

Code of Conduct for Directors

- 1.1. This is the Code of Conduct for directors referred to in the society's rules. It has been approved by the board of directors.
- 1.2. Every director will sign an acknowledgement accepting their obligation to comply with this Code in its entirety. Candidates seeking election as director will be asked to confirm that they have read and understood it, and if elected will sign a similar acknowledgement confirming their obligation to comply with it.

Qualification for office

- 1.3. The society's rules set out the criteria by which an individual is eligible to be a director. A director shall notify the secretary immediately on becoming aware that they are or may no longer be eligible to be a director.

Commitment to Co-operative Principles

- 1.4. The society is established to provide goods and services to its members as a co-operative.
- 1.5. Each of the directors will discharge their responsibilities in a way which seeks to ensure that the society remains committed to operating in accordance with the Values & Principles that are set out in the International Co-operative Alliance Statement of Co-operative Identity
- 1.6. Directors are elected by the members of the Society to represent their collective interests. They should, therefore, consider whether there is sufficient evidence that the proposals they are making accord with the interests of the members or establish mechanisms for consultation to ascertain the collective views of members.

Carrying out their responsibilities

- 1.6 Being a director brings a commitment to carry out all necessary duties and responsibilities which must be performed by the board. Each director will do the following:
 - 1.6.1 understand and abide by their legal duties and responsibilities.
 - 1.6.2 act in accordance with the society's rules.
 - 1.6.3 attend on time at every meeting of the board and of any committee or sub-committee of the board to which they are appointed. Any director who regularly fails to attend meetings, without good reason accepted by the remaining directors, will be in serious breach of this Code;
 - 1.6.4 prepare properly for every meeting by reading in advance any documents sent out for the purpose of the meeting;
 - 1.6.5 accept any decision made by the board, even if they disagree with it and voted against it. This includes a commitment to support outside the boardroom any decision made by the board.

- 1.6.6 Directors must be able to allocate sufficient time to discharge their responsibilities effectively.

Standards of behaviours

- 1.7 In addition to fulfilling their legal duties, directors are expected to show appropriate standards of behaviour in carrying out their responsibilities. This is necessary in order that the board can function properly as a board, that it can play its appropriate part in the society's overall governance, and that the society's good name and reputation is maintained.
- 1.8 Directors will observe the following general standards:
 - 1.8.1 in their dealings with each other, with the society's officers, and with its employees and members, treating people politely, fairly, and with respect;
 - 1.8.2 on public occasions and on all society business, behave in a way which is appropriate for a director of such an organisation. This includes not bringing the society into disrepute in any context.
 - 1.8.3 directors should behave in a way that demonstrates their belief in the values & principles and ethical stance of the Chelmsford Star Co-operative and shall conduct themselves in a way that does not call these beliefs into question or prejudice the general good standing of the society in any way.
- 1.9 Directors will treat meetings of the board or of any committee or sub-committee of the board as formal occasions, and will observe the following:
 - 1.9.1 accept the authority of the chair of any meeting, expressing all questions and points of view through the chair;
 - 1.9.2 listen to the views of colleagues with an open mind, seek advice or clarification where needed, express their own views, and come to their own decision on individual matters in good faith in what they believe to be in the best interests of the society, taking into account relevant factors and ignoring irrelevant factors;
 - 1.9.3 not resort to behaviour that could be considered to be aggressive or intimidating, e.g. swearing, name calling, shouting, finger pointing;
 - 1.9.4 keep to the agenda, raising other issues under "any other business" according to agreed procedures, and not engage in discussions during the meeting which are not relevant to the issues of the meeting;
 - 1.9.5 ensure that they do not attend any meetings under the influence of alcohol, or illegal or recreational drugs.
 - 1.9.6 not present misleading information or behave in a way designed to mislead the board.

Confidentiality

- 1.10 Directors will treat all information which they receive in their capacity as directors, and all discussion within the boardroom or within committees or sub-committees of the board, as confidential.

Directors will observe the following obligations of confidentiality:

- 1.11.1 they will not disclose any information outside the boardroom unless it is already in the public domain, or they are specifically authorised to do so. This includes information about the society's business, the deliberations of the board in reaching decisions, and the way individual directors voted on issues;
- 1.11.2 they will not use any such information for personal advantage;
- 1.11.3 they will not pass information to any representative of the press or media, and will refer any press or media enquiries to the society's executives;
- 1.11.4 they will not make unauthorised photocopies of any documents;
- 1.11.5 they will take proper care of any documents they receive as directors, and store them securely.
- 1.12 Directors who are employees will take particular care not to disclose to their colleagues any confidential information which comes to them in their capacity as a director.

Conflicts of interest

- 1.13 Directors must avoid any situation which may lead to a potential conflict of interest.
- 1.14 Directors must disclose to the board, through the Secretary, any situation which they believe may potentially give rise to a conflict of interest.
- 1.15 Where such a potential conflict is notified, the board shall decide whether the director may proceed with the situation giving rise to the conflict (for example, taking up a non-executive appointment in another organisation) or whether they must avoid it.
- 1.16 Directors must disclose to the secretary any material interest which they or their spouse or partner hold in:
- 1.16.1 any business which competes with or carries on the same trade as the society;
- 1.16.2 any business which is providing goods or services to the society, or is being considered as a potential supplier of goods and services;
- 1.16.3 any public body or voluntary organisation or charity with which the society has or is likely to have dealings.

- 1.17 The Secretary will record any such interest in a register of directors' interests.
- 1.18 "Material interest" for these purposes includes being an employee, holding any position of authority or responsibility, or owning any financial interest. It does not include the holding of shares which amount to less than 2% of the entire issued share capital of any company whose shares are listed on a stock exchange.
- 1.19 Subject to their society's rules, no director may take part in any discussion on a matter in which they have a material interest, or take part in any decision, or vote on any resolution. This applies to meetings of the board and of any committee or sub-committee of the board.

Taking independent advice

- 1.20 The society's Chief Executive Officer and management executive are responsible for running the day-to-day business of the society. If one or more directors have any questions about any aspect of the society's affairs, these should be raised in the first place with the management executive, through the secretary.
- 1.21 If any director, or any committee or sub-committee of the board believes that it is essential for independent advice to be sought on any matter to enable them to properly perform their duties, then this should be done through the Secretary.
- 1.22 If one or more directors are dissatisfied with advice given by the management executive or the society's external advisors, or the board fails to obtain their requested advice, they should raise the matter with the secretary. The secretary may take further independent advice if they consider it to be in the best interests of the society to do so.
- 1.23 If the secretary is involved in the matter in question and cannot be regarded as independent for the purposes of taking further advice, the Chief Executive Officer, Chief Financial Officer or a member of the management executive shall act in place of the secretary. If neither the secretary nor any member of the management executive can be regarded as independent for the purposes of the matter, it shall be referred to the Secretary General of Co-operatives^{UK}.
- 1.24 If the Secretary and a member of the senior executive team deem that the request for independent advice is frivolous, vexatious or that appropriate advice has already been sought on the subject in the last three years, then the request can be declined.

Training

- 1.25 Directors, individually or collectively, shall take part in any training which the board resolves is appropriate for their role as a director. Directors who regularly fail to attend training without good reason accepted by the remaining directors shall be considered to be in serious breach of this Code.

- 1.26 Directors should ensure that they are properly equipped to carry out their responsibilities. It is not sufficient to rely on current knowledge and experience. In order to keep pace with changing needs, and changing legal and financial obligations, directors need to undergo appropriate training and professional development on an ongoing basis.

Hospitality and Gifts

- 1.27 Directors should not, in their capacity as director (or what might be perceived as their capacity as director), receive from any person or organisation any hospitality, gift or any other benefit, except in the following circumstances:

1.27.1 working meals or refreshments;

1.27.2 inexpensive items (less than £10 in value) such as free calendars;

1.27.3 hospitality in the course of the society's business, which is disclosed to the secretary and recorded in a register.

Serving on the Board of a Federal Body

- 1.28 Directors who serve on the board of any federal body such as Co-operatives^{UK}, or the Co-operative Group must treat their roles as director of their society and director of any such federal body as separate.

- 1.29 This means that:

1.29.1 they must maintain confidentiality in relation to information they receive in one capacity, and not disclose any such information in the other capacity unless they are expressly authorised to do so;

1.29.2 when making decisions as a director of the society, they must make such decisions in what they consider to be the best interests of the society, and when making decisions as a director of the federal body, make them in what they consider to be the best interests of the federal body.

Breach of this Code

- 1.30 All directors accept that they must comply with this Code if the board is to be able to function properly and efficiently, and do its job. Where any director alleges that another director is in breach of this Code, the following provisions will apply:

1.30.1 if the allegation is made in the course of a meeting, the matter is to be referred to the chair, who may;

1.30.1.1 request the director alleged to be in breach to desist from any behaviour giving rise to the breach;

1.30.1.2 defer the matter to be considered by the board on a subsequent occasion;

1.30.1.3 adjourn the meeting;

- 1.30.1.4 request that the director alleged to be in breach temporarily leaves the meeting for the matter to be discussed by the remaining directors present;
- 1.30.1.5 exclude the director alleged to be in breach for the remainder of the meeting;

1.30.2 whenever the remaining directors are to consider an allegation of breach of this Code, the director alleged to be in breach shall be given the opportunity to respond to the allegation;

1.30.3 if the remaining Directors consider that a director has committed a breach of this Code,

- 1.30.3.1 the breach shall be minuted by the secretary;
- 1.30.3.2 the board may recommend that the director in breach undergoes disciplinary action and/or training;
- 1.30.3.3 the board may resolve to report the matter to the members at the next members' meeting.

1.30.4 subject to the rules of the society, a director in serious breach of this Code may be removed from office by a resolution approved by not less than three-quarters of the remaining directors, providing that the remaining directors also consider that it is not in the best interests of the society for that individual to continue as a director. Before any such resolution can be considered, the director alleged to be in serious breach shall be notified in writing of the alleged breach, and shall have an opportunity to answer the allegations made and rectify the breach.

This Code of Conduct has been approved by the board of Chelmsford Star Co-operative Society Limited

Date:

I agree to comply with this code including the provisions relating to confidentiality. I disclose business interests and list any conflicts below:-

Signed _____

Dated _____

Declaration of Interests