

## **BOARD AND EMPLOYEE CODE OF CONDUCT**

### **Overview**

The Board and Employee Code of Conduct (Code) governs the RACI's commercial operations and the conduct of Board Members, employees, consultants and all other people when they represent the RACI.

This Code deals with:

- compliance with laws and regulations;
- unacceptable payments;
- giving or receiving gifts;
- protection of RACI assets;
- proper accounting;
- dealing with auditors;
- unauthorised public statements;
- conflict of interest; and
- use of inside information.

The Board and Employee Code is separate from the RACI's Code of Ethics (By-law 22) which governs the actions of all Corporate and Non-Corporate members operating in the practice of chemistry. A copy of the RACI Code of Ethics is available on the RACI web site at: <http://www.raci.org.au/national/downloads/index.html>

### **General Principles**

#### **Compliance with Laws**

The RACI, Board Members, employees, consultants and all other people when they represent the RACI are expected to comply, at all times, with all laws governing its operations. They are also expected to conduct RACI operations in keeping with the highest legal, moral and ethical standards.

#### **Performance of Duties**

All Board Members and employees of the RACI, its subsidiaries and associated entities must conduct the business of RACI with the highest level of ethics and integrity in relation to members, creditors, each other and all others with whom they deal.

RACI employees must act:

- ethically, honestly, responsibly and diligently;
- in full compliance with the letter and spirit of the law and this Code; and
- in the best interest of RACI.

#### **Breach of the Code**

Any breach of applicable laws or other aspects of this Code will result in disciplinary action. Such disciplinary action may include (depending on the severity of the breach) reprimand, formal warning, demotion or termination of employment or position.

Breach of applicable laws or regulations may also result in prosecution by the appropriate authorities. The RACI will not pay, directly or indirectly, any penalties imposed on a Board Member or employee as a result of a breach of law or regulation.

#### **Reporting Breaches of the Code**

All RACI Board Members and employees are requested to report immediately any circumstances which may involve deviation from this Code to an appropriate manager, Executive Director, Public Officer, Finance and Administration Manager or the Board Chair.

It is in the best interests of the RACI for all employees to immediately report any observance of a breach of this Code.

The internal and external auditors of the RACI are responsible for reviewing the operations of the RACI. Part of this review will be to report to the Board any breaches of this Code which they detect.

**Compliance with Laws and Regulations**

The operations of the RACI must be conducted in compliance with all laws and regulations applicable in Australia and in the jurisdiction in which operations and activities are being undertaken.

**Observing the Letter and Spirit of the Law**

Compliance with the law means observing the letter and spirit of the law.

**Interpretation of Laws**

It is recognised that, in some cases, there may be uncertainty about which laws and regulations are applicable and there may be difficulties in interpretation. In such circumstances, RACI employees and Board Members have access to legal advice from the National Office and should seek such advice as is necessary to ensure compliance.

**Unacceptable Payments**

Bribes, kickbacks, inducements or other illegal payments of any kind must not be made to or for the benefit of any government official (of any country), customer, supplier or any other party in connection with obtaining orders or favourable treatment or for any other purpose. This prohibition extends not only to direct payments but also to indirect payments made in any form through distributors, representatives, consultants, agents or other third parties.

**Employees' Responsibilities**

RACI Board Members and employees must not seek or accept any type of compensation, fee, commission or gratuity from a third party in connection with the operations of the RACI.

**Giving or Receiving Gifts**

RACI Board Members and employees must not give, seek or accept in connection with the operation of the RACI any gift, entertainment or other personal favour or assistance which goes beyond common courtesies associated with accepted ethical and general commercial practice.

The purpose is to ensure that the offer or acceptance of a gift cannot create an obligation or be construed or used by others to allege favouritism, discrimination, collusion or similarly unacceptable practices by the RACI.

**Protection of RACI Assets**

RACI Board Members and employees are responsible for taking all prudent steps to ensure the protection of RACI assets and resources.

RACI Board Members and employees must ensure that RACI assets and resources are used only for the purposes of the RACI and in accordance with appropriate authorisations and delegations.

**Proper Accounting****Accounting Records**

RACI Board Members and employees must ensure that all RACI accounting records accurately and fairly reflect, in reasonable detail, the underlying transactions and all RACI assets, liabilities and any disposal of RACI assets.

**Maintenance of Accounting Records**

Accounting records must be maintained in accordance with Generally Accepted Accounting Principles and the Financial and Accounting Policies issued by the RACI.

**Dealing with Auditors**

RACI Board Members and employees must fully co-operate with the internal and external auditors of the RACI.

RACI Board Members and employees must not make a false or misleading statement to the internal or external auditors of the RACI and must not conceal any relevant information from the internal or external auditors of the RACI.

**Unauthorised Public Statements**

RACI Board Members and employees must not, without authority, directly or indirectly state that they are representing the RACI or its public position in respect of any matter.

**Unauthorised Activity**

RACI Board Members and employees must not directly or indirectly engage in any activity which could by association cause the RACI public embarrassment or other damage.

**Conflict of Interest**

RACI Board Members and employees must not use their position for personal benefit independent from the business of the RACI or to benefit any other business or person.

**Taking Advantage of Property**

RACI Board Members and employees must not take advantage of any property or information belonging to the RACI, or opportunities arising from those, for personal benefit independent from the business of the RACI or to benefit any other business or person.

**Interest in Competitor or Supplier**

No RACI Board Members and employees, or any family member or companion over which the RACI employee has influence, may directly or indirectly have an equity interest in, or have a significant beneficial connection with, any business or individual which competes with or is a supplier to the RACI without the prior written consent of the President or his/her nominee. (The above prohibition would normally be waived in relation to employment by a competitor under normal commercial terms in non-commercially sensitive positions.)

**Use of Inside Information**

**Non Disclosure of Confidential Information**

RACI Board Members and employees must maintain the confidentiality of all RACI information and must not disclose any information to any third party.

**Confidential RACI Documents**

RACI Board Members and employees must maintain the confidentiality of all RACI documents and must not disclose any information contained within the documents to any third party without the prior consent of an appropriate member of the Board or if required by law (following advice from the RACI's Legal Counsel).

RACI Board Members and employees must not use RACI information for the purpose of directly or indirectly obtaining personal gain.

**Any questions relating to the interpretation or enforcement of this Code should be forwarded to the National Office and the Honorary General Secretary.**

Date Board and Employee Code of Conduct Approved: 19 October 2006