



NAMA BOARD DIRECTOR SERVICE RESPONSIBILITY GUIDELINES

Service on the NAMA Board of Directors

The NAMA Board of Directors is the volunteer leadership body that provides governance and strategic direction for NAMA. The Board creates an environment to foster diversity, diversity of thought, open communication, collaboration and positive support to the staff of NAMA. Service on the NAMA Board involves passion, communication, commitment, strategic vision and the ability to sacrifice for the greater good. To that end, NAMA and the industry are best served by serious people willing to work with others to further the common business interests of all.

Since Board service is an honor and privilege and at the same time a strong commitment of time and talent, it's important to understand the mission of the Board, the role of Directors, expectations, commitment and Board duties prior to applying for service.

Mission of the NAMA Board

NAMA promotes the common business interests and general welfare of the convenience services industry; works to improve the industry's service to the public; cooperates with government officials in advancing the public interest; and seeks to positively influence business conditions within the industry. The Board of Directors is the governing and policy making body of the association, responsible for the strategic direction and oversight of NAMA and its mission.

Understanding the Role of the Board

The NAMA Board Directors acts on behalf of members with principal responsibility for fulfillment of NAMA's mission and legal accountability for its operations. The Board establishes a clear organizational mission; guides development of the strategic plan to accomplish the mission; oversees and evaluates the plan's success; hires a CEO; and provides adequate supervision and support to that individual and ensures NAMA's financial solvency. The President & CEO is given responsibilities for the day-to-day operation of NAMA including hiring, supervising, coordinating and terminating the professional staff. In addition the CEO is responsible to the Board for the overall operation of the association and achievement of its goals. Put another way, committees recommend, boards adopt and staff implements.

Under the law, Directors must act in the best interests of NAMA, acting in good faith, with the care an ordinary prudent person in a like position would exercise under similar circumstances and in a manner the Director reasonably believes to be in the best interests of NAMA. Board members have a duty of loyalty to the organization, its staff and other Board members. While differences of opinion are sure to arise, Board members should seek to keep disagreements impersonal. By practicing discretion and accepting decisions made on a majority basis, Board unity and confidence are promoted. Board members accomplish their functions through regular meetings and by establishing a committee structure that is appropriate for NAMA. Board members are charged to arrive at meetings prepared and ready to engage in thoughtful dialogue under a group process which generates and uses the best thinking of its members.



NAMA Board Director Expectations & Duties

The NAMA Board of Directors is a working and active governing body. Serving on the NAMA Board carries with it significant commitments and important responsibilities. Accepting a Board seat means commitment of time, talent, leadership and financial resources to NAMA. Directors receive no compensation or expense reimbursement for Board service. Directors agree to be as responsive as possible to requests for Board action or input. Directors agree to act as industry spokesperson, serve on committees, be advocates for NAMA and agree to remain conversant with the issues, programs, activities and membership benefits of NAMA. Directors are active and visible at NAMA events.

Directors are expected to attend Board meetings. Failure to attend Board meetings does not allow a Director to claim ignorance of an issue or to distance themselves from a Board action, being bound by actions taken at meetings. Board meetings should be missed only for unavoidable emergencies. Under NAMA's Bylaws, a Board member who misses two consecutive Board meetings is considered to have tendered their resignation, subject to Executive Committee review and acceptance.

Directors have a Duty of Loyalty which is breached when a Director uses the office to promote, advance or effectuate a transaction between NAMA and the Director, relatives or associates and that transaction is not substantively fair to NAMA. The presumption of conflict can be rebutted under certain circumstances, which requires transparency, disclosure and that the terms are fair and reasonable. In some cases, even the appearance of conflict should dictate that the transaction should not occur. Full disclosure and refraining from discussion and voting are required when a Director may be influenced by a private interest. Director who usurps a possible organizational opportunity may also be found to breach the duty of loyalty. A Director who usurps a possible organizational opportunity for NAMA may also be found to breach the duty of loyalty. In all cases, a Director owes a duty to NAMA which takes precedence over their own personal interest.

Directors are expected to exercise the duty of care, one of the key elements of which is the duty to be informed. Directors must assure themselves that information and reporting systems exist that are reasonably designed to provide to senior management and to the Board itself timely, accurate information, sufficient to allow management and the Board to reach informed judgment. A Board's decisions not only must be informed, but also must be reasoned and deliberate. Decisions should be made by the Board deliberately and without due haste or pressure. This is the reason that the law requires the Board to meet or to have the opportunity to discuss a matter with all members of the Board present at a meeting at which a quorum is present, or by unanimous written consent. The Board should be as thoroughly and completely prepared in its decision-making process as possible.

One of the Board's responsibilities is to oversee the organization's financial affairs, ensuring NAMA has adequate internal accounting systems and controls. The Board is responsible for approving the organization's annual budget. Board members should expect the staff to produce timely and adequate income and expense statements, balance sheets, and budget status reports. Board members employ independent accounting professionals and review the annual report of such professionals. There should be an opportunity to meet with outside accountants to review the year-end audit and to raise questions if needed.