

## MCTC LTD DIRECTORS' CODE OF CONDUCT

The Directors' Code of Conduct provides guidelines to govern relationships between the Board and management, between a Director and the Board and amongst individual Board members. It must be emphasised that, although each Director derives his or her position by direct appointment from individual member organisations, once the office of Director is conferred, the Director becomes bound by the overriding fiduciary duty to act in good faith in the pursuit of the best interests of MCTC Ltd as a whole. In particular, the circumstance that MCTC Ltd is a company limited by guarantee does not, in the slightest degree, modify or affect that overriding fiduciary duty.

1. A director must act honestly, in good faith and in the best interests of the company as a whole.
2. A director has a duty to use care and diligence in fulfilling the functions of office and exercising the powers attached to that office
3. A director must use the powers of office for a proper purpose, in the best interests of the company as a whole.
4. A director must recognise that MCTC Ltd is a public asset, and should, where appropriate, have regard for the interests of all stakeholders of the company and the community at large.
5. A director must not make improper use of information acquired as a director.
6. A director must not take improper advantage of the position of director.
7. A director must properly manage any conflict with the interests of MCTC Ltd.  
(See *Appendix A for Conflict of Interest guidelines*)
8. A director has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the board of directors.
9. Confidential information received by a director in the course of the exercise of directorial duties remains the property of MCTC Ltd and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by MCTC Ltd, or the person from whom the information is provided, or is required by law.
10. A director should not engage in conduct likely to bring discredit upon MCTC Ltd.
11. 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.
12. A director should not discuss personal business during a meeting of the board of directors nor advance his or her personal interests while the meeting is in official session.
13. A director should not make personal attacks on other directors, staff or member shareholders while performing official duties.

14. Directors should treat their colleagues and the staff with courtesy and respect, without harassment, physical or verbal abuse.
15. An opportunity must be provided for a director to put his or her views on issues before the Board or a committee on which he or she sits. While Directors must treat each other with courtesy and observe the other rules in this Directors' Code of Conduct, directors should be able to engage in vigorous debate on matters of principle.
16. A director should use his or her best efforts to keep apprised of legislation or regulations that affect the company.
17. A director shall, unless exempted by the Board or the President, co-operate in corporate governance procedures prescribed by the Board including periodic appraisals of the performance of the Board.
18. Holding the position of a director of MCTC Ltd confers no extra rights or privileges upon a person when they are acting in their capacity as a program producer.

## **Appendix A**

### **CONFLICT OF INTEREST GUIDELINES**

#### ***Giving notice of a conflict of interest***

It is a director's duty to disclose any material personal interest in a matter that relates to the affairs of MCTC Ltd.

If such an interest arises, the director must give notice, detailing the nature and extent of the interest, and the relation of the interest to the affairs of MCTC Ltd. The notice must be given at a directors' meeting as soon as practicable after the director becomes aware of their interest in the matter. The details must be recorded in the minutes of the meeting.

If the interest is an ongoing one, the director may give a standing notice of the interest. (This notice may be given even if the interest has not yet become a material personal interest.) The notice must be given either at a director's meeting or in writing to each director individually. If it is given in writing to each director individually, it must be tabled at the next directors' meeting, and must be recorded in the minutes of the meeting.

The standing notice must be given to any director who joins the board after the notice is given; otherwise the notice ceases to have effect.

If the nature or the extent of the interest materially increases, a new standing notice needs to be given.

Directors do not need to give notice of a material personal interest if the interest arises because:

- the director receives reimbursement for being an officer or director of MCTC Ltd.
- the director is a guarantor of a loan to MCTC Ltd.
- the director is involved in a contractual matter that will be approved by the Assembly instead of the Board.

*(These are requirements under Sections 191-192 of the Corporations Act 2001.)*

### ***Restrictions on voting and being present***

A director who has a material personal interest in a matter being considered by the board must not be present while the matter is being considered or vote on the matter.

Exceptions to this are if:

- the interest is one that does not need to be disclosed (as above).
- the other directors who do not have a conflict of interest pass a resolution that identifies the director, the nature and extent of the interest and its relation to the affairs of MCTC Ltd, and states that the directors are satisfied that the interest should not disqualify the director from being present or voting.
- ASIC has given notice in writing under Section 196 of the Corporations Act (2001) to allow the director to be present and/or vote on the matter.

If the exclusion of a director (or directors) due to a conflict of interest results in there being not enough directors to form a quorum for a board meeting, one or more of the directors (whether or not they have a conflict of interest) may call a General Meeting of the company to deal with the matter.

*(These are requirements under Section 195 of the Corporations Act 2001.)*

### ***Examples of matters of material personal interest***

- When a director or their immediate family or business interests stand to gain financially from any business dealings, programs or services of MCTC Ltd.
- When a director is remunerated for any professional service performed or offered to MCTC Ltd.
- When a director stands to gain personally or professionally from any insider knowledge if that knowledge is used to personal advantage.
- Where a director has a role in the governing body of another organisation that is in direct competition with, or has a conflict with, the activities of MCTC Ltd.