



The voice of corporate governance
in Luxembourg



ILA CODE OF CONDUCT

for members who act as Directors



INTRODUCTION

The aim of this Code of Conduct is to provide ILA members with guidance on the professional conduct that ILA, the Luxembourg Institute of Directors (the “Institute”), expects from its members when acting as a director (“Director”) in an organization (the “Entity”), whatever the legal form and status of this organization.

This Code of Conduct does not and is not intended to create any legal or other obligation in relation to the relevant Director, which are additional to his/her legal and regulatory duties towards the entities for which he/she acts as director or towards their respective stakeholders.

In the light of the relevant circumstances, a member who does not respect the Code of Conduct may be expelled from the Institute or see his/her certification withdrawn.



ARTICLE 1. A DIRECTOR SHALL ACT IN THE BEST INTERESTS OF THE ENTITY

A Director shall endeavour to ensure that the Board fulfils its key purposes of safeguarding the interests of the Entity and reaching its objectives.

A Director shall understand the Entity's strategic aims and shall ensure, with the other members of the Board, that the necessary resources, together with appropriate policies and procedures, are in place in order for the Entity to meet its objectives.

A Director shall strive to ensure a high standard of board governance of risk matters at all times.

ARTICLE 2. A DIRECTOR SHALL ACT WITH COMMITMENT

A Director shall devote the time and attention needed to fulfil his/her mandate properly. He/She shall limit his/her other professional commitments to the extent necessary for him/her to discharge his/her responsibilities diligently.

A Director shall duly prepare his/her involvement in any decision to be taken by the Board by requesting accurate, timely and clear information about the decision to be taken, together with any supporting documentation. He/She should take the time to analyse and discuss such documentation with the relevant parties, where applicable.

A Director shall be committed to the mission of the Board and aim to attend all Board meetings.

ARTICLE 3. A DIRECTOR SHALL HAVE THE NECESSARY SKILLS AND KNOWLEDGE TO PERFORM HIS/HER DUTIES

A Director shall be conscious of the need to maintain a high level of technical competence and expertise and endeavour to follow any training required to acquire necessary skills as soon as possible.

A Director shall have or acquire a broad knowledge of the business of the Entity and the applicable statutory and regulatory requirements.

ARTICLE 4. A DIRECTOR SHALL ALWAYS ACT WITH HONESTY, INTEGRITY AND TRANSPARENCY IN THE EXERCISE OF HIS/HER DUTIES

A Director shall act faithfully and diligently with a proper level of honesty and integrity.

A Director shall take time for and value interactions with Board members, executive management, shareholders and other stakeholders.

A Director shall not seek any undue personal advantage from his/her position.



ARTICLE 5. A DIRECTOR SHALL ACT WITH COMPLETE INDEPENDENCE OF MIND WHEN TAKING DECISIONS OR EXPRESSING AN OPINION

A Director shall refrain from acting if he/she does not possess all the information and documents required to make a considered and independent judgment concerning decisions to be taken by the Board.

A Director shall have a duty to apply proper standards of due care and diligence in decision taking. When in doubt concerning a Board decision, the Director shall not hesitate to obtain additional information and, if required, ask for professional and impartial advice.

In the case of material disagreement with a decision of the Board, a Director shall make sure that his/her arguments and participation in any vote on the matter are recorded in the minutes of the Board meeting.

ARTICLE 6. A DIRECTOR SHALL COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS AND TAKE APPROPRIATE ACTIONS IN THE CASE OF INFRINGEMENT OF THE LAW AND REGULATIONS BY THE ENTITY

A Director shall abide by internal codes of conduct, and abstain from illegal or fraudulent practices.

A Director, who notices that the Entity is not fulfilling its legal or regulatory requirements, shall inform the Board so that measures can be taken in order to correct such infringement.

ARTICLE 7. A DIRECTOR SHALL TAKE APPROPRIATE ACTIONS IN THE CASE OF CONFLICTS OF INTEREST

A Director shall confer with the other members of the Board to ensure that the Board defines and implements a conflict of interest policy adapted to the Entity.

A Director shall be aware of potential conflicts of interest between him/herself and the Entity or an entity controlled by it and shall, whenever possible, take all necessary actions to prevent or mitigate such risks.

If a potential or actual conflict of interest arises, the Director shall inform the Board in a complete and timely manner. He/She shall refrain from participating in the deliberations of the Board and from voting on the relevant matters, and in case of continuing material conflict of interests shall consider resigning from the Board.

ARTICLE 8. A DIRECTOR SHALL RESPECT CONFIDENTIALITY

A Director shall at all times comply with applicable confidentiality rules and data protection regulations. He/She shall understand that confidential information can only be used for the purpose for which it has been received.

ARTICLE 9. A DIRECTOR SHALL ACT PROFESSIONALLY AND ABSTAIN FROM ANY ACTION LIKELY TO HARM THE ENTITY'S REPUTATION AND INTERESTS

A Director shall remain vigilant over boardroom governance and be attentive to good governance principles.



ARTICLE 10. A DIRECTOR SHALL BE ATTENTIVE TO THE IMPACT THAT ACTIONS OF THE ENTITY MAY HAVE ON THE ENVIRONMENT, SOCIETY AND OTHER STAKEHOLDERS

A Director shall evaluate board decisions in light of the sustainability goals as expressed by public national and international bodies relevant to the company, including the European Union and the United Nations.

A Director shall be conscious of the environmental, social and ethical impact of board decisions and shall be committed to speak up on such matters whenever necessary.

A Director shall promote the principle of fairness in treatment of existing and potential employees and oversee the establishment and implementation of policies aiming at diversity, inclusion and equal opportunities appropriate to the Entity.

ILA Code of Conduct, January 2022

CODE OF CONDUCT ACKNOWLEDGEMENT FORM

I hereby acknowledge that I have received a copy of the ILA Code of Conduct. I have read the Code of Conduct and understand its contents.

I commit to apply the principles of the Code of Conduct to their best extent **when acting as a Director.**

Name:	
Entity:	
Function:	
Signature:	
Date:	



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