

**Skillnet Ireland
Code of Business
Conduct for Directors**





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1. Intent

It is the intention of Skillnet Ireland (the “Company”) to have well designed and documented policies and procedures that are applied fairly and consistently across the organisation. The Company is committed to reviewing all policies and procedures on an ongoing basis to ensure accuracy and consistency with legislation and best practice.

The purpose of this Code of Conduct (the “Code”) is to set down the general principles and standards, which govern the professional activities and conduct of the Directors of the Company (the “Directors”) thereby maintaining a high level of public confidence in the organisation as a public body.

This Code has been approved by the Board of Directors of the Company (the “Board”).

2. Scope

These policies and procedures apply to all Directors.

This document is not intended to be an exhaustive list of regulations or guidelines and will be subject to review on an annual basis and can be updated by decision of the Board.

There is a separate Code of Conduct for employees of the Company.

Any updated Code will be notified to all Directors and shall be available on the Company’s website.

3. Objective of the Code

- The Code sets out an agreed set of ethical principles to which all Directors of the Board should adhere.
- The Code aims to promote the maintenance of trust and confidence by colleagues, the Board, the stakeholders of the Company and the general public.
- The Code aims to prevent the development or acceptance of any unethical practices.

4. Key things that a Director must do

- Act in the best interest of the Company.
- Act honestly and diligently and keep good records of how the Company is directed and controlled.
- Take good professional advice whenever appropriate.
- Keep knowledge up-to-date.
- Show leadership and discharge directors' duties.
- Disclose conflicts of interest.
- Treat employees and individuals with respect.
- Ensure a culture of good communications.
- Be informed and make sound judgements.
- Attend Board and Committee meetings and engage in discussions.

5. Key things that a Director must not do

- Never act in the interests of a third party in a manner contrary to the interests of the Company.
- Never act dishonestly or recklessly.
- Never be involved in wrongful or fraudulent trading.
- Never take bribes or make personal gain (other than agreed remuneration and expenses).
- Never withhold information that is relevant to the Board's decisions.
- Never break the law.

6. General duties of Directors under the Companies Act 2014

The Companies Act 2014 (the "Act") codifies the duties of each director of a company for the first time in Irish law.

The general duties of directors under the Act include:

- the duty to ensure compliance with the Act;
- the duty to ensure that the Company keeps adequate financial records; and
- the duty to have regard to the interests of company employees and members.

The Act also codifies directors' fiduciary duties, meaning duties to act in the interests of the Company. These duties arise due to the special relationship between the director and a company, pursuant to which trust and confidence are considered to be essential. The principal fiduciary duties in the Act include:

- the duty to act in good faith and in the interests of the Company;
- the duty to act honestly and responsibly in the conduct of the affairs of the Company;

- the duty to act in accordance with the Constitution of the Company and to exercise his or her powers only for the purposes allowed by law;
- the duty not to use the Company's property, information or opportunities for his or her own benefit unless this is expressly permitted by the Constitution or approved by resolution of the members in a general meeting;
- the duty not to agree to restrict the Director's power to exercise an independent judgment unless that is expressly permitted by the Company's Constitution or the Director believes in good faith that it is in the interests of the Company to fetter his or her discretion or the Director's agreement to so restrict is approved by the Company in a general meeting;
- the duty to exercise the care, skill and diligence which would be exercised in the same circumstances by a reasonable person having both the knowledge and experience that may reasonably be expected of a person in the same position as the Director and the knowledge and experiences which the Director has;
- the duty to have regard to the interests of employees of the Company and its members;
- the duty to avoid conflicts of interests with the Company; and
- the duty to disclose interests in contracts.

Each Director of the Company must comply with his/ her statutory duties.

7. Legal Obligations

Directors of companies incorporated in Ireland under the Act have duties under the Act as set out above. It is the responsibility of each Director to act in conformity with all applicable provisions of the Act.

The Board will fulfil all regulatory and statutory obligations applicable to the Company. The Board is responsible for and shall ensure that the Company has in place up-to-date policies and procedures and that these are available and brought to the attention of all employees and volunteers. The Board will ensure that the Company complies with its obligations under health and safety, data protection, employment and equality legislation and regulations. The Board will review the Company's policies annually and shall obtain legal and professional advice where appropriate.

The Board will agree policies and procedures and reporting mechanisms to make sure there is compliance with all relevant legal and statutory requirements. The Board must appoint a company secretary. The Board may appoint one of its members to act as its company secretary (the "Company Secretary") subject to it being satisfied that that person has the necessary skill to carry out their function.

Where individual Directors become aware of any non-compliance by the Company with any legal obligation or any aspect of the 2016 *Code of Practice for the Governance of State Bodies* (the "Governance Code"), they should immediately bring this to the attention of the Board with a view to having the matter rectified. The Company shall have regard to the *Protected Disclosures Act 2014*. The Board shall ensure that the Company has in place adequate provisions so that employees and individuals otherwise associated with the Company can make disclosures relating to malpractice within the Company in a manner that protects the security of their position within the Company.

Each Director must read and understand the Governance Code and the Board shall act in compliance with the Governance Code and shall conduct the affairs of the Company in accordance with the rules and procedures laid down in the Act, all relevant Irish and European legislation and the Governance Code. The Board shall take due care that decisions which affect the rights or interests of individuals are effected in compliance with the law.

8. Regular and effective communication with the Company's stakeholders

The Board shall be responsible for identifying the key stakeholders of the Company and other parties that the Company needs to communicate with. The Board shall appoint an agreed spokesperson for the Company.

The Board acknowledges that the Company benefits from being open and transparent in its activities and shall ensure that its yearly activity report or its annual report and accounts are made widely available and are easily accessible.

The Board is responsible for ensuring that the Company meets its reporting requirements to any funder (including any government department) or relevant regulator.

The Board is responsible for the convening and holding of Extraordinary General Meetings and Annual General Meetings of the Company in line with the Act and the Company's Constitution.

The Board is responsible for ensuring that the Company complies with the Governance Code. The Board shall state publicly that the Company complies with the Governance Code by publishing its Customer Charter. This document should be displayed on the website, in the annual report and in the Company's reception area.

The Board is responsible for enabling stakeholders and beneficiaries to put their views on the work of the Company and how it is run to the Company and for ensuring that the Company responds to their questions and communicates effectively with them throughout the year.

The Board shall encourage and enable the engagement of those who benefit from the Company in the planning and decision making of the Company. The Board shall ensure that the members and other stakeholders in the Company are consulted in the planning process of the Company and that they are consulted prior to effecting any significant change.

9. Working Effectively

The Directors are responsible for making sure that the Company's individual Directors, committees, employees understand their roles, legal duties and delegated responsibility for decision making. As part of this process the Board shall ensure that all Directors are informed of and understand their obligations under the Act and the Company's Constitution. Each proposed new Director shall be provided with induction training to include an overview of the role of the Board, each individual Director, this Code and the Company's Constitution together with a schedule of all matters exclusively reserved for the decision of the Board as set out in Appendix A. The Company Secretary shall ensure that it provides to each new Director such of the documentation and information listed in section 3.7 of the Governance Code.

10. Board Operation

Each Director shall use his/her reasonable endeavours to attend every meeting of the Board.

Any Director who wishes to resign from the Company may do so by letter addressed to the Company Secretary (or in the case of the Company Secretary by letter to the Chief Executive).

The Board shall reserve a formal schedule of matters to itself for decision to ensure that the direction and control of the Company are maintained by it (see Appendix A).

Directors should raise any concerns they may have relating to the Company at Board meetings where the Board will attempt to resolve these concerns. If these concerns cannot be resolved during the Board meeting a timeline should be put in place for the resolution of the concern.

The collective responsibility and authority of the Board should be safeguarded. Excessive influence on Board decision-making by individual directors should be avoided, whilst allowing Directors the opportunity to fully contribute to Board deliberations.

Agendas of Board meetings shall be agreed to in advance by the Chairperson the Chief Executive and that minutes of the meetings are accurately maintained and are distributed to the Board in a timely manner. The Chairperson is responsible for the proper running of Board meetings. Board minutes will be in a standard form which shall be reviewed annually.

Individual Directors shall have reasonable access to independent professional advice where it is necessary to fulfil their duties (in the reasonable opinion of the individual director).

Directors should not retain documentation obtained during their terms as a Director and should return any such documentation to the Company Secretary of the Board or otherwise indicate to the Company Secretary of the Board that all such documentation in their possession has been disposed of in an appropriate manner. In the event that former Directors require access to Board papers from the time of their term on the Board, this can be facilitated by the Company Secretary of the Board.

The Board shall agree a yearly Board review process and shall ensure that suitable Board recruitment, development, training and retirement processes are in place to enable the Company to meet its requirements. The Board shall review these processes annually to meet the changing needs of the Company.

All newly appointed Directors will be provided with a comprehensive induction programme agreed by the Board and shall be furnished with all appropriate documentation relating to the Company (for example, a copy of its Constitution).

Every new Director must sign up to this Code.

11. Integrity

- Directors shall disclose any outside employment/business interests in conflict or in potential conflict with the business of the Company.
- Directors will avoid the giving or receiving of corporate gifts, hospitality, preferential treatment or benefits which might affect or appear to affect the ability of the donor or the recipient to make independent judgement on the Company's transactions.
- Business gifts other than items of very small intrinsic value should not be accepted.
- Directors will commit to their roles vigorously and energetically but also ethically and honestly.
- Directors engaged in the purchasing of goods and services will ensure that the conduct of purchasing is in accordance with the Company's guidelines and best business practice.
- Directors will participate in ensuring a culture of claiming expenses only as appropriate to business needs and in accordance with good practice in the public sector generally.
- Directors engaged in reporting will ensure that the Company's accounts and reports accurately reflect their business performance and are not misleading or designed to be misleading.
- Directors will avoid the use of the Company's resources or time for personal gain, for the benefit of persons or organisations unconnected with the Company or its activities or for the benefit of competitors.
- Directors commit not to acquire information or business secrets by improper means or to improperly disclose to third parties information which is acquired during the ordinary course of their directorship.
- Directors will observe the requirements of non-disclosure of privileged or confidential information to any third party. This continues to apply where their role with the Company has ended.

12. Potential conflict of interest

- Each Director is required to provide annually, a statement of interests in accordance with the *Ethics in Public Office Acts* 1995 and 2001.
- In any case where a function of the directorship requires to be performed and the Director has actual knowledge that he/she, or a connected person, has a material interest in the matter to which the function relates, he/she must, as soon as practical, prepare and furnish a statement in writing of those facts to the other Directors. He/she should not perform the function unless there are compelling reasons to do so. If he/she proposes to perform the function he/she should, before doing so or, if that is not reasonably practicable, as soon as possible afterwards, prepare and furnish a statement in writing of the compelling reasons to the other Directors and to the standards commission.
- Directors shall comply with their duty under section 231 of the Act to disclose his/her conflicts of interest arising in relation to contracts to be entered into by the Company. The Board shall keep a record of all disclosed conflicts of interest in accordance with section 231.

13. Information

- Directors support the management and employees of the Company in the provision of access to general information relating to the Company's activities in a way that is open and enhances its accountability to the general public.
- Directors shall at all times respect the confidentiality of sensitive information held by the Company. Sensitive information would include commercially sensitive information including future plans or details of major organisational changes, personal information and information received in confidence by the Company.
- Directors will observe appropriate prior consultation procedures with third parties where, exceptionally, it is proposed to release sensitive information in the public interest.
- Directors expect the employees of the Company to comply in full with relevant statutory provisions (e.g. that of Data Protection and Freedom of Information).

- The Company encourages any Director having in good faith suspicions of fraud, financial irregularity or other improper behaviour or practice to report this in accordance with the procedures set out in the Company's *Protected Disclosures Policy* which has been approved by the Board and is available from the Company Secretary.

14. Obligations

- Directors will ensure the fulfilment of all regulatory and statutory obligations imposed on the Company.
- Directors will comply with detailed procurement procedures, as well as complying with prescribed levels of authority for sanctioning any relevant expenditure.
- The Board will introduce controls to prevent fraud including adequate controls to ensure compliance with prescribed procedures in relation to claiming of expenses for business travel.
- All Directors are required to co-operate with internal audit in the internal audit process.
- Directors will use their reasonable endeavours to attend all Board meetings.
- Those Directors holding a director's position as outlined in the *Ethics in Public Office Acts 1995 and 2001* shall disclose any outside employment/business interests that are in conflict or in potential conflict with the business of the Company.
- The acceptance of an appointment where the potential for conflict of interest arises should be avoided during a reasonable period of time after Board membership has ceased.
- Directors acknowledge the duty of all Directors to conform to the highest standards of business ethics.

15. Loyalty

Directors acknowledge the responsibility to be loyal to the Company and will be fully committed to its activities while being mindful of the fact that the Company itself must at all times take into account the interests of the stakeholders.

16. Fairness

Directors undertake to ensure the Company complies with employment equality and equal status legislation and commits to fairness in all business dealings and to value the Company's networks, promoters and stakeholders and customers and treat all networks, promoters and stakeholders equally.

17. Work Environment

- Directors place the highest priority on promoting and preserving the health and safety of employees.
- The Board will promote the development of a culture of “speaking up” whereby employees can raise concerns regarding serious wrongdoing in the workplace without fear of reprisal.
- The Board will ensure that community concerns are fully considered.
- The Board will ensure that any detrimental impact of the operations of the Company on the environment shall be minimised.

18. Responsibility

- The Board shall ensure that this Code and a policy document on disclosure of interests are circulated to all Directors, management and employees for their retention.
- The Board shall ensure that these recipients of this Code acknowledge receipt and understanding of same.
- The Board shall prepare an explanatory booklet providing practical guidance and direction on such areas as gifts and entertainment and on other ethical considerations which arise routinely.

Appendix A

The formal schedule of matters to be reserved for exclusive decision by the Board shall include the following:

- the criteria and process by which employer networks are selected in pursuance of the Company's objectives;
- Significant acquisitions, disposals and retirement of assets of the Company or its subsidiary, Skillnets Services;
- Major investments and capital projects;
- Responsibility for systems of internal financial and other control;
- Delegated authority levels, treasury policy and risk management policies;
- Approval of terms of major contracts;
- Compliance with statutory and administrative requirements in relation to the approval of the number, grading, and conditions of appointment of all staff;
- Approval of annual budgets and corporate plans;
- Production of annual reports and accounts;
- Appointment, remuneration and assessment of the performance of, and succession planning for, the Chief Executive;
- Significant amendments to the pension benefits of the Chief Executive and staff (which may require Ministerial approval);
- To approve the financial statements for each accounting period which give a true and fair view of the assets, liabilities and financial position of the Company.