

Policies and Procedures

Section: Governance	Policy Number: 2011-03
Subject: Conflict of Interest	Approved by: Board of Directors
Original Effective Date: June 8, 2011	Revision Dates: April 8, 2019

Chairperson

Date

Conflict of Interest - Draft2

Purpose

All directors have a duty to ensure that the trust, confidence and integrity of the decision-making processes of the board are maintained by ensuring that they and other members of the board are free from conflict or potential conflict in their decision making. It is important that all directors understand their obligations when a conflict of interest or a potential conflict of interest arises.

Application

All directors including ex-officio directors, **ED-NP Lead**, and all non-board members of committees.

Policy

Directors, **the ED-NP Lead** and non-board committee members shall avoid situations in which they may be in a position of conflict of interest. The by-laws contain provisions with respect to conflict of interest that must be strictly adhered to.

In addition to the by-laws, the process set out in this policy shall be followed when a conflict or potential conflict arises.

Description of Conflict of Interest

The situations in which potential conflict of interest may arise cannot be exhaustively set out. Conflicts generally arise in the following situations;

1. *Interest of a Director "Wearing Two Hats"*

When a director transacts with the corporation directly or indirectly; and that director has a significant direct or indirect interest in a transaction or contract with the corporation.

2. *Interest of a Relative*

When the corporation conducts business with suppliers of goods or services or any other party of which a relative or member of the household of a director is a principal, officer or representative.

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3. *Gifts*

When a director or a member of the director's household or any other person or entity designated by the director, accepts gifts, payments, services or anything else of more than a token or nominal value from a party with whom the corporation may transact business (including a supplier or goods or services) for the purposes of (or that may be perceived to be for the purpose of) influencing an act or decision of the board.

4. *Acting for an Improper Purpose*

When directors exercise their powers motivated by self-interest or other improper purposes. Directors must act solely in the best interest of the corporation. Directors who are nominees of a particular group must act in the best interest of the corporation even if this conflicts with the interests of the nominating party.

5. *Appropriation of Corporation Opportunity*

When a director diverts to his or her own use an opportunity or advantage that belongs to the corporation.

6. *Duty to Disclose Information of Value to the Corporation*

When directors fail to disclose information that is relevant to a vital aspect of the corporation's affairs.

7. *Employment*

Board members will not use their position to obtain employment in the clinic for themselves, family members or close associates. A Board member who wishes to apply for employment must first resign from the Board

Process for Resolution of Conflicts and Addressing Breaches of Duty

Disclosure of Conflicts

A director who is in a position of conflict or potential conflict shall immediately disclose such conflict to the board by notification to the Chair or Vice Chair of the board. The disclosure shall be sufficient to disclose the nature and extent of the director's interest. Disclosure shall be made at the earliest possible time and prior to any discussion and vote on the matter. The Chair is expected to ask if a conflict appears to exist.

Abstain from Discussions

The director shall not be present during the discussion of the matter in which he or she has a conflict and shall not attempt in any way to influence the voting.

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All directors shall comply with the requirements of the by-laws. It is acknowledged that not all conflicts or potential conflicts may be satisfactorily resolved by strict compliance with the by-laws. There may be cases where the perception of a conflict of interest or breach of duty may be harmful to the corporation notwithstanding that there has been compliance with the by-laws.

A director may be referred to the process outlined below in any of the following circumstances;

1. *Circumstances for Referral* – There is concern that a director;
 - a. Has breached his or her duties to the corporation;
 - b. Is in a position where there is a potential breach of duty to the corporation;
 - c. Is in a situation of actual or potential conflict of interest; or,
 - d. Has behaved or is likely to behave in a manner that is not consistent with the highest standards of public trust and integrity and such behaviour may have an adverse impact on the corporation.
2. *Process for Resolution* – The matter shall be referred to the following process;
 - a. Refer matter to the Chair or where the issue may involve the **Chair**, to the Vice-**Chair**. (*omit* with notice to the **ED-NP Lead**).
 - b. **Chair** or Vice Chair (*omit as the case may be*) may either (i) attempt to resolve the matter informally, or if the matter cannot be informally resolved to the satisfaction of the Chair or Vice Chair, (*omit as the case may be*), the director who referred the matter and the director involved, then the Chair shall (ii) refer the matter to an ad hoc sub-committee of the board established by the Chair or Vice Chair (*omit as the case may be*). **The** (*omit* which) sub-committee shall report to the board.

It is recognized that if a conflict, or other matter referred cannot be resolved to the satisfaction of the board (by simple majority resolution) or if a breach of duty has occurred, a director may be asked to resign or may be subject to removal pursuant to the by-laws.