



COLLEGE OF THE NORTH ATLANTIC

GOVERNANCE POLICY

TOPIC: GOVERNING RISK

TITLE: CONFLICT OF INTEREST

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| Policy No. | GP-GR-801 | Supersedes | BP PO 003B BP BG 401B |
| Related Policy | GP-R-701 GP-RR-902 GP-RR-903 | Effective Date: | October 28, 2011 |
| Authority | College Act, 1996 s. 15(1)(i) | | |

DEFINITIONS

- “Cohabiting partner” means a person with whom a Board member is living in a conjugal relationship outside marriage.
- “Chair” means the Chair of the Board of Governance of College of the North Atlantic or Vice-Chair of the Board of Governance of the College of the North Atlantic in situations where the Chair is unavailable or ineligible to act.
- “Committee” means the Governance Committee of the Board of Governance of College of the North Atlantic.
- “Excluded private interest” means
- (i) real property that is used primarily for a residence or for recreation;
 - (ii) personal property used for transportation, households, educational, recreational, social or aesthetic purposes;
 - (iii) cash on hand or on deposit with a financial institution that is lawfully entitled to accept deposits;
 - (iv) fixed value securities issues by a government or municipality in Canada or an agency of a government or municipality in Canada;
 - (v) a registered retirement saving plan, retirement or pension plan or employee benefit plan, that is not self-administered;

- (vi) an investment in an open-ended mutual fund that has broadly based investments not limited to one industry or one sector of the economy;
 - (vii) a guaranteed investment certificate or similar financial instrument;
 - (viii) an annuity, life insurance policy or pension right; and
 - (ix) an asset, liability or financial interest that is held:
 - (a) as executor, administrator or trustee; or
 - (b) by bequest or inheritance, during the Twelve months following the date it devolves;
- “Family” means a person who is:
- (i) a Board member’s spouse or cohabiting partner;
 - (ii) a minor child of the Board member, or a minor who is dependent primarily on the Board member or the Board members spouse or cohabiting partner for financial support and toward whom the Board member has demonstrated a settled intent to treat as a family member; and
 - (iii) a relative of the Board member or the Board member’s spouse or cohabiting partner who lives as part of the Board member’s household and is primarily dependent on the Board member or the Board member’s spouse or cohabiting partner for financial support;
- “Political staff” means a Board member whose terms and conditions of employment are set through the Internal Economy Commission and who has not been employed in the manner provided by law;
- “Private interest” means:
- (i) an interest in a partnership, including an interest in a law partnership;
 - (ii) an asset, loan, liability or financial interest;
 - (iii) a source of income; and
 - (iv) a position of director or officer in a corporation or association;
- “Board member” means a person is appointed to the Board of Governors of College of the North Atlantic pursuant to the *College Act, 1996*;
- “Source of income” means:
- (i) in the case of employment, the employer, and
 - (ii) in the case of income arising from a business or profession, the business or profession;

“Spouse” means a person to whom a Board member is married, unless they are separated.

801.1 For purpose of this policy, a decision does not further, directly or indirectly, a private interest where the decision: is of general public application; affects the Board member’s family as one of a broad class of the public; or concerns the remuneration or benefits of a Board member provided by or under the *College Act 1996*.

801.2 The Board members and the President shall not fail to:

- 1) Avoid any associations, or other relationships that would or could conflict with their responsibility to make objective decisions in the College’s best interests.
- 2) Refrain from making or participating in a decision in the capacity as a Board member where the member knows or ought reasonably to know that in the making of the decision there is the opportunity to benefit directly or indirectly or benefit a member of the Board member’s family improperly, directly or indirectly.
- 3) Refuse to use (i) the position to seek to influence a decision made by another person to benefit or (ii) or share information that is gained in the capacity as a Board member and is not available to the general public to further or seek to further, directly or indirectly, a private interest of that Board member or a member of the immediate family.
- 4) Abstain from using or sharing information that is gained in the capacity as a Board member and is not available to the general public to improperly benefit another person.

801.3 The Board members and the President shall not fail to recognize that the following circumstances could lead to a conflict of interest:

- 1) Any direct or indirect interest in connection with, or benefit from, outside commercial activities, which interest benefit might in any way adversely affect the College.
- 2) In instances where the actions of any employee involves:
 - (i) personal financial benefits resulting from transactions between the College and persons, firms or business organizations; or
 - (ii) the acceptance of a gratuity.

801.4 Where the Board member or the President is not certain whether a conflict of interest exists that person shall not fail to provide full disclosure of the circumstances to the Board.

801.5 A board member shall not, directly or indirectly, accept a fee, gift or personal benefit, except compensation authorized by law, that is connected, directly or indirectly, with the performance of board duties.

- 1) The foregoing does not apply to a gift or personal benefit that is received as an incident of the protocol or social obligations that normally accompany the duties or responsibilities of the Board member.

801.6 A Board member shall not knowingly, directly or indirectly, be a party to a contract with the College.

- 1) The foregoing does not apply to a Board member solely on the ground that a party to a contract with the College is a corporation or partnership in which the Board member or the Board member's family has a shareholding or interest, if:
 - a) The shareholding or interest is 10% or less.
 - b) The Board is under the opinion that:
 - the Board member is not in a position to influence the awarding of the contract and performance of it will not interfere with the Board member's public duties, or
 - the shareholding or interest is insufficient to interfere with the Board member's duties.
 - c) The shareholding or interest has been placed in a trust that the President of the College is satisfied will prevent the Board member exercising authority or control over the affairs of the corporation or partnership.
- 2) This section does not apply to:
 - a) A contract that existed before the Board member became a Board member, or an extension of such a contract according to its terms.
 - b) A contract awarded by public tender.
 - c) A contract for goods or services made in an emergency.
 - d) A contract for goods and services provided in a case where no other person is qualified and available to provide the goods and services.
 - e) The completion of a contract that devolves by descent, limitation or marriage, or as devisee, legatee, executor or administrator, where less than Twelve months have elapsed after the devolution.

- f) A benefit received or transaction entered into by a Board member or the Board member's family under the Act:
 - under which the Board member or the Board member's family is entitled, upon fulfilling the conditions specified in or under the Act, to receive the benefit or enter into the transaction on terms in common with the general public or a defined class of the public to which the Board member belongs, and
 - where the benefit or transaction is not subject to the exercise of discretion by a person.
- g) A contract under which one of the Board member's family becomes an employee of or an independent contractor for personal services to the government of the province where the contract is awarded on the manner provided by law; or
- h) The reimbursement of expenses incurred by the Board member or the Board member's family while on the business of the government of the province.

801.7 A person who within the previous year was a Board member of a corporation or other entity in which the person holds 10% or more of the shares or of which the person is an employee, director or partner shall not enter into a contract with or receive a benefit from the College of the North Atlantic.

801.7.1 The forgoing does not apply to a contract awarded by public tender or by another method of contracting under which no special preference or treatment was given because the person to whom it was awarded was, within the previous year, a Board member, or because the corporation or other entity to which it was awarded is one in which the person holds 10% or more of the shares or of which the Board member is an employee, director or partner.

801.8 Except in accordance with a waiver or variance by the Chair, a person who was a Board member shall not advise or represent a person or entity, in return for a fee or other benefit, concerning a proceeding, transaction, negotiation or case to which the College is a party, and in respect of which the former Board member acted for or advised the College while a Board member, where the matter might result in the conferring of a benefit of a commercial or private nature on a person, or a benefit of another nature on a person or class of persons that is other than the general public or a Board class.

801.9 A Board member who has declared a conflict of interest shall not ask for copies of evidence used by the Board to make the decision, and shall refrain from asking other Board members or the President who voted for or against a motion.

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