

Conflicts of Interest Policy

Policy Number	<i>BOH105</i>	Approved Date	<i>February 20, 2019</i>
----------------------	---------------	----------------------	--------------------------

REVISION HISTORY

Reviewed		Amended:	March 20, 2024
-----------------	--	-----------------	----------------

Purpose

All directors of the Corporation (each a “**Director**”) have a duty to ensure that the integrity of the decision-making processes of the board of Directors of the Corporation (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 Director's fiduciary duty that conflicts of interest be avoided where possible and prudently managed. It is important that all Directors understand their obligations when a conflict of duty or potential conflict of interest arises.

Directors shall avoid situations in which they may be in a position of actual or perceived conflict of interest.

Scope

This Code of Conduct applies to all directors of the Corporation (each a “**Director**”) and non- Director members of committees of the Board.

Regulation

a) Description of Conflict of Interest

A conflict of interest arises in any situation where a Director's duty to act solely in the best interests of the Corporation (rather than in the interest of their appointing party) and to adhere to his or her fiduciary duties is compromised or impeded by any other interest, relationship or duty of the Director. A conflict of interest also includes circumstances where the Director's duties to the Corporation are in conflict with other duties owed by the Director such that the Director is not able to fully discharge the fiduciary duties owed to the Corporation.

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

Transacting with the Corporation

- When a Director transacts with the Corporation directly or indirectly.
- When a Director has a material direct or indirect pecuniary interest in a transaction or contract with the Corporation, except where an exception

applies under the *Municipal Conflict of Interest Act*. For greater certainty, a conflict of interest does not arise where a municipally elected Director participates in discussions and votes in connection with the levy of obligated municipalities.

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.

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 (more than \$50.00) from a party with whom the Corporation may transact business (including a supplier of goods or services) for the purposes of (or that may be perceived to be for the purposes of) influencing an act or decision of the Board.

Acting for an Improper Purpose

When Directors exercise their powers motivated by self-interest, political gain 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.

Appropriation of Corporate Opportunity

When a Director diverts to his or her own use, an opportunity or advantage that belongs to the Corporation.

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.

Serving on Other Corporations

A Director may be in a position where there is a conflict of "duty and duty". This may arise where the Director serves as a Director of two corporations that are competing or transacting with one another. It may also arise where a Director has an association or relationship with another entity. For example, if two corporations are both seeking to take advantage of the same opportunity, a Director may be in possession of confidential information received in one Boardroom or related to the matter that is of importance to a decision being made in the other Boardroom. The Director cannot discharge the duty to maintain such information in confidence while at the same time discharging the duty to make disclosure. The Director cannot act to advance any interests other than those of the Corporation.

b) 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 any Vice Chair of the Board. Where the Chair has a conflict, notice shall be given to the Vice Chair.

The disclosure shall be sufficient to disclose the nature and extent of the interest. Disclosure shall be made at the earliest possible time and, where possible, prior to any discussion and vote on the matter.

Where (i) a Director is not present at a meeting where a matter in which the Director has a conflict is first discussed and/or voted upon, or (ii) a conflict arises for a Director after a matter has been discussed but not yet voted upon by the Board, or (iii) a Director becomes conflicted after a matter has been approved, the Director shall 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 a Director 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.

Abstain from Discussions

The Director who has declared a conflict shall not be present during the discussion or vote in respect of the matter in which he or she has a conflict and shall not attempt in any way to influence the voting. Directors who leave a meeting for conflict reasons shall be deemed not to have left for quorum purposes so long as they return to the meeting following the completion of the discussion relating to the conflict.

c) Process for Resolution of Conflicts and Addressing Breaches of Duty

All Directors shall comply with the requirements of the by-laws.

A Director may be referred to the process outlined below in any of the following circumstances:

Circumstances for Referral

Where any Director believes that he or she or another 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 trust and integrity and such behaviour may have an adverse impact on the Corporation.

Process for Resolution

The matter shall be referred to the following process:

- a) Refer matter to Chair or where the issue may involve the Chair, to any vice-Chair, with notice to Medical Officer of Health.
- b) Chair (or Vice Chair as the case may be) may either (i) attempt to resolve the matter informally, or (ii) refer the matter to an ad hoc sub-committee of the Board established by the Chair (or Vice Chair, as the case may be) which shall report to the Board for the Board's consideration.
- c) If the Chair or Vice Chair elects to attempt to resolve the matter informally and the matter cannot be informally resolved to the satisfaction of the Chair (or Vice Chair as the case may be), the Director referring the matter and the Director involved, then the Chair or Vice Chair shall refer the matter to the process in (b) (ii) above.
- d) A decision of the Board by majority resolution shall be determinative of the matter.

d) Perceived Conflicts of Interest/Breach of Duty

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 (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. 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 Board recommend to the body that appointed a Director that the Director be removed.

e) Record of Disclosure

Every declaration of interest and the general nature of that interest shall be recorded in the meeting minutes where the meeting is open to the public.

Where the meeting is closed to the public, every declaration of interest, but not the general nature of the interest, must be recorded in the minutes of the meeting. In each case, the Board shall forward a written copy of the declaration of interest within 5 days of disclosure to the Ministry of Health in accordance with applicable laws.

Amendment

This policy shall be reviewed and approved by the Board every 2 years, and may be amended from time to time as the Board deems necessary.