

NAG Advancing your Aerospace and Airport Business

Code of Good Governance For board members of the NAG

The code contains standards on how to act in a given situation and rules about procedures that must be followed. Board members are accountable for complying with the code of conduct, and failure to comply may have consequences for their performance and position.

Introduction

The NAG is an association with a strong emphasis on member input and acting in the interests of members. This entails that everyone, both within and outside the association, should be able to have well-founded confidence in the actions of the board members. Therefore, it is necessary that the association meets standards for 'good governance'. The purpose of this code of conduct is to provide guidance for setting standards regarding the integrity of the board. The code contains rules both for the board collectively as well as for board members individually.

The NAG's articles of association stipulate that members of the general management board are to be elected from natural persons or from the natural persons who are associated with a member. As such, a board member may be employed by a member company. A board member, other than the chairperson and chief executive officer, performs their role as a board member without remuneration.

The NAG Code of Conduct for board members was adopted at the general membership meeting on 20 May 2015 and has since applied to existing and new board and committee members. New board and committee members will be asked to sign the Code of Conduct prior to their appointment.

The code consists of two parts. Part I describes a number of key concepts of integrity. They essentially form the general principles for the code of conduct. Part II contains the actual rules of conduct, distinguishing a number of themes such as general provisions, information, ancillary positions, conflicts of interest, acceptance of gifts, administrative expenses and expense claims.

Part I. Key concepts of administrative integrity

Board members put the quality of the board at the centre of their actions. 'The board' means the collective of which the board member is a member. The integrity of the board is an important prerequisite for this. The interests of the association's members, and by extension the interests of the association as a whole, are the primary guiding principle. Members' interests also include members' relationships with the market and their (potential) customers.

Administrative integrity means accepting the responsibility associated with the position and being willing to be held accountable for it. Accountability is provided internally to fellow board members and to the members, but also externally to stakeholders. After all, the NAG is also an association with social relevance and international recognition within the sector.

A number of key concepts guide this process and place administrative integrity in a broader perspective:

1. **Service.** A board member's conduct is always and entirely focused on the interests of the association and its members.
2. **Functionality.** A board member's conduct has an identifiable link to the position they hold on the board.
3. **Independence.** A board member's conduct is characterised by impartiality, meaning that no mixing occurs with improper interests while also avoiding any appearance of such mixing.
4. **Openness.** A board member's conduct is transparent, so that optimal accountability is possible and the supervisory bodies of the association have full insight into the board member's actions and their motivations.
5. **Reliability.** A board member must be someone who can be counted on; someone who keeps their agreements. Board members use the knowledge and information available by virtue of their position for the purpose for which they have been given.
6. **Duty of care.** A board member's conduct is such that in all contacts, respect and equal treatment are paramount, data is exchanged and verified in open communication, and different interests are weighed in a correct manner.

These key concepts are the touchstone for the following code of conduct.

Part II. Code of conduct for integrity in governance

1. General provisions

- 1.1. This code of conduct applies to all members of the board.
- 1.2. Consent to this code of conduct can, if necessary, in modified form, also be required by the board or members' meeting from anyone authorised by the board or members' meeting, respectively, to represent the association.
- 1.3. Cases not covered by the code or where application is ambiguous shall be discussed within the board.
- 1.4. The code is publicly available and can be accessed by third parties on the association's website.
- 1.5. Each board member receives a copy of the code upon their appointment and signs an identical copy, which is kept by the association's secretary.
- 1.6. If the code is changed, the version number will be raised and the amended copy with the raised version number will be signed by each board member; the website will be updated.
- 1.7. Board means the collectivity of which the relevant board member is a member.
- 1.8. This code of conduct will be adopted by the members' meeting, and may be amended by the same.

2. Information

- 2.1. Board members shall handle information available to them by virtue of their position carefully and correctly. They shall not disclose confidential information to anyone other than those for whom the information is intended.
- 2.2. Board members shall not use, for their own benefit or for the benefit of their personal relationships, information obtained in the performance of their function before such information is also known to the members.
- 2.3. Subject to the provisions of paragraphs 1 to 3 of this article, board members, of their own accord and on request, shall ensure that members receive the information that is important to them.

3. Conflicts of interest

- 3.1. A board member shall not hold any position or ancillary position that entails or may entail a conflict with the interests of the NAG.
- 3.2. A board member who wishes to hold a position or ancillary position where there is a possibility of it conflicting with the interests of the association shall discuss this intention with the board.
- 3.3. In collaborative relationships, a board member shall prevent favouritism and the appearance thereof in contravention of fair competition.
- 3.4. A board member who has financial interests in – or business, family or friendship relations or otherwise personal relations with – a provider of services to the NAG or NAG members, or with a competitor or potential competitor thereof, will refrain from participating in the deliberation and decision-making on the relevant matter or contract.
- 3.5. A board member shall not accept from a service provider or potential service provider to the NAG any facilities or services or items of value or special discounts that could influence or give the appearance of influencing their independent position in relation to the service provider.
- 3.6. A board member acting in that capacity on behalf of the NAG shall ensure that resources (stationery, business cards, e-mail address, etc.) are in the name of the NAG as much as possible and avoid unnecessary references to their own company.

4. Acceptance of gifts

- 4.1. Board members are not allowed to accept gifts or donations intended to give the board member a personal benefit and representing a value of more than €100.
- 4.2. Gifts and donations as defined in Article 5.1 with a value between €50 and €100, as well as gifts and donations intended for the board and/or the association, shall be reported and transferred to the board by the recipient and registered by the association.
- 4.3. Gifts and donations for the benefit of the association should preferably not be received at a board member's home address. If this does happen, it will be reported to the board and transferred to the association without delay.
- 4.4. The board shall decide on an appropriate destination for a gift or donation that, by its nature, cannot be of benefit to the association.

5. Administrative expenses

- 5.1. Expenses will only be reimbursed if their amount and functionality can be demonstrated.
- 5.2. The following criteria are used to determine the functionality of administrative expenditures:
 - the expenditure is in the interest of the association or sector, and
 - the expenditure arises from the function.

6. Declarations

- 6.1. Board members shall not claim expenses that have not been incurred by them.
- 6.2. Board members shall ensure the correct processing of their expenses and the reimbursements received for them in their tax returns.

Thus read, understood and endorsed, The

full NAG board