

NATIONAL TOURISM DEVELOPMENT AUTHORITY
CODE OF BUSINESS CONDUCT FOR AUTHORITY MEMBERS

(29 SEPTEMBER 2009)

1. Purpose of Code

The National Tourism Development Authority (NTDA) is widely regarded throughout the business communities in which it operates for its honesty, fairness and business integrity, all of which are vital to the overall success of the business. To maintain this high reputation, it is incumbent on all Authority Members to conduct their business and personal activities in a manner that does not adversely reflect on the Authority.

It is now common practice for larger employers to introduce a formal Code of Business Conduct that provides guidance to directors in recognising and resolving the ethical and legal issues they encounter in conducting their duties. It is also a requirement for all State Bodies, such as the NTDA, to have such a Code. This requirement is embodied in the *Code of Practice for the Governance of State Bodies*.

Subject to the provisions of the next paragraph, and recognizing that Members are appointed by the Minister, the NTDA aspires to be honest and ethical in all of its operations and dealings, to adhere to the highest accepted standards of corporate governance in all its financial and management practices, and to behave responsibly towards the health, safety and welfare of its employees, towards those with whom it comes into contact, and towards the environment.

Each Authority Member is responsible for his/her own conduct and, while this Code provides a guideline to the type of business conduct required by the Authority, common sense and good judgement should be applied to all situations. All queries regarding business conduct should be directed to the Secretary.

Certain obligations on Members regarding, in particular, the non-disclosure of privileged or confidential information, do not cease when Authority Membership has ended. It is, moreover, recommended (in the *Code of Practice for the Governance of State Bodies*) that the acceptance of further employment, where the potential for conflict of interest arises, should be avoided during a reasonable period of time after Membership has ended.

2. Principles of the Code

The Code of Business Conduct for Authority Members is based on the following principles, which are an integral part of the NTDA's operation, and which provide the basis for all activities by Authority Members in connection with the NTDA:

- Integrity
- Loyalty
- Legality
- Confidentiality
- Fairness.

This Code has been developed to be consistent with the Authority's mission, as set out in our *Statement of Strategy*.

3. Integrity

The NTDA conducts all business transactions in accordance with best business practice. The principle of integrity is that each Authority Member should be open, truthful and honest in their dealings connected with or acting on behalf of the Authority.

Conflict of Interest

Disclosure is required of potential conflicts of interest between the duties of an Authority Member in connection with the Authority and any outside interest of the Member. A conflict of interest with another person or organisation may exist in circumstances where the Authority Member has a material interest (see definition in the Attachment) in the person/organisation or:

- Carries on business with that individual, company or firm
- Holds shares or other ownership or proprietary interest in the company or firm
- Is either a debtor or creditor of that individual, company or firm
- Holds any office whether as a Director or advisor or otherwise of such company, whether for remuneration or not
- Is or has conducted transactions with that individual, company or firm
- Is aware that the Authority might itself have an interest in the acquisition of property, business or other assets from a person or business connected with the Member (see definition below).

Initial declaration of actual or potential conflicts

Each Authority Member should:

- On appointment, furnish to the Secretary details relating to his/her employment and all other business or professional interests, including shareholdings, directorships, professional relationships etc that could involve a conflict of interest or could materially influence the Member in relation to the performance of his/her functions as a Member of the Authority
- Any interests of a Member's family of which s/he could be expected to be reasonably aware or a person or body connected with the Member which could involve a conflict of interest or could materially influence the Member in the performance of his/her functions should also be disclosed; for this purpose, persons and bodies connected with a Member include:

- a. a spouse, parent, brother, sister, child or step-child
 - b. a body corporate with which the Member is associated
 - c. a person acting as a trustee of any trust, the beneficiaries of which include the Member or the persons at (a) above or the body corporate at (b) above
 - d. a person acting as a partner of the member or of any person or body who, by virtue of (a) – (c) above, is connected with the Member
- Immediately inform the Secretary of any additional conflict of interest issues, as they arise or are envisaged during the course of his/her tenure as an Authority Member.

The Authority may exercise discretion regarding the disclosure by Members of minor shareholdings. The *Code of Practice for the Governance of State Bodies* states that, as a general guideline, shareholdings valued at more than €15,000 or of more than 5 per cent of the issued capital of a company should be disclosed.

The Secretary will maintain a confidential register of all such interests which will be updated annually. Changes in the interim should be notified to the Secretary as soon as possible by Members. Only the Chairperson, Chief Executive and Secretary will have access to this register.

Any queries regarding the appropriateness of disclosure should be directed by Members to the Chairperson of the Authority.

Annual disclosures

Each Member is required each year to prepare and furnish a statement in writing of his/her interests to the Standards Commission and to the Secretary. Annual statements cover the period up to 31 December each year and must be provided no later than 31 January of the following year.

Annual disclosures must cover:

- (i) the interests of the person and
- (ii) the interests, of which the person has actual knowledge, of his/her spouse or a child of the person or of his/her spouse

which could materially influence the person in, or in relation to, the performance of the person's official functions by reason of the fact that such performance could so affect those interests as to confer on or withhold from the person, or the spouse or child, a substantial benefit. More details are given in the annual form of disclosure.

Disclosure in annual reports

Fáilte Ireland is required to make certain disclosures in annual reports in relation to approval and payment of financial support and other transactions to companies by which Authority Members are employed or with which they are associated. The disclosures are set out in the following form:

Financial support approved	XX
Financial support paid	XX.

A full schedule of such transactions is made available on request.

Behaviour at Authority meetings or in the course of deliberations

Authority documents on any deliberations regarding matters which relate to a Member's interests (including the Member's competitor's interests), or those of a person or body connected to him/her, should not be made available to the Member concerned prior to a decision being taken. Decisions, once taken, should be notified to the Member.

As it is recognised that the interests of a Member and persons connected with him/her can change at short notice, a Member should, in cases where s/he receives documents, in error, relating to his/her interests or of those of a connected person/body, return the documents to the Secretary at the earliest opportunity.

Where an issue arises during the course of an Authority meeting or other deliberation in which that Member (other than in his/her capacity as a Member of the Authority) or a person or body connected with the Member has an interest, the Member should:

- Ensure that the conflict of interest has been appropriately declared and registered
- Return any documents relating or pertaining to the issue supplied by the Authority to the Secretary at the earliest opportunity
- Absent himself/herself during Authority deliberations pertaining to the area in which the Member has an interest
- Take no part in any deliberations of the Authority relating to the matter
- Not vote on a decision relating to the matter.

Where the issue pertains to the Chairperson's interests, s/he should absent her/himself from the relevant deliberations and the meeting should proceed, under the chairmanship of another appropriate Member, in line with *Section 18 (2)* of the *National Tourism Development Authority Act, 2003*.

In such cases, a separate record (to which the Member would not have access) should be maintained.

In particular, in any case where a function of the Member falls to be performed and the Member has actual knowledge that s/he or a connected person/body has a material interest in relation to this, the Member must, as soon as possible, prepare and furnish a statement in writing of those facts to the other Members. The Member should not perform the function unless there are compelling reasons requiring him/her to do so. If the Member proposes to perform the function s/he should, before doing so or as soon as possible afterwards, prepare and furnish a statement in writing of the compelling reasons to the other Members and to the Standards in Public Office Commission.

Where it is relevant to any matter which arises for Fáilte Ireland, a Member should indicate to the Secretary the employment and other business interests of all persons connected with him/her as defined under *Initial declaration of actual or potential conflicts* (above).

Where a question arises as to whether or not a case relates to the interests of a Member or a connected person with the Member, the Chairperson should determine the question.

Gifts and entertainment

Even when gifts and entertainment are exchanged out of the purest motives of personal friendship, they can be misunderstood and may appear to be attempts to influence decision-making. Authority Members should not seek or accept directly or indirectly any payments, fees, services or loans from any person or business entity that does or seeks to do business with, or in competition with the NTDA. To avoid both the reality and the appearance of improper relations with suppliers or potential suppliers, the following standards apply to the receipt of gifts and entertainment by Authority Members:

Authority Members may accept unsolicited non-monetary gifts provided:

- To do so would not affect or appear to affect the Member's ability to make independent judgement on business transactions
- To do so would be consistent with good business practice within the relevant sector
- Public disclosure of the transaction would not embarrass the Authority
- To do so will impose no obligation on either the Member or the Authority
- They are items of nominal intrinsic value and not more than one gift is accepted in any year
- They are advertising and promotional materials, not of substantial value, and clearly marked with the company or brand name.

The same principles of integrity should be applied to gifts an Authority Member is considering offering to a customer. This policy does not prevent a Member from borrowing monies from a financial institution for personal use.

Authority Members may not encourage or solicit entertainment from any individual or company with which the NTDA does business. From time to time Members may accept unsolicited entertainment, but only under the following conditions:

- The entertainment occurs infrequently
- It arises out of the ordinary course of business
- It involves reasonable, not lavish expenditure
- The entertainment takes place in settings that also are reasonable, appropriate and fitting to Members, their hosts and the business at hand.

4. Loyalty

Members are required to be loyal and committed to the NTDA and should not act contrary to the interests of the Authority.

5. Legality

It is the policy of the NTDA to comply with all relevant statutory and regulatory requirements governing its operations and Members should adhere to this policy when discharging their duties to the Authority.

6. Confidentiality

Each Member is required to maintain confidentiality around all information which is obtained in the course of duties relating to the business of the NTDA.

Members shall not disclose or appropriate to their own use, or to the use of any third party, at any time during or subsequent to membership of the Authority, any information confidential to the NTDA. This includes, but is not limited to:

- Information concerning the NTDA or any of its affiliates or associates
- Information concerning the NTDA’s customers or clients
- Information pertaining to documentation, customer lists, services, methods, processes and operating procedures.

Members are prohibited, during and after their period of office, from:

- Using Authority information for personal benefit
- Disclosing Authority information to third parties, including the media, without prior Authority approval
- Acquiring confidential information or business secrets by improper means
- Disclosing any business or trade secrets of the NTDA.

Former Members should treat commercial information received while acting in that capacity as confidential.

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

7. Fairness

The NTDA values and treats all employees, customers, suppliers and associates equally and is at all times committed to fairness in its business dealings. All Authority Members are, therefore, required to uphold the NTDA’s policy on fairness in their individual dealings in connection with their office as Authority Members.

I have read and understood the Code of Business Conduct for Members of the National Tourism Development Authority and agree to be bound by the terms thereof:

Name _____ **Position** _____

Signature _____ **Date** _____

ATTACHMENT

EXTRACTS FROM RELEVANT STATUTORY OR NON-STATUTORY PROVISIONS

National Tourism Development Authority Act, 2003

- (1) *Section 20 of the National Tourism Development Authority Act, 2003 provides, inter alia, that, where an issue arises at an Authority meeting in which a Member has a material interest, the Member shall:*
- a. *At the meeting, disclose to the Authority the fact of such interest and the nature thereof*
 - b. *Absent himself or herself from the meeting or that part of the meeting during which the matter is being discussed*
 - c. *Take no part in any deliberation of the Authority relating to the matter and*
 - d. *Not vote on a decision relating to the matter.*

All appropriate instances are recorded in the minutes of the meeting.

Ethics in Public Office Act, 1995

- (2) *The Ethics in Public Office Act, 1995 contains the following definition of material interest:*

"For the purposes of this Act, a person or connected person has a material interest in a matter if the consequence or effect:

- (a) of the performance by the person of a function of his or her office, directorship, designated position, or position as a special advisor, as the case may be, or*
- (b) of any decision made in relation to or in the course or as a result of the performance of such a function by the person*

concerning that matter may be to confer on or withhold from the person or the connected person a significant benefit without also conferring it on or withholding it from persons in general or a class of persons which is of significant size having regard to all the circumstances and of which the person or the connected person is a member".

Connected person

For the purposes of the *Ethics in Public Office Acts, 1995 and 2001*, the following definition of "connected person" applies:

"any question whether a person is connected with another shall be determined in accordance with the following provisions (any provision that one person is connected with another person being taken to mean also that that other person is connected with the first mentioned person):

- (i) a person is connected with an individual if that person is a relative of the individual*

- (ii) *a person, in his or her capacity as a trustee of a trust, is connected with an individual who or any of whose children or as respects whom any body corporate which he or she controls is a beneficiary of the trust*
- (iii) *a person is connected with any person with whom he or she is in partnership*
- (iv) *a company is connected with another person if that person has control of it or if that person and persons connected with that person together have control of it*
- (v) *any two or more persons acting together to secure or exercise control of a company shall be treated in relation to that company as connected with one another and with any person acting on the directions of any of them to secure or exercise control of the company."*