

## Founding Members Governance

### 1 Purpose

The Founding Members Governance Policy deals with the Founding Members processes, roles and responsibilities, to ensure the disciplined use of its time and actions, and ensure clarification of expectations.

### 2 Definitions

The **Board** is the group of Directors of the Medical Cannabis Council.

**Chairperson** is the position of first amongst equals on the Founding Members with the responsibility of ensuring the Founding Members follows its own rules and the rules imposed by MCC.

**Founding Members** are the group of individuals that supported the founding of MCC, and offered their services in an advisory capacity to the ongoing strategic direction of MCC.

**Founding Member** is an individual who is part of the Founding Members.

**General Manager** is the initial position with executive authority beneath the governing authority of the Board. The General Manager manages MCC at the behest of the Board.

**Member's** are Ordinary Member's of MCC.

**MCC** is the Medical Cannabis Council.

**Governance** the exercise of authority, direction and control of an organisation in order to ensure its purpose is achieved.

### 3 Roles and Responsibilities

The Found Member's role is to make certain contributions and provide advice on the strategic direction towards the achievement of the MCC Objectives and Mission.

#### 3.1. Responsibilities of the Founding Members

The Founding Members is a collection of individuals that form the 'advisory group' of MCC. The Founding Members is primarily responsible for providing strategic advice to the Board and management, and making strategic decisions.

This includes:

- Providing advice and making decisions about planning, strategic direction, goals and activities;
- Monitoring performance and activities against the Strategic Plan;

In order to advise on the affairs of MCC, the Founding Members consists of individuals that possess a mix of skill sets, diversity and experiences.

#### 3.2. Responsibilities of a Founding Member

A Founding Member is responsible for contributing to the collective advice giving and decision making of the Founding Members.

A Founding Member is responsible for:

- Understanding the business of the organisation and being aware of the Strategic Plan;
- Attending and participating in Founding Members meetings;
- Attending the Annual General Meeting;
- Providing advice, opinions and independent judgment to inform Founding Members, Board and management decisions:

### 3.3. Specific Roles

Unless the Board decides otherwise, Founding Members meetings will be chaired by the Chairperson of the Board, and the General Manager will act as Secretary.

## 4 **Founding Members Obligations**

The Founding Members have several internal documents and policies they must comply with and understand, including:

- Sign and follow a MCC Non-disclosure Agreement;
- MCC Code of Conduct;
- Communications Policy;
- Comments and Complaints; and
- Grievance Resolution.

From time to time, the Board may update this list as policies are developed.

### 4.1. Other Obligations

There are four main obligations that all Founding Members are expected to comply with and understand.

**The duty to act in good faith and for proper purposes.** Founding Members are required to act honestly, fairly and loyally in furthering the best interests MCC. This means Founding Members must place the interests of MCC above their own when making decisions or providing advice.

**The duty to act with care, skill and diligence.** Founding Members are required to make decisions and provide advice about the strategic direction of MCC.

Founding Members must take their role seriously and give sufficient time, thought and energy to the tasks they undertake, and decisions they are required to make and advice to give. For example, Founding Members must spend time properly preparing for meetings and commit to regularly attending those meetings.

Founding Members were asked to join the body because they possess specialised knowledge or skills. In these circumstances, the knowledge and skills of a Founding Member should be used for the benefit of MCC and applied when making decisions.

The duty to be diligent requires Founding Members to be thorough in their decision making. Diligence also requires Founding Members to keep up to date on developments in MCC's business, to ask for more information if needed.

**Duty not to dishonestly use position or information.** Founding Members hold a position of trust within MCC. Founding Members have access to confidential and important

information about MCC, and it's important that the position or information is not used to gain an advantage for the individual. A Founding Member is required to use their position, and all information they encounter because of their position, to benefit MCC. Founding Members must not use their position, or information gained from their position, to benefit themselves, and/or harm MCC.

**Duty to avoid conflicts of interest.** Founding Members have a duty to avoid conflicts of interest. However, conflicts of interest are common and having a conflict of interest is not necessarily a breach of this duty. A conflict of interest arises where a Founding Member puts themselves in a position where he or she will prefer their own interests, or someone else's interests (such as a friend or family member) to those of MCC. For example, if a Founding Member makes a decision or gives advice that will result in them personally benefitting from that decision, they will be in breach of this duty, unless you have disclosed the conflict and pursuing the conflict has been pre-approved by your organisation.

If a Founding Member realises that they have a conflict of interest they must disclose that interest to the Board as soon as possible and avoid taking part in decisions that relate to their conflict of interest. Importantly, the Founding Member must record the conflict and the steps taken to avoid the risks of the conflict of interest arising. Such Founding Members may be able to participate in a decision where there is a conflict of interest if the Board has been informed and they have agreed that the individual can still participate, but the better course of action is to avoid the conflict of interest by not participating in the decision.

MCC will keep a register of declarations of conflicts of interest. Founding Members must ensure the register is up to date in order to properly manage any conflicts of interest that may arise.

## **5 Founding Members Management**

### **5.1. Meetings**

Meetings of the Founding Members will, unless otherwise determined by the Board, be held quarterly.

Robert's Rules of Order will be followed unless a by-law has explicitly substituted an alternative procedure. Discussion at meetings of the Founding Members will be confined to those issues that clearly fall within the Founding Members' authority according to its policies. Founding Members deliberation at meetings will be timely, fair, orderly, thorough, and efficient.

### **5.2. Conflict Resolution**

Founding Members were requested to join the body to bring diverse views on issues to debates, decision-making and advice giving. Constructive disagreements between Founding Members are encouraged. They can generally be managed by following proper rules of procedure and encouragement of good listening skills. However, in the heat of board debate, disagreements sometimes degenerate into serious conflict on issues or between personalities.

The Chairperson is responsible for managing such conflicts. A neutral Founding Member or third party should be selected if the Chairperson is a party to the conflict. It is important to identify early on whether the conflict is based on the immediate issue at hand or has deeper roots based on differences in personal values and history, personalities, personal or political agendas, gender or culture.

## 6 Expenses

Founding Members are entitled to be reimbursed for expenses incurred during activities required to carry out their duties on behalf of the MCC.

- All expenses must be approved by the General Manager.
- The Board, in accordance with accepted community standards, shall annually decide the rate at which mileage expenses are reimbursed.
- The rate at which all other expenses are reimbursed (such as transportation costs or limits for meals) shall be decided annually by Board motion.
- All Founding Member expenses must be documented on a Founding Member Expense form and be authorised by the Financial Officer or General Manager.
- The Financial Officer is responsible to recommend, to the Board, appropriate rates of reimbursement for Founding Members expenses.

## 7 Decision Making

Decisions of the Founding Members are made as a group at meetings at which a quorum of the Board (51%) is present. A quorum is required for any decisions related to the business of MCC. Decisions will ideally be made through a consensus development process leading to a formal vote to record the decision. This process is intended to encourage full discussion and development of a decision that all, or at least the largest possible majority of, Founding Members can support, prior to a vote. Where disagreements continue to exist, dissenting members may request that their objections be recorded in the minutes. A favourable vote of a majority of Founding Members present, regardless of abstentions, is required for approval.

Founding Members have the right to discuss questions before the group and make their decisions in an uninhibited atmosphere. These Governance Policies, the Code of Conduct and procedural guidelines will govern deliberations. Founding Members will welcome and respect the diverse views of their colleagues, maintain confidentiality as required and offer public support for MCC decisions.

## 8 References

MCC Constitution  
Corporations Act 2001 (Cth)  
MCC Strategic Plan  
Communications Policy  
Comments and Complaints  
Grievance Resolution

## 9 Further Assistance

Further advice and/or assistance on Founding Members Governance is available from management.

### Document Control and Record of Changes

| Version | Revision Date | Prepared By | Approved By | Summary of Change    |
|---------|---------------|-------------|-------------|----------------------|
| v0.1    | 3/10/2017     | B. Bratter  | The Board   |                      |
| V1.0    | 20/11/2017    | B. Bratter  | The Board   | Minor grammer edits. |