a Director should consider whether that absence would deprive the Board of essential background or experience. The matter should be disclosed and resolved by the Board.
- (c) Duties to Other Stakeholders
- (i) Motorsport Australia and its Directors must comply with the legal framework governing their operations and must be conscious of the impact of their business on society. Without limiting in any way the nature of the issues with which the Director must be concerned in the running of the business, particular attention should be paid to the environment, matters of occupational health and safety, industrial relations, equal opportunities for employees, the impact of competition and consumer protection rules, and other legislative initiatives that may arise from time to time. Although the Director owes a primary duty to the members of Motorsport Australia, the responsibilities imposed on companies and the Director under various Acts of parliament require the Director to evaluate actions in a broader social context.
- (d) Due Diligence
- (i) A Director should attend all Board meetings, but where attendance at meetings is not possible they must inform the Chair that they will be an apology and indicate the length of any absence.
 - (ii) A Director must acquire knowledge about the business of Motorsport Australia, the statutory and regulatory requirements affecting Directors in the discharge of their duties to the organisation, and be aware of the physical, political and social environment in which it operates.
 - (iii) In order to be effective, a Director 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 the extreme circumstances where information is not provided the Director should make an appropriate protest about the failure on the part of the organisation 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.

- (iv) A Director should endeavour to ensure that systems are established with the organisation to provide the Board, on a regular and timely basis, with necessary data to enable them to make a reasoned judgment in order to discharge their duties of care and diligence.
 - (v) A Director should endeavour to ensure that relations between the Board, the audit committee and the auditors are open, unimpeded and constructive. Similarly, the auditors should have direct and unimpeded access to the Director. A Director should be satisfied that the scope of the audit is adequate and that it is carried out thoroughly and with the full cooperation of management and the auditors.
 - (vi) A Director shall endeavour to ensure Motorsport Australia complies with the law and strives for the highest standards of business and ethical conduct.
 - (vii) From time to time, a Director may need expert advice (whether it be legal, financial or some other professional advice and whether it relates to fiduciary or other duties) in order to discharge duties properly. The Director should ensure, to the extent possible, that any advice obtained is independent of Motorsport Australia. In that regard wherever necessary, the services of advisers external to those advising Motorsport Australia may need to be sought. In case of doubt, separate independent advice should always be sought by the Directors on matters that may impact their position in the organisation.
- (e) Conflicts of Interest
- (i) A Director must not take improper advantage of their position as Director to gain, directly or indirectly, a personal advantage or an advantage for any associated person or, which might cause detriment to Motorsport Australia.
 - (ii) The personal interests of a Director, and those of family, associated persons or a single State Council, must not be allowed to prevail over those of Motorsport Australia.
 - (iii) A Director should seek to avoid conflicts of interest wherever possible. Full disclosure of the conflict, or potential conflict, must be made to the Board. In considering the issues, account should be taken of the

significance of the potential conflict for Motorsport Australia and the possible consequences if it is not handled properly. Where a conflict does arise, a Director must consider whether to refrain from participating in the debate and/or voting on the matter, whether to be absent from discussion of the matter, whether to arrange that the relevant Board papers are not sent, or, in an extreme case, whether to resign from the Board, or the Board may ask the Director to leave the meeting. Where a Director chooses to be absent from the meeting, consideration should be given as to whether expertise that would be contributed by the Director is otherwise available. In the case of a continuing material conflict of interest, a Director should consider resigning from the Board.

- (iv) Save for nominal gifts or entertainment up to the value of \$100, a Director shall not accept any gifts or entertainment provided by a third party which have been or which may be perceived to have been offered or received due to that Director's position as a Director. In the event a Director is unsure as to whether a gift may be accepted, the Director shall seek the advice of the Board prior to acceptance.
- (f) Use and Confidentiality of Information
 - (i) A Director must not make improper use of information acquired by virtue of their position as a Director. This prohibition applies irrespective of whether the Director would gain directly or indirectly a personal advantage or an advantage for any associated person or might cause detriment to Motorsport Australia.
 - (ii) A Director will consider all information which is commercially sensitive, of value to Motorsport Australia in the sense that disclosure may cause damage to Motorsport Australia's reputation or position, or plans which Motorsport Australia may not want revealed to other parties as confidential information.
 - (iii) Nothing in this Code prevents a Director from informing the members of the major decisions which the Board has made and reporting on the reasons for those decisions, making disclosures required by law or regulation, and making disclosures authorised by the Board.
 - (iv) A Director must uphold their duties, including but not limited to the duty of confidentiality despite any pressures placed upon them by others.
 - (v) A Director who resigns on a point of principle should consider whether the reasons for resignation should be disclosed to members. In deciding whether or not to make public the reasons for resigning and composing any resignation statement, a Director should have regard to the following:
 - (A) The duty not to disclose confidential information so as to damage Motorsport Australia;
 - (B) The duty to act in the interests of Motorsport Australia.

(g) Professional Integrity

- (i) Directors should always act with professional integrity. Where a Director disagrees with a proposition or a view from either another Director, Management or other advisor, the disagreement should be expressed professionally, with due courtesy.
- (ii) Directors may choose to abstain on an issue, or vote against any resolution and, further, may request such action be recorded in the minutes.
- (iii) All decisions, properly made, are the final decision of the Board and should be supported and endorsed by Directors regardless of individual views. If a Director is unable to support any properly made decision, they should consider resigning from the Board.

6. Implications for Non-Adherence

Any breach of this Policy may result in appropriate action being taken in accordance with the Constitution. Disciplinary action may include but not be limited to suspension of duties or obligations or termination of position with the Motorsport Australia Group.

7. Related Rules, Policies or Procedures

- (a) Board Charter
- (b) Motorsport Australia Constitution
- (c) Corporations Act 2001

8. General

- (a) The Policy Manager is the Motorsport Australia Legal Counsel to whom any questions in relation to this Policy should be directed.
- (b) This Policy will be reviewed every 2 years if not sooner.

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