

## **General Duties of a Director (defined by Companies House)**

The Directors must always exercise their powers for a 'proper purpose'. The Directors must only carry on activities which are authorised by the Club's objectives and powers set out in, or implied as a result of the wording of, the Club's Memorandum.

Directors must act in accordance with the Club's Articles of Association. These Articles contain rules of how Directors meet, make decisions, delegate authority and their retirement & election.

Director must act in a way that they consider, in good faith, would be most likely to promote the success of the Club for the benefit of its members as a whole. When making decisions, directors must also consider the likely consequences for various stakeholders, including employees, suppliers, customers and communities. They should also consider the impact on the environment, the reputation of the Club, Club success in the longer term and all of the members

Board decisions can only be justified by the best interests of the Club, not on the basis of what works best for anyone else, such as particular members, non members or other Clubs. But directors should be broad minded in the way that they evaluate those interests - paying regard to other stakeholders rather than adopting a narrow financial perspective.

Directors should develop their own informed view on the Club's activities. Directors should not be delegates who simply implement the commands of other parties (such as vocal members). Nor should they avoid their responsibility to make independent decisions by relying on the knowledge or judgement of other directors or experts. A director needs to form their own view, and this may require some effort - especially if they are not already familiar with all aspects of the Club's activities.

Directors need to exercise reasonable care, skill and diligence. The benchmark is that of a reasonably diligent person with the general knowledge, skill and experience that could reasonably be expected from a person carrying out the director's functions. Also, directors with specific professional training or skills (such as a lawyer or accountant) are held to a higher standard in related issues than less qualified colleagues.

Conflicts of interest and personal benefits. If situations arise which impose multiple claims on a director's attention or loyalty, it is essential that they disclose them to fellow board members. It will then be up to the other non-conflicted board members (or the members, in some cases) to decide how to manage or approve the conflict and maintain the integrity of the board's decision-making process. Examples of conflicts of interest include situations where the director has relationships of a business or personal nature with persons, entities or other Clubs that are affected by the Club's activities.

## **General Duties of a Committee Member**

Directors have a legal responsibility to manage the Club and act in the manner described above. Committee members have a moral obligation to act in a similar way, acting in good faith and promoting the long term interests of the Club. Potential conflicts of interest should be declared at the start of Committee meetings.