



PACIFIC COAST UNIVERSITY
FOR WORKPLACE HEALTH SCIENCES

Conflict of Interest – Policy 270

Purpose

All Directors 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 important that all Directors understand their obligations when a conflict of interest or potential conflicting interest arises. As such, the University encourages all business transactions to be conducted in a fair and equitable manner. Accordingly, all parties acting on behalf of the University will adhere to the following policy.

Application

All Directors, including *ex-officio* Directors and non-Board members of committees.

Policy

Directors and non-Board committee members shall avoid situations in which they may be in a position of conflict of interest. The Bylaws contain provisions with respect to conflict of interest that must be strictly adhered to.

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

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 University 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 University 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 University.

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

1. *Transacting with the University*
When a director transacts with the University directly or indirectly. When a director has a material direct or indirect interest in a transaction or contract with the University.
2. *Interest of a Relative*
When the University 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.
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 University 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.
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 University. Directors who are elected representatives or nominees of a particular group must act in the best interest of the University even if this conflicts with the interests of the electing or nominating party.
5. *Appropriation of Opportunity*
When a director diverts to his or her own use an opportunity or advantage that belongs to the University.
6. *Duty to Disclose Information of Value to the University*
When directors fail to disclose information that is relevant to a vital aspect of the University's affairs.



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7. *Serving on Other Boards*

A director may be in a position where there is a conflict of “duty and duty”. This may arise in circumstances where duties the director owes in other capacities in which that director serves may impede the ability of that director to act solely in the best interests of the University. For example, where the director serves as a director of two entities that are competing or transacting with one another, a director may be in a position where he or she has duties of loyalty to two entities that cannot be simultaneously discharged. It may also arise where a director has an association or relationship with another entity. For example, if the University and another entity on which a director serves are both seeking to take advantage of the same opportunity or solicit a donation from the same donor. The situation may also arise where a director may be in possession of confidential information received in one boardroom that is related to a 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 must act solely in the best interests of the University and cannot act to advance any interests other than those of the University.

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 Co-Chairs of the Board. Where a Co-Chair has a conflict, notice shall be given to the other Co-Chair. 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, 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 Co-Chairs as soon as possible and at the next meeting of the Board.

A director may make a general declaration of the director’s relationships and interests in entities or persons that give rise to conflicts.

Abstain from Discussions

The director 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 discussion or voting.

Process for Resolution of Conflicts and Addressing Breaches of Duty

All directors shall comply with the requirements of the Bylaws.

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

1. *Circumstances for Referral*

Where any director believes that that director or another director:

- a) has breached his or her duties to the University;
- b) is in a position where there is a potential breach of duty to the University;
- 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 University.

2. *Process for Resolution*

The matter shall be referred to the following process:

- a) Refer matter to Co-Chairs or where the issue may involve a Co-Chair, the other Co-Chair, with notice to the President & Chancellor.



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- b) The Co-Chairs 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 Co-Chairs which sub-committee shall report to the Board.
- c) If the Co-Chairs or either of them elects to attempt to resolve the matter informally and the matter cannot be informally resolved to the satisfaction of: (i) the Co-Chairs (or either of them, as applicable), (ii) the director referring the matter and (iii) the director involved, then the Co-Chairs (or either of them, as applicable) 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.

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.

Perceived Conflicts

It is acknowledged that not all conflicts or potential conflicts may be satisfactorily resolved by strict compliance with the Bylaws. 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 University notwithstanding that there has been compliance with the Bylaws. 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 University even where no conflict exists or breach has occurred and it may be in the best interests of the University that the director be asked to resign.

Amendment

This policy may be amended by the Board of Governors.

Approved by: Board of Governors, January 24, 2019

Responsibility: President
