



CDISC Policy 004 Board Governance

Revision History

Date	Revision	Description	Author
22 June 2004	0.1	Original	Governance Committee
21 July 2004	0.2	Revisions	Shirley Williams
2 August 2004	0.3	Revisions	Board of Directors
3 March 2006	1.0	Revisions	Governance Committee
24 April 2006	1.0	Approval	Board of Directors
3 March 2009	1.1	Amendment	Board of Directors
July 2012	1.2	Amendment	Governance Committee
	1.2	Approval	Board of Directors
June 2016	2.0	Update	Governance Committee
03 November 2016	2.0	Approved	CDISC Board of Directors
June 2020		Review	Governance Committee

1. Purpose

The purpose of this charter is to support CDISC Board members to fulfill their duties by:

- Ensuring awareness by Directors and officers of the CDISC Board of their basic fiduciary duties under state law and of their obligations related to federal tax exemption granted to CDISC.
- Providing a framework within which Directors and officers of the CDISC Board will be guided in the execution of their fiduciary duties on behalf of CDISC.
- Ensuring that the decisions and conduct of the Directors and officers are at all times consistent with their duties and obligations and with the CDISC mission.

To the extent there is any inconsistency between this policy and the CDISC Bylaws, the Bylaws shall govern.

2. Governing Policies

CDISC is organized and shall at all times be operated exclusively for purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and within the meaning of the Massachusetts General Laws Chapter 180, Section 4, as amended.

The Board operates in accordance with CDISC Bylaws, Policies (including this policy), Charters and will adhere to CDISC Operating and Internal Procedures where relevant.

3. Obligations of the Board and Individual Directors

3.1 Mission: CDISC is operated exclusively for the exempt purpose established in its mission, and shall engage primarily in activities which further that mission.

3.2 Directors' Role:

Directors assess the overall direction and strategy of the business. They do not manage the day-to-day affairs of CDISC, but delegate that function to others. Directors must, however, exercise reasonable and prudent oversight with respect to corporate officers, agents and employees to whom such affairs are delegated.

In the performance of his or her duties, a Director may rely on information and reports received from officers or employees of CDISC, as well as from professional advisors (e.g. attorneys, public accountants) and other persons with regard to matters the Director reasonably believes are within the person's professional or expert competence. A Director may also rely upon a committee of the board of which the Director is not a member, as to matters within its jurisdiction.

3.3 Core Fiduciary Obligations of Directors

- **Duty of Care**

A Director shall discharge his or duties as a Director, including duties as a member of a committee:

- In good faith;
- With the care that an ordinarily prudent person in a similar position would exercise under similar circumstances; and
- In a manner the Director reasonably believes to be in the best interests of CDISC.

The duty of care implies a duty of reasonable inquiry. Each Director is obligated to ask questions and demand information to allow that Director to have sufficient information and understanding to make decisions he or she reasonably believes are in CDISC’s best interests.

A Director is not acting in good faith if the Director has knowledge concerning the matter in question that makes reliance on advice from employees, officers, advisors and consultants, or other Directors or board committees unwarranted.

- Duty of Loyalty

Each Director is obligated to exercise an undivided and unselfish loyalty to CDISC. Each Director must exercise his or her obligations and powers in the best interests of CDISC and its charitable mission, not in his or her own interests or in the interests of another person or entity (even if charitable in nature).

Each Director must serve the best interests of CDISC and may not narrow his or her board role to serving the interests of a particular member, non-voting affiliate, or narrow segment or constituency within the community of nonprofit organizations served by CDISC.

Each Director shall fully comply with CDISC’s conflict of interest policy and code of ethics.

Each Director must refrain from taking corporate opportunities that rightfully belong to CDISC. A corporate opportunity is a business or personal opportunity that is known to the Director because of his or her position as a Director. A Director may not personally benefit from an opportunity that rightfully belongs to CDISC. Each Director is obligated to affirmatively protect the interest of CDISC and to refrain from doing anything that would deprive CDISC of profit or advantage which the Director’s skill or ability might bring to it.

- Obedience to Purpose

Each Director is obligated to further the mission of CDISC, to be faithful to its purposes and goals, and to act in conformity with all laws affecting CDISC.

3.4 Individual Board Member Commitment

Board members must possess solid character traits and personal integrity. They are active members who have tolerance of differing viewpoints and can communicate honesty with sensitivity. Board members should be amiable, responsive, and patient.

Board members must commit to serving for three years on the CDISC Board if elected, including attending Board meetings (including at least 2 face-to-face meetings per year) and participating in at least one CDISC Board Committee.

Failing to attend 2 out of 3 consecutive face-to-face meetings will trigger a review by the Governance Committee; final action regarding continued Board membership will then be taken by the Executive Committee

4. Manner of Governing

The Board shall enforce upon itself whatever discipline is needed to govern with excellence.

The Board shall cultivate a sense of group responsibility. The Board is responsible for governing with excellence. The Board will use the expertise of individual Directors to enhance the ability of the Board as a body, rather than allowing individual expertise of Directors to substitute for judgments that should be made by the Board as a body.

The Board shall follow the Bylaws in implementing a governance structure and operations that are accountable to CDISC's members and its mission. In particular, it shall do the following:

- Establish standing committees with charters and require that Directors actively participate in such committees in accordance with the committee charters.
- Conduct regularly scheduled Board meetings and expect that Directors will attend (unless they have an excused absence) and actively participate.
- Adopt and monitor policies that assure adequate oversight of the affairs of CDISC, including of its officers and employees, adequate implementation of its programs, and compliance with the law.

The Board shall assess its performance and the performance of individual Directors at least bi-annually. This self-assessment shall include monitoring of Board and Director performance against policies related to governance and to relationships to the Executive Director and staff. This assessment may be conducted by a committee of the Board initially, especially with regard to the performance of individual Directors, but the full Board shall engage in a discussion and self-assessment of its performance.

The Board shall direct, control and inspire CDISC through careful organizational planning to assure that CDISC is effectively pursuing its mission. The Board shall review its organizational plan at least annually and shall update it as needed to effectively pursue CDISC's charitable mission.

5. Authorization

This document has been approved and is in effect on this date:

Name	Board of Directors
Date	9 July 2020