

Board of Directors Role and Responsibility Statement

The Company

The Hospice Lotteries Association is a Company Limited by Guarantee formed and registered under the Companies Act 2006.

General Responsibilities of Company Directors

The Board of Directors of a Company Limited by Guarantee is responsible for the management of the Company, through its Articles of Association. In general terms, this means that the Board is responsible for supervising staff, overseeing of sub-committees, providing strategic planning to the Company, and developing and implementing Corporate Policy. Board members must be (or at least must become) knowledgeable about the business and financial affairs of the Company with the focus on the following:

Establish Vision, Mission and Values

- Determine the company's vision and mission to guide and set the pace for its current operations and future development.
- Determine the values to be promoted throughout the company.
- Determine company policies

Set Strategy and Structure

- Review and evaluate present and future opportunities, threats and risks in the external environment and current and future strengths, weaknesses and risks relating to the company.
- Determine strategic options, select those to be pursued, and decide the means to implement and support them.
- Determine the business strategies and plans that underpin the corporate strategy.
- Ensure that the Company's structure and capability are appropriate for implementing the chosen strategies

Delegation

- Delegate authority to Officers and sub-committees and monitor and evaluate the implementation of policies, strategies and business plans.
- Determine monitoring criteria to be used by the Board.
- Ensure that internal controls are effective.
- Communicate with Officers and sub-committees.

Exercise Accountability to Members and relevant Stakeholders

- Ensure that communications both to and from members and relevant stakeholders are effective.
- Understand and take into account the interests of members and relevant stakeholders.
- Monitor relations with members and relevant stakeholders by gathering and evaluation of appropriate information.
- Promote the goodwill and support of members and relevant stakeholders.

In discharging its mandate to manage the Company's affairs, the Board must comply with the objects of the Company as stated in the Articles of Association. The Board must also comply with the relevant provisions of the Company's statute under which the Company is incorporated and the rules established under the common law (the law established by courts) governing Directors' duties.

Responsible Directors have a duty of honesty and good faith and this has various practical implications. Directors must:

- disclose the entire truth in their dealings with the Company and actively avoid any impropriety or dishonesty;
- have full allegiance to the Company's mission and further its cause;
- resign as a Director where the Director has any personal prejudices or beliefs that are inconsistent with the Company's mission and that might interfere with the duties owed to the Company;
- place the interests of the Company above personal self-interest in all dealings with the Company and actively avoid all potential conflicts of interest;
- fulfil all of the Company's reporting obligations with honesty and good faith, and accurately represent the Company's financial or other position;
- maintain adequate and accurate books of account, records and minutes of the Company;
- ensure that all corporate decisions are implemented in accordance with the applicable board resolution;
- accurately portray the Company's programmes and objectives to the members and general public and to any requesting government authority;
- not disclose any information acquired in connection with their position as Directors that might be harmful to the interests of the Company and that is not already available to the public;

The Legal Duties of Directors

Directors are required to exercise their power with competence (or skill) and diligence in the best interests of the Company. They owe what is called a "fiduciary duty" to the Company. The duty is a "fiduciary" duty because the obligation to act in the best interests of the Company, at its core, is an obligation of loyalty, honesty and good faith. Modern Companies statutes governing business provide a concise formulation of the fiduciary obligation owed by Directors. The formulation of the fiduciary duty of Directors has been developed at common law by English courts or set out in the Civil Code.

Directors' fiduciary duties can be divided into two main branches:

a) The Duty of Care

The duty of care imposes on Directors a duty of competence or skill - i.e. a requirement to act with a certain level of skill; and a duty of diligence. The duty of skill and diligence must be performed to a certain "standard of care".

b) The Duty of Loyalty.

The duty of loyalty requires that a Director act honestly and in good faith in the best interests of the Company. The duty of loyalty is a personal duty and cannot be delegated (the "no-delegation rule"). Among other implications, it means that a Director is not allowed to profit from his or her office (the "no-profit rule") and must avoid all situations in which his or her duty to the Company conflicts with his or her interests (the "no-conflict rule").

The Civil Responsibility of Directors

In law, a Company is a distinct legal entity. It has a separate legal personality from its Directors, members and other stakeholders. As a separate legal entity, the Company can own property, enter into contracts, be responsible vicariously for the civil wrongs ("torts") of its employees, and sue and be sued in the courts. It thus has "civil capacity". Directors and members are not generally, personally liable for the contracts and torts of the Company. When a Director properly signs a contract on behalf of the Company, only the Company is bound, not the Director. As a general rule, when an employee of a Company commits a tort, only the Company, (as employer), and the employee, are responsible, not the Director.

Directors are responsible, however, for breaches of their fiduciary duty to the Company. They can also be held personally liable for breaches of a growing number of statutory provisions that impose responsibility on them as Directors. Directors are also liable for the torts that they commit themselves, even if committed while executing their responsibilities as a Director. In general, if Directors commit a tort, the fact that they were acting as Directors when doing so will not be an excuse.

Specific Duties and Responsibilities of an HLA Director

The duties of a Director are:

- to ensure that the organisation complies with its constitution, organisation law, and any other relevant legislation or regulations
- to ensure that the organisation pursues its objectives as defined in its memorandum and Articles of Association
- to ensure the organisation applies its resources exclusively in pursuance of its objectives, i.e. the organisation must not spend money on activities which are not included in its own objectives, no matter how worthwhile or charitable those activities are
- to contribute actively to the board of Directors' role in giving firm strategic direction to the organisation, setting overall policy, defining goals, setting targets and evaluating performance against agreed targets
- to develop and safeguard the good name and values of the organisation and its partners
- to represent the company at functions and meetings as appropriate
- to declare any conflict of interest while carrying out the duties of a Director
- to be collectively responsible for the actions of the organisation and other Directors
- to ensure the effective and efficient administration of the organisation
- to ensure the financial stability of the organisation



- to protect and manage the property of the organisation and to ensure the proper investment of the organisation's funds
- to make sure the organisation is properly insured against all reasonable liabilities
- to attend Board meetings, and to read papers in advance of meetings
- to attend sub-committee meetings as appropriate
- to participate in other tasks as arise from time to time
- to keep informed about the activities of the organisation and wider issues which affect its work
- In addition to the above statutory duties of all Directors, each Director should use any specific knowledge or experience they have to help the board of Directors reach sound decisions. This will involve scrutinizing board papers, leading discussions, focusing on key issues, and providing advice and guidance requested by the board on new initiatives, or other issues relevant to the area of the organisation's work in which the Director has special expertise.

Hospice Lotteries Association - Director Person Specification

Directors must have:

- integrity
- a commitment to the HLA and its objectives
- an understanding and acceptance of the legal duties, responsibilities and liabilities of Directorship
- a willingness to devote the necessary time and effort to their duties as a Director
- strategic vision
- good, independent judgment
- an ability to think creatively
- willingness to speak their mind
- an ability to work effectively as a member of a team

The board of Directors will collectively need skills and experience in the following areas:

- financial management
- the type of work being undertaken by the member organisations
- legal matters
- fundraising
- public relations
- marketing

I have read, fully understand and agree with the Policy Manual:

Director _____ **Date** _____

Appendix 1 - Director Attendance Policy

Purpose

This policy is intended to support full contribution of all Hospice Lotteries Association Board members. All Board members will receive a copy of this official policy. The policy will be reviewed once a year and maintained in each member's Board Policy Manual. The policy has been reviewed and authorised by the Board (see signature and date below).

Director Duty of Diligence – Attendance Policy

Although Directors are not legally obliged to attend board meetings, their consistent failure to do so will be considered a breach of a Director's Duty of Diligence. A breach of Duty of Diligence will exist if:

- A Board member has two un-notified absences in a row ("un-notified" means the member did not communicate an apology ahead of an upcoming meeting)
- A Board member has three notified or un-notified absences in a twelve month period

Note 1: From the first meeting after the AGM until the following AGM

Note 2: Any Director in breach of due diligence as detailed above who has sought re-election may be withdrawn from the nominations presented at the AGM.

Note 3: Exemption to these clauses are subject to the Board being satisfied that non-attendance was due to exceptional circumstances.

Board Response to a Breach of Duty of Diligence – Termination Process

Following a board member being in breach of Due Diligence or the Attendance Policy, the board will be asked to vote on the future status of the board member who is in breach. The remaining Board members who are not in dispute will be asked to vote for, against or abstain. This process could be conducted through email communication. The decision will rely on a majority for or against termination of board membership.

The Board Chair will promptly contact the Board member to discuss the problem. The termination process will allow the Board Chair to call the member with the Board attendance problem and notify him or her of the Board's decision to terminate the member's Board membership per the terms of the Board Attendance Policy.

Appeal.

Any Director whose membership of the board has been terminated may appeal to the Board against the decision. A written request for an appeal must be received within 21 days for notice of termination. Three directors will review the decision either through written evidence provided or by a hearing in person. For the decision to be overturned there must be a majority in favour.

Resignation.

A Director may resign their directorship by notifying the Chairman or Vice Chairman.

Appendix 2 - Nomination to the Board of Directors

Nominations to the Board of directors of the Hospice Lotteries Association are governed by the organisation's Articles of Association which applicants must have read and with which they would undertake to comply. Any Director co-opted by the Board will need their position ratified at the next AGM of the Association.

The Hospice Lotteries Association has achieved the position of respect it now holds only through the dedication of its volunteer Directors who donate their time, knowledge and experience for the benefit of all of its members. A successful applicant would be expected to continue this tradition.

NOMINEE:

Name _____

Position _____

Organisation _____

Address

_____ Email _____

Please provide a copy of your CV and a statement, in not more than 200 words, of your reason(s) for wishing to join the Board of Directors.

Board Meetings (4 per year) are generally held in the Midlands but may be sited at any another location seen fit. Will you be able to attend? Please indicate here any location issues

I confirm that there are no terms in the Articles of Association of the Hospice Lotteries Association, which would disqualify me from directorship.

Signed _____

Date _____



NOMINEE _____

PROPOSED BY:

Name _____

Organisation _____

SECONDED BY:

Name _____

Organisation _____

Vote Result _____ BOARD CO-OPTED or AGM APPOINTED (Circle)

Signed by the Chair on behalf of the Board.

Date: _____