



GRANGE & BROUGHTY GOLF CLUB

STANDING ORDER NUMBER 1/20

BOARD OF DIRECTORS

Standing Order under authority of Articles of Association Paragraph 20.

Content of Standing Order based on Articles of Association Paragraphs 10 to 15.

This Standing Order was circulated by email to all Board members, and approved on 21 September 2020

GRANGE AND BROUGHTY GOLF CLUB

STANDING ORDER NUMBER 1/20

BOARD OF DIRECTORS

1. Composition of the Board

The Grange and Broughty Golf Club is a company limited by guarantee. Its Articles of Association state that it will have a Board of Directors, consisting of up to 12 members. This will include the designated posts of Captain, Vice-captain, Lady Captain and Lady Vice-captain and up to 8 other members in non-designated posts. Appointment to these posts is determined by an election taking place at a General Meeting where members of the club have an entitlement to vote (the Lady Captain and Lady Vice-captain are elected by the lady members of the club). The designated posts of Captain, Vice-captain, Lady Captain and Lady Vice-captain are appointed at the annual general meeting for a period of one year; a member appointed to a designated post is eligible for re-appointment. For non-designated posts, members are elected to serve for a period of up to two years and following their term of office they may be re-appointed.

2. Role of the Board

2.1 The Board has powers given to it by law and by its Articles, and 'shall manage the business of the Company'.

2.2 The Board may delegate any of its powers to sub-committees, who will report back to the Board at regular intervals.

3. Responsibilities of Directors

3.1 By law, a Director has a duty to act in good faith to promote the success of Grange and Broughty Golf Club (G&BGC).

3.2 A Director in undertaking his/her responsibilities must consider

- The likely consequences of any decision in the long term
- The interests of G&BGC's employees
- The need to foster G&BGC's business relationships with suppliers, customers and others
- The impact of G&BGC's operations on the community and the environment
- G&BGC's reputation for high standards of business conduct
- The need to act fairly between members of G&BGC

3.3 A Director must exercise reasonable care, skill and diligence. In carrying out duties, a Director must perform to the best of his/her abilities and accept the responsibilities and expectations associated with this role. The more qualified and experienced a Director is, the greater the standard expected of them.

3.4 A Director must comply with G&BGC's constitution. The Articles of Association set out what powers are granted to Directors and the purpose of these powers.

3.5 A Director must exercise independent judgement, and must not allow his/her powers as a Director to be controlled by others. It is legitimate to accept advice, but a Director must exercise his/her own independent judgement to make final decisions.

4. Information for Directors

The Board must ensure that Directors have a proper flow of information to enable them to comply with their statutory duties. The Board must put in place procedures that enable all Directors to have good notice not only of decisions that need to be made by them, but also of the relevant supporting information.

5. Conflicts of interest

5.1 To avoid conflicts of interest a Director must avoid putting himself/herself in situations where loyalties might be divided e.g. a contract entered into with a business owned by a family member.

If a Director identifies a conflict of interest there is a process to enable the Director to make that known, and to authorise that Director to continue to act.

5.2 A conflict of interest exists if it could seem that a Director or a person or group associated with that Director might benefit undeservedly through the misuse of their position. Neither the perception nor the existence of a conflict of interest means that a Director has done something wrong or that it will cause problems. Any conflict of interest not identified or managed appropriately can undermine trust, damage relationships and personal reputations could suffer.

5.3 A Director must not accept benefits from people other than G&BGC (or a person acting on behalf of G&BGC), since third party benefits might be perceived as giving rise to a conflict of interest offered because the person holds the post of Director. In certain circumstances G&BGC may authorise the acceptance of benefits where it is clear that no conflict of interest exists, for example reasonable corporate hospitality.

5.4 A Director must not misapply G&BGC's property.

6. Dealing with a conflict of interest

6.1 If a conflict of interest arises the other Directors must be made aware of it, and the Director affected should immediately inform the Chair of G&BGC or the Managing Secretary.

6.2 If a Director of G&BGC discloses that he or she has an interest in a proposed transaction or arrangement that G&BGC is considering then G&BGC can apply any of the following requirements of that Director:

- Has restrictions placed on his/her access to information (e.g. does not receive relevant Board papers).
- Is excluded from a committee or working group dealing with the issue prior to G&BGC's consideration.
- He/she withdraws from discussing or voting on a particular item of business at a G&BGC meeting.
- Has certain tasks or duties reassigned to another Director.
- Relinquishes the interest that creates the conflict; or
- Takes leave of absence from the Board of G&BGC for the period while the conflict exists.

When in doubt, the default position should be that a Director interested in a decision or transaction is completely removed from discussion, deliberation and decision making in relation to the matter.

If G&BGC's decision making has already been compromised by a Director's failure to declare a conflict, it may be necessary to abort a decision or restart a process (e.g. a tendering process).

A Director's deliberate failure to disclose a conflict of interest may be a breach of the Code of Conduct for members, and subject to disciplinary action.

6.3 A conflict of interest should be recorded in writing and show how it was dealt with in the minutes of G&BGC meetings.

- What sort of conflict it was
- Which Director or Directors were affected
- If any conflicts of interest were declared in advance
- If anyone withdrew from the discussion
- How the other Directors made the decision in the best interests of G&BGC.

This duty continues to apply after someone has ceased to be a director as regards the exploitation of any property, information or opportunity that the Director become aware of in their position as a Director.

7. Duties allocated to Directors

As a member of the Board, it is likely that Directors will be given responsibility for one or more aspects of the business of the Board. These include:

- Property
- Finance
- Social events
- Match and Handicap
- Membership and Administration

8. Directors serving on sub-committees

The Board delegates some of its power and responsibilities to sub-committees such as Finance Committee, Property Committee etc. Directors are therefore likely to be required to serve on one or more sub-committees based on their knowledge and experience.