



IRISH NATIONAL STUD

Code of Conduct

Irish National Stud
Directors & Senior Management

Code of Conduct – Directors & Senior Management

PREAMBLE

The Irish National Stud is an important national organisation occupying a high profile position both in Ireland and internationally.

The Irish National Stud's reputation and the trust and confidence of those with whom we deal is one of our most vital corporate resources and the protection of this resource is of fundamental importance to the Irish National Stud and is a key component for success.

Given the Irish National Stud's public profile and the visibility of everything that it does, it follows that filling positions of responsibility in the organisation, in particular Board Members and Senior Management must be seen to be beyond reproach in their conduct.

The Irish National Stud will comply with the Code of Practice for the Governance of State Bodies issued by the Department of Finance and with the Charter on Ethics in Public Procurement issued by the Forum on Public Procurement in Ireland.

COMMITMENT TO QUALITY

The Irish National Stud has always had the objective of ensuring that the quality of service to all clients and customers is of the highest possible standards.

In 1998 the Irish National Stud became the first Stud in Ireland to be awarded the Q-Mark by Excellence Ireland and this accreditation has been retained by the Company since then.

This award is given to companies who have shown their commitment to quality management and customer care.

1. Introduction

This Code of Conduct ("the Code") applies to all the directors of the Irish National Stud. Reference throughout the Code to "the Company" means the Irish National Stud. References in the Code to a "connected party" (or "connected persons") means the following:-

- (a) spouse, parent, brother, sister, child or step-child
- (b) a body corporate with which the director is associated
- (c) a person acting as the Trustee of any trust, the beneficiaries of which include the director or persons at (a) above or the person corporate at (b) above
- (d) a person acting as a partner or any person who by virtue of (a) – (c) above is connected with the director

The Code outlines the responsibilities of each director to the Company and amongst other things establishes procedures for dealing with any potential conflict of interest which may arise between the responsibilities of a director and any other outside interest which he/she or a connected party may have. It is expected that the directors of the Company will apply the same duty of care to the resources of the Company as they would to their own

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resources. The Code is not a full statement of obligations of a director arising from his/her relationship with the Company.

This Code of Conduct:

- establishes an agreed set of ethical principles to guide Directors in their business conduct;
- is designed to promote and maintain confidence and trust in the Board of The Irish National Stud Company generally; and
- seeks to prevent the development or acceptance of unethical practices.

2. General Responsibilities

At all times it is the responsibility of each director to ensure that he/she acts within the law in general and in particular in fulfilling his/her duties as a director. It is the responsibility of each director to ensure that all of these activities, whether covered specifically or otherwise in this document, are governed by the ethical considerations implicit in these procedures.

3. Confidentiality

The directors of the Company in the course of their duties have access to confidential information.

It is the responsibility of every Director to:

- 3.1 keep strictly confidential all such information and they shall not disclose to any other person unless duly authorised to do so any such information in any form. This shall include:
 - (i) All commercially sensitive information (including but not limited to future plans or details of major organisational or other changes)
 - (ii) Personal information
 - (iii) Information received in confidence by the Irish National Stud
- 3.2 Observe appropriate prior consultation procedures with third parties where, exceptionally it is proposed to release sensitive information in the public interest.
- 3.3 Comply with relevant statutory provisions (e.g. data protection legislation, Freedom of Information Acts)

Directors should take particular care to safeguard adequately all Company documents. A Director, on ceasing to be such, is hereby advised that all Company documents in his or her possession should be returned to the Company. Pending such return the strict duty of confidentiality remains.

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4. Obligations

The directors shall:

- (a) Fulfil all regulatory and statutory obligations imposed on the Company.
- (b) Ensure that the Company is in compliance with all Government Tendering Procedures in accordance with the guidelines as published.
- (c) Ensure that the Company is in compliance with prescribed levels of authority for sanctioning any relevant expenditure.
- (d) Introduce all necessary controls to prevent fraud.
- (e) Use their reasonable endeavours to attend all Board Meetings.
- (f) Deal, on a case by case basis, with the issue of post resignation/retirement, employment, appointment and/or consultancy of its Directors and employees by the private sector and shall ensure that any procedure put in place for that person is monitored and enforced.

5. Loyalty

Directors and Senior Management should take account of the interests of the Company's shareholders when performing their duties. They are required to be loyal to the Company and be fully committed to all the business of the Company. Directors and Senior Management acknowledge their duty to act ethically in accordance with this Code.

6. Fairness

The directors shall ensure that:

- (a) The Company is in compliance with employment equality and equal status legislation.
- (b) That there is a commitment to fairness in all business dealings, and
- (c) The Company will value customers and treat all customers equally.

7. Work & External Environment

The directors shall ensure that:

- (a) They will place the highest priority on promoting and preserving the health and safety of all employees;
- (b) Community concerns are fully considered;
- (c) They will minimise any detrimental impact of the operations on the environment.

8. Conflict of Interest

The duty of each director is to act at all times solely in the interests of the Company to the exclusion of all other considerations. A conflict of interest exists in any situation where the personal or other interest of a director or a connected party might in any way affect the discharge by a director of his/her duties or his/her deliberations in a situation where a director or connected party could benefit. It makes no difference that that Company does not suffer by the conflict of interest. A director or his/her relatives, friends or associates must not under any circumstances obtain any such benefit.

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With regard to the issue of Conflict of Interest:

- (a) Where any director of the Company present at the meeting who, otherwise than is his/her capacity as a director, is in any way, whether directly or indirectly, interested in the matter shall at the meeting disclose to the Company the fact of such interest and the nature thereof and shall not vote on a decision relating to the matter and, where an interest is disclosed pursuant to this Article, the disclosure shall be recorded in the minutes of the meeting concerned, and for so long as the matter to which the disclosure relates is being dealt with by the meeting, the director by whom the disclosure is made shall not be counted in the quorum for the meeting.
- (b) Where at a meeting of the directors a question arises as to whether or not a course of conduct, if pursued by a director, would be a failure by him/her to comply with the foregoing requirements of this Article, the question may be determined by the Chairman of the meeting whose decision shall be final and where such a question is so determined particulars of the determination shall be recorded in the minutes of the meeting.

In addition to the requirements specified in Article 48 regarding disclosure of interest, this Code of Conduct establishes for each director a more specific requirement regarding disclosure of interests and procedures to be followed where a conflict of interest may exist.

9. Declaration of Directors Interests.

On appointment to the Board each director should furnish to the Company Secretary details of his/her employment and of all other business interests including shareholdings, professional relationships etc. Disclosures over and above those required by the Companies Act will be treated as confidential.

The interests of any connected party which could involve a continuing conflict of interest should be disclosed as far as they are known to the director.

10. Register of Directors Interests.

The Secretary will maintain a confidential Register of Interests of each director. The Register will be updated on an annual basis. Changes in interests should be notified to the Company Secretary in the interim as soon as possible. Only the Chairman and Company Secretary will have access to the register. Use of the Register will be strictly limited to the requirements of this Code.

11. Attendance at Board Meetings where a conflict of interest may arise.

Board or Company documents on any case which relate to Company dealing with the interests declared by a director will not be made available to the director. (Such documents are taken to include those relating to cases involving competitors to the declared interests)

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

A director should absent himself/herself when the Board is deliberating or deciding on matters in which he/she (other than his/her capacity as a member of the board) or a person or body connected with him/her has an interest.

Where a question arises as to whether or not a case relates to the interests of director a person or body connected with, the Chairman shall determine the question and his/her decision shall be final.

12. External Activities

Involvement by Senior Management in outside employment/business interests in conflict or potential conflict with the business of the Irish National Stud Company is prohibited.

Senior Management, who are at any time involved in any gainful employment, and/or running of any business or company outside of the Irish National Stud, must inform their manager in writing. This also applies to consultancy and contract work undertaken by Senior Management outside their employment. Senior Management in doubt as to whether a particular personal activity or interest is governed by these guidelines should consult the Chief Executive for an interpretation and a decision.

13. Gifts and Benefits

A director must not obtain personal advantage from any person dealing with the company. Board members should be mindful of the Prevention of corruption Acts 1889-2001 and in light of this legislation Board Members and Senior Management may only accept gifts provided that:

- The gift is unsolicited;
- The gift is not being offered in an attempt to influence decision making;
- The gift is not being offered by a person or an agent of a person seeking to obtain a contract from the Irish National Stud;
- The gift is one of small intrinsic value (e.g. diary, calendar, bottle of wine/spirits etc);and
- Not more than one gift is accepted in a year from any one source.

In all other cases, gifts should be returned to the sender, with a note advising that acceptance would be contrary to Irish National Stud policy. Under no circumstances may cash or cash vouchers be accepted.

In particular a director must not accept any gifts, or inducements where the value of such could make it appear that the person giving is attempting to influence the director to gain

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advantage. Any such gifts or inducements received should be returned tactfully with the request that no gifts be forwarded in the future.

14. Raising Concerns

In urgent or sensitive situations where confidential advice is required by Senior Management or where concerns arise which cannot be appropriately addressed through normal channels, particularly regarding possible financial improprieties, these should be directed to the Company Secretary.

Where the concerns of a Board member cannot be resolved, the Secretary will maintain a record of such concerns and this record will be reviewed by the Chairman and Secretary of the Board on a regular basis to check if those concerns have been subsequently resolved.

15. Failure to comply with the Code

Failure by a director to comply with this code of conduct may result in his/her actions being referred to the Minister for Agriculture, Fisheries & Food by the Chairman and will make a director liable to such action (including removal from the Board) as deemed advisable by the Minister.

16. Circulation of the Code

This Code will be circulated to all Directors for their retention. Directors will be required to acknowledge their receipt and understanding of same.

17. Commitment to review the Code.

The Irish National Stud Board will review this code on an annual basis.