

**CORPORATE POLICY & PROCEDURE
CONFLICT OF INTEREST:
BOARD OF TRUSTEES
CORP III – 111**

CONFLICT OF INTEREST: BOARD OF TRUSTEES	
SECTION: III ETHICS, RIGHTS & RESPONSIBILITIES	NO: 111
Issued By:	Governance Committee of The Board of Trustees
Approved by:	Board of Trustees
Key Words:	Board Conflict of Interest, Trustees Conflict of Interest, COI, Board of Trustees COI, Board of Trustees decision making, breach of duty
	APPROVAL DATES :
	Date Initially Approved: 21/06/2018
	Date Reviewed:
	Date Revised: 14/06/2021
	Date Implemented: 21/06/2018, 24/06/2021
	Cross Reference(s)
	CORP II- i 110 Regulatory Transparency, CORP II-i 170 Board Of Trustees: Public, Non-Public & Excluded Meetings, CORP III-110 Conflict of Interest

1. PURPOSE:

To ensure the highest business and ethical standards and the protection of the decision-making integrity of the Board of Trustees of the Royal Ottawa Health Care Group (“ROHCG” or the “Corporation”), and to guide Trustees, who may have a real, potential or perceived conflict of interest, or who may have breached their duties as a Trustee on how to declare and manage such conflict or breaches.

2. POLICY STATEMENT:

It is the policy of the ROHCG that all Trustees have a duty to ensure that the trust and confidence of the public in the 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 inherent in a Trustee’s fiduciary duty that conflicts of interest be avoided. It is important that all Trustees understand their obligations when a conflict of interest or potential conflicting interest arises.

3. SCOPE:

This policy applies to all Trustees, including ex-officio Trustees, and all non-Board members of all Board committees of the ROHCG.

4. GUIDING PRINCIPLES:

All Trustees and non-Board committee members will avoid situations in which they may be in a position of conflict of interest or perceived conflict of interest. The by-laws also contain provisions with respect to conflicts of interest that must be strictly adhered to. In addition to the by-laws, the process set out in this Policy will be followed when a conflict or potential conflict arises. All Trustees must understand their duties when a conflict of interest arises.

This material has been prepared solely for use at the Royal Ottawa Health Care Group (ROHCG). ROHCG accepts no responsibility for use of this material by any person or organization not associated with ROHCG. NO part of this document may be reproduced in any form for publication without permission of ROHCG. A printed copy of this document may not reflect the current electronic version on the ROHCG OREO, which contains the official, authoritative version of policies.

CORPORATE POLICY & PROCEDURE
CONFLICT OF INTEREST:
BOARD OF TRUSTEES
CORP III – 111

5. DEFINITIONS:

Conflict of Interest: Situations in which potential conflict of interest may arise cannot be exhaustively set out. Conflicts of interest generally arise in the following circumstances:

1. When a Trustee is directly or indirectly interested in a contract or proposed contract with the Corporation. For example: Trustees are bidding on or doing contract work for the Corporation in their personal or professional capacity.
2. When a Trustee acts in self-interest or for a collateral purpose. When a Trustee diverts to their own personal benefit an opportunity in which the Corporation has an interest.
3. When a Trustee has a conflict of “duty and duty”. This might arise when:
 - the Trustee serves as a board member of another corporation that is related to; has contractual relationship with; has the ability to influence the Corporation policy; or has any dealings whatsoever with the Corporation.
 - the Trustee is also a Trustee of another corporation, related or otherwise, and possesses confidential information received in one boardroom that is of importance to a decision being made in the other boardroom. The Trustee cannot discharge the duty to maintain such information in confidence as a Trustee of one corporation while at the same time discharging the duty to make disclosure as a Trustee of the other corporation.
4. When a Trustee uses for personal gain information (for example related to human resources, financial aspects of the Corporation, or related to patient care) that the Trustee received in confidence and/or the purpose of carrying out the Trustees’ duties and responsibilities.
5. When a Trustee and their family will gain or be affected by the decision of the Board.

6. PROCEDURE:

6.1 Special Considerations for the Corporation: The Corporation's unique governance structure creates automatic potential conflicts. These structural conflicts need not be a bar to participation in most aspects of the Board's deliberations. In these circumstances, the Trustees are aware of the potential for conflict of interest and as a practical matter, it should not be necessary to make note of the potential conflict in regular Board proceedings. Where the potential for conflict might not be obvious, the potential conflict of interest should be declared and recorded in the minutes so that all Trustees are aware of the situation. This places an extra burden on Trustees to be acutely aware of when their actions and/or other responsibilities might create a conflict and follow the procedures in this policy to protect themselves and the best interests of the Corporation.

6.2 Disclosure of Interest in Contracts/Proposed Contracts: Any Trustee who is in any way, directly or indirectly, interested in a contract or proposed contract with the Corporation shall disclose such interest in the manner and in accordance with the process set out in the Corporation’s Administrative By-laws

6.3 Disclosure of Other Conflicts: A Trustee who is in a position of conflict or potential conflict will immediately disclose such conflict to the board by notification to the chair of the board. Where the chair has a conflict or potential conflict, notice shall be given to the vice-chair. The notice shall contain sufficient detail regarding the nature and extent of the

CORPORATE POLICY & PROCEDURE
CONFLICT OF INTEREST:
BOARD OF TRUSTEES
CORP III – 111

Trustee's interest. Disclosure will be made at the earliest possible time and prior to any Board discussion and vote on the matter. When:

- a Trustee is not present at a meeting in which a matter that is a conflict of interest for him/her is first discussed and/or noted upon or;
- a conflict arises for a Trustee after a matter has been discussed but does not get voted upon by the board, or;
- a Trustee becomes conflicted after a matter has been approved.

the Trustee will make the declaration of the conflict to the chair or vice-chair as soon as possible and at the next meeting of the board. If an officer becomes interested in a contract or transaction after it is made or entered into the disclosure shall be made as soon as possible after the officer becomes so interested. A Trustee may make a general declaration of the Trustee's relationships and interests in entities or persons that give rise to conflicts.

6.4 Abstain from Discussions: The Trustee who has declared a conflict will not be present during the discussion of the matter in which they has a conflict and will not attempt in any way to influence the voting.

6.5 Process for Resolution of Conflicts and Addressing Breaches of Duty: All Trustees will comply with the requirements of the by-laws and this Policy. It is acknowledged that not all conflicts or potential conflicts may be satisfactorily resolved by strict compliance with the by-laws or this Policy. 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 or this Policy. A Trustee should be referred to the process outlined below in any of the following circumstances:

6.5.1 Circumstances for Referral: Where any Trustee believes that they personally or another Trustee:

- has breached their duties to the Corporation;
- is in a position where there is a potential breach of duty to the Corporation;
- is in a situation of actual or potential conflict of interest; or
- 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.

The matter shall be dealt with in accordance with the process set out in paragraphs 6.5.2 and 6.5.3.

6.5.2 Process for Resolution - The actual, potential or perceived conflict will be referred to the following process for resolution:

- I. The Trustee must declare to the Board or Committee the nature and extent of the interest as soon as possible and not later than the meeting at which the matter is to be considered. If a declaration is made at a Committee meeting, it must be repeated at the next Board meeting to assure disclosure to the full Board.
- II. Provided that the declared interest is not a financial interest nor an interest to which section 6.2 of the Policy applies,, the Board member may participate in the discussion, unless two-thirds of the Board members who have not declared such an interest then decide otherwise.
- III. If the declared interest is a financial interest, other than an interest to which section 6.2 of this Policy applies:

CORPORATE POLICY & PROCEDURE
CONFLICT OF INTEREST:
BOARD OF TRUSTEES
CORP III – 111

- The Trustee may remain present at the meeting for the purpose of answering questions prior to discussion and the vote. If present at the meeting, the Trustee will be counted in the quorum for the meeting.
 - After making the disclosure and answering questions, the Trustee who has declared a conflict must not vote or in any way attempt to influence the discussion of, or voting on, the decision at issue and must withdraw from the meeting when the matter is being discussed.
- IV. Where the matter of the conflict is unclear, the Trustee shall refer the matter to the chair of the Governance Committee or where the issue may involve the chair of the Governance Committee, to a member of the Governance Committee who is not in conflict, with notice to the CEO.
- V. The chair of the Governance Committee (or member of the Governance Committee who is not in conflict as the case may be) will either: (1) resolve the matter informally or (2) refer the matter to an ad hoc sub-committee of the Board established by the chair of the Governance Committee, which sub-committee shall report to the Board.
- VI. If the matter cannot be resolved in accordance with (e) above to the satisfaction of the chair of the Governance Committee (or member of the Governance Committee who is not in conflict as the case may be), ad hoc subcommittee and/or the referring Trustee and the Trustee involved, the matter will be referred to the full Board for review.
- VII. If the matter cannot be resolved to the satisfaction of the Board, the chair of the Governance Committee (or member of the Governance Committee who is not in conflict as the case may be) shall forward it to dispute resolution.

6.5.3 Dispute Resolution Mechanism - if the matter cannot be resolved following the Process for Resolution, the Board may appoint an acceptable non-Board member to independently review (and call on such resources as necessary to review) the matter in question and make a recommendation to the Board.

6.6 Perceived Conflicts: It is acknowledged that not all conflicts or potential conflicts may be satisfactorily resolved by strict compliance with the by-laws or this Policy. There may be cases where the perception of a conflict of interest or breach of duty (even where no conflict exists or breach has occurred) may be harmful to the Corporation notwithstanding that there has been compliance with the by-laws and this Policy. In such circumstances, the process set out in this policy for addressing conflicts and breaches of duty shall be followed. It is recognized that the perception of conflict or breach of duty may be harmful to the Corporation even where no conflict exists or breach has occurred and it may be in the best interests of the Corporation that the Trustee be asked to resign.

6.7 Failure to Disclose: if a Trustee knowingly fails to disclose a conflict of interest as required by this Policy, the Trustee may be asked to resign or may be subject to removal from office pursuant to the by-laws and applicable legislation. A Trustee's failure to comply with this Policy does not, in or of itself, invalidate any decision made by the Board.

7. RELATED PRACTICES AND/OR LEGISLATIONS:
Corporations Act, R.S.O. 1990, c. C38 (version 2018)

CORPORATE POLICY & PROCEDURE
CONFLICT OF INTEREST:
BOARD OF TRUSTEES
CORP III – 111

8. REFERENCES:

Board Conflict of Interest Policy, Waypoint Centre for Mental Health (2017)
Board Conflict of Interest Policy, Southlake Regional Health Centre (2017)
Conflict of Interest Policy, St. Joseph's Healthcare-Hamilton (2015)
General Principles Regarding Conflict of Interest – OHA Governance Manual (2016)

9. APPENDICES: N/A