

## **Board Meeting – 29 June 2016**

### **Discussion Points**

#### **Insurance**

I have asked our brokers to quote for adding Directors' & Officers' cover to the existing policy. A short explanation of the cover is attached.

#### **The Limited Company**

It seems to me that there may be too much focus at times on the company aspect of AUK.

A company limited by guarantee is a convenient and protective structure for us but it does not necessarily have to define us. Our regulations and practices are where the soul of AUK should lie. That said, we do have duties as directors of which we should be mindful and I have set out some further thoughts on this below.

I would like to see a clear differentiation between that which we have to do (and should do) in compliance with our statutory duties as directors and that which we do as the board of a large members' organisation.

There have, of course, been a number of changes made to the Articles over the course of the last few years. It seems sensible to defer any further changes until the existing changes are a bit more established. In time, we should look to update the Articles in line with the Companies Act 2006.

As directors of a company, we are all bound by various statutory duties. One of those duties is to avoid conflicts of interest. Normal practice in similar organisations is for directors to complete and regularly update a Declaration of Interests form that can be held confidentially by the Company Secretary. I have attached a draft for consideration at the board meeting.

#### **Policies**

I attach a fairly generic code of conduct for social media for discussion in the board meeting.

I note that a safeguarding policy was recently adopted. There are other areas where we ought to look at adopting policies including:

Health and Safety

Privacy

Anti-doping

Disciplinary

Environmental

Equality

Grievances/Complaints

Some of these policies are not strictly compliance matters but are more to do with the perception of AUK as the right kind of organisation. I am happy to produce discussion drafts.

## **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

(from the Association of British Insurers Website)

Directors' and officers' liability insurance – also known as D&O insurance – covers the cost of compensation claims made against your business's directors and key managers (officers) for alleged wrongful acts.

Wrongful acts include:

- breach of trust
- breach of duty
- neglect
- error
- misleading statements
- wrongful trading

### **Do I need it?**

If your company has directors or key managers, directors' and officers' liability insurance can cover the cost of compensation claims made against them by shareholders, investors, employees, regulators or third parties.

Directors and officers have specific duties, responsibilities and powers relating to their positions. These are usually set out in their job description or terms of reference. If a director or officer of your company is found to have acted outside of their terms of reference, civil, criminal or regulatory proceedings can be brought against them.

Directors' and officers' liability insurance covers the cost of defending these proceedings, as well as any compensation costs that arise from an unsuccessful defence.

If directors and officers do not have insurance, they face a greater risk of not being able to defend themselves against:

- disqualification from holding the position of director
- civil proceedings which can lead to hefty legal costs and awards for damages
- criminal prosecution which can lead to fines and possible imprisonment

### **What it covers**

Directors' and officers' liability covers claims made by:

- regulators, e.g. investigations by the Health and Safety Executive (HSE) or the Office of Fair Trading shareholders or investors, e.g. for failure to act in the company's best interest
- creditors

It also covers claims brought in relation to:

- breach of European legislation
- insolvency

Employment practices liability insurance can be bought as an extension of directors' and officers' liability insurance. It covers employee discrimination claims, e.g. for unfair dismissal, harassment, or failure to promote a person.

Directors' and officers' liability sometimes covers defence costs arising from criminal and regulatory investigations into your company where no actual wrongful act has been alleged against a director. Contact your insurer to find out what your policy covers.

### **What is not covered**

Directors' and officers' liability does not cover claims made against your organisation as a whole, only those made against individuals for alleged wrongful acts carried out in their capacity as directors or officers.

**AUK**

**Register of Members' Interests**

**DECLARATION OF INTEREST**

<b>Person or organisation</b>	<b>Nature of relationship</b>

Name.....

Position .....

Signed .....

Date .....

DATED

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Audax United Kingdom Long Distance Cyclists' Association

**BOARD SOCIAL MEDIA CODE OF CONDUCT**

## **1. ABOUT THIS POLICY**

- 1.1 This code of conduct is in place to minimise the risks to AUK through use of social media.
- 1.2 Clearly, as board members, we should avoid making any social media communications that could damage AUK's interests or reputation, even indirectly.
- 1.3 This code deals with the use of all forms of social media, including Facebook, LinkedIn, Twitter, Google+, Wikipedia Instagram and all other social networking sites, internet postings and blogs. It applies to use of social media for AUK purposes as well as personal use that may affect AUK in any way.
- 1.4 Any misuse of social media should be reported to the General Secretary.

## **2. GUIDELINES FOR RESPONSIBLE USE OF SOCIAL MEDIA**

- 2.1 You should make it clear in social media postings, or in your personal profiles, that you are speaking on your own behalf. Write in the first person and use a personal e-mail address wherever appropriate.
- 2.2 If you disclose your affiliation with AUK on your profile or in any social media postings, you should state that your views do not necessarily represent those of AUK (unless otherwise authorised). You should also ensure that your profile and any content you post are consistent with the professional image of AUK.
- 2.3 If you see social media content that disparages or reflects poorly on AUK, you should contact the General Secretary.