

## Legal obligations of members of the International Executive Committee

The International Bureau for Epilepsy (IBE) is a non-profit organization incorporated in the District of Columbia, U.S.A. Individuals who serve on the International Executive Committee of IBE are Board Directors and as such they have a fiduciary duty to the members of the organization and to those that contribute to it. The courts and commentators have described the “fiduciary duty” owed by each member of a corporate Board of Directors to be both a duty of loyalty and duty of care. Those two duties are briefly described below.

The duty of loyalty requires a director to exercise his/her powers in the interest of IBE and not in the director’s own personal interest or in the interest of another. In essence, a director must avoid conflicts of interest between his/her personal interests and those of the corporation. Should a conflict of interest arise, the director is obligated to recuse himself from participating in discussions and voting on any issue where a conflict of interest exists. Another element of the duty of loyalty is that directors are obligated to preserve the confidentiality of issues raised before the Board that are not to be disclosed to those outside the Board.

The duty of care owed by a director of IBE are as follows:

1. be reasonably informed by attending meetings and relying on information in reports received from its staff, accountants, attorneys, and other consultants;
2. participate in discussions by using independent judgment, exercising good faith, and with the care of an ordinary prudent person in similar circumstances;
3. follow the organization’s Articles of Incorporation, Bylaws, and policies; and
4. protect the assets of IBE and ensure that they are expended in the members’ best interest.

In summary, the principal duty of IBE’s officers and directors is to faithfully and loyally discharge their responsibilities to the organization. This duty is personal to the individual and cannot be assumed by IBE. Directors and officers who are negligent in overseeing the management of IBE, or who are guilty of misconduct in relation to IBE, may be held personally liable for damages incurred by IBE or, in some cases, by a third party who is injured and can show that the injury would not have occurred but for the negligence or misconduct.

*February 2005*