

CONFLICT OF INTEREST POLICY

A. Background

1. It is the fiduciary responsibility of Board and Committee members to exercise the utmost good faith in all transactions involved in their duties. In fulfilling this responsibility, these members may receive confidential information that shall be used only for RTOERO purposes and shall not be disclosed to nor discussed with any third parties. Thus, both Board and Committee members sign Confidentiality Agreements at the beginning of their terms.
2. The Conflict of Interest Policy operates in conjunction with Board By-Law 2018-1.
3. This policy, therefore, provides a process for members of the Board and Committees to address potential, perceived, and real conflicts of interest that may arise in carrying out their fiduciary responsibilities. Preventing members from purposefully or inadvertently benefitting in any way from the roles they fulfill protects the integrity of their decision-making process, as outlined in the Canada Not-for-profit Corporations Act (CNCA).
4. The Act legislates that Directors are required to “act honestly and in good faith with a view to the best interests of the corporation,” and to “exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.” Performing their duties in this manner prevents them from acting in their own personal interest and/or those of particular constituencies (i.e. other members or districts).
5. Further, Section 141 of the CNCA stipulates that Directors must disclose any personal interest they may have, as follows:
 - (1) A director or an officer of a corporation shall disclose to the corporation, in writing or by requesting to have it entered in the minutes of meetings of directors or of committees of directors, the nature and extent of any interest that the director or officer has in a material contract or material transaction, whether made or proposed, with the corporation, if the director or officer
 - (a) is a party to the contract or transaction;
 - (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or
 - (c) has a material interest in a party to the contract or transaction.
6. While the CNCA and Board By-Law 2018-1 refer specifically to the Board of Directors, it is the intent of this policy that these standards should apply equally to members of Board Committees. Both Board and RTOERO Committee members should act, therefore, at all times in the best interests of RTOERO and not for their own or any other person’s interest.

B. Definition of Conflict of Interest

1. A conflict of interest refers to situations in which Board or Committee members' involvement may affect, or appear to affect their objectivity, judgment or ability to act in the best interests of RTOERO and its members when considering an agenda item and making a decision.

C. Reporting of a Conflict of Interest

1. Board and Committee members must disclose a potential, real or perceived conflict of interest when the issue arises and before the Board or Committees deal with the issue.
2. Board and Committee members are responsible for indicating to the Chair if they feel a conflict of interest exists for any matter before the Board or Committee at its meeting. (If the Chair of the Board wishes to indicate they have a conflict of interest they will inform the Vice-Chair; if a Committee Chair has a conflict, they will inform the Chair of the Board.).
3. When a member declares a conflict of interest, the Chair of the Board/Committee will decide upon the appropriate action to take to manage such a conflict. This will include, but is not limited to the following:
 - a) The member must abstain from participation in any discussion on the matter, and shall not attempt to influence the outcome.
 - b) The member may be asked to leave the room for the duration of the discussion and vote, where applicable.
 - c) The member may be allowed to remain in the room but will abstain from both the discussion and the vote on the matter.
4. Minutes/Notes of Board and Committee meetings will indicate when members disclose that they have a conflict of interest, as well as the appropriate action taken to manage such a conflict, as indicated in #3 above.