CONESTOGA
Connect Life and Learning

CONFLICT OF INTEREST POLICY

Approved by:	Board of Governors
Authorizer:	Governance Committee
Version:	V3
Date of Approval:	June 30, 2026

POLICY STATEMENT

It is an inherent part of a fiduciary duty that conflicts of interest be avoided. It is important that all governors understand their obligations when a conflict of interest or potential conflict of interest arises.

All governors have a duty to ensure that 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.

All governors must comply with the Conflict of Interest Directive.

SCOPE

This policy applies to all governors (internal and external) and all non-Board members of all Board committees.

DEFINITIONS

Actual Conflict of Interest: A situation where a governor has a private or personal interest that is sufficiently connected to their duties and responsibilities as a governor that it influences the exercise of these duties and responsibilities.

Board: The board of governors of the College.

Chair: The chair of the Board.

College: The Conestoga College Institute of Technology and Advanced Learning.

Conflict of Interest Directive: The Conflict of Interest Policy Directive for Colleges of Applied Arts and Technology.

Ministry: The Ministry of Colleges, Universities, Research Excellence and Security, or such successor ministry as may be responsible for the administration of colleges of applied arts and technology from time to time.

Perceived Conflict of Interest: A situation where reasonably well-informed persons could properly have a reasonable belief that a governor has an Actual Conflict of Interest, even where that is not the case in fact.

Potential Conflict of Interest: A situation where a governor has a private or personal interest that could influence the performance of a governor's duties or responsibilities, provided that they have not yet exercised that duty or responsibility.

Vice-Chair: The vice-chair of the Board.

PRINCIPLES

The following principles shall guide the application and interpretation of this policy:

1. Governors must act honestly, in good faith, and in the best interests of the College, and must avoid situations where personal interests conflict, or may reasonably be perceived to conflict, with those duties.

2. The Board's decision-making processes must be, and be seen to be, impartial and free from improper influence. Conflicts of interest must be identified and addressed in a manner that protects the integrity and credibility of Board decisions.

3. The obligation to identify and manage conflicts of interest is ongoing and applies throughout a governor's or committee member's term of service and to all Board, committee, and related activities.

POLICY

Description of Conflict of Interest

1. A conflict of interest arises in any situation where a governor's duty to act solely in the best interests of the College and to adhere to their fiduciary duties is compromised or impeded by any other interest, relationship or duty of the governor.

2. A conflict of interest also includes circumstances where the governor's duties to the College are in conflict with other duties owed by the governor such that the governor is not able to fully discharge the fiduciary duties owed to the College.

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

   a. ***Transacting with the College***

      - When a governor transacts with the College directly or indirectly.
      - When a governor has a material direct or indirect interest in a transaction or contract with the College.

b. ***Interest of a Relative***

- When the College conducts business with suppliers of goods or services or any other party of which a relative or member of the household of a governor is a principal, officer or representative.

c. ***Gifts***

- When a governor or a member of the governor's household or any other person or entity designated by the governor, accepts gifts, payments, services or anything else of more than a token or nominal value from a party with whom the College 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 a decision of the Board.

d. ***Acting for an Improper Purpose***

- When governors exercise their powers motivated by self-interest or other improper purposes. Governors must act solely in the best interest of the College. Governors who are elected by a particular group must act in the best interest of the College even if this conflicts with the interests of such group.

e. ***Appropriation of Corporate Opportunity***

- When a governor diverts to their own use, an opportunity or advantage that belongs to the College.

f. ***Duty to Disclose Information of Value to the College***

- When governors fail to disclose information that is relevant to a vital aspect of the College's affairs.

g. ***Serving on Other Corporations***

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

h. ***Immaterial Interests and Interests in Common with Others***

- This policy and the Conflict of Interest Directive does not apply where the interest is so remote or insignificant that it cannot reasonably be regarded as likely to influence the Board member or where a pecuniary or other interest is in common with a broad group of which the governor is a member (e.g., students, support staff, academic staff, administrative staff). This policy does not apply where the issue is one of general or public information.

Process for Resolution of Conflicts and Addressing Breaches of Duty

All governors shall comply with the requirements of the Conflict of Interest Directive.

1. <u>Call for Conflict Declarations</u>

   At the beginning of every Board meeting, the Chair is to ask and have recorded in the minutes whether any member has a conflict to declare in respect of any agenda item.

2. <u>Disclosure of Conflicts</u>

   a. A governor or committee member who is in a position of Actual Conflict of Interest shall immediately disclose such conflict to the Board by notification to the Chair who shall inform the Board. Where the Chair has a conflict, notice shall be given to the Vice-Chair. Disclosure shall be made at the earliest possible time and, where possible, prior to any discussion and vote on the matter.

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

   c. The disclosure shall be sufficient to disclose the general nature and extent of the interest.

   d. Where a conflict of interest is discovered after consideration of a matter, it is to be declared to the Board and appropriately recorded at the first opportunity. If the Board determines that involvement of said member influenced the decision of the matter, the Board is to re-examine the matter and may rescind, vary, or confirm its decision.

   e. Where a Board member is unsure whether they are in conflict, it is the responsibility of the said member to raise the Perceived Conflict of Interest or Potential Conflict of Interest with the Chair prior to the meeting. If necessary, the Chair will raise issue at the meeting and the Board will determine by majority vote whether or not a conflict of interest exists. The said Board member must refrain from voting on whether or not a conflict of interest exists.

3. Abstain from Discussions and Voting

a. Open Meeting:

- When the agenda item arises in the open portion of the Board meeting, the governor with an Actual Conflict of Interest may choose to be absent for the discussion and vote, or may remain in the room for the duration of the discussion and not participate in the vote on this item.

- If the governor chooses to remain in the room, the minutes are to record that the governor in conflict of interest remained in the room for the discussion and did not vote on this item.

b. In Camera:

- Where the matter is to be discussed in the in camera portion of the meeting, the governor who has declared a conflict shall not be present during the discussion or vote in respect of the matter in which they have a conflict and shall not attempt in any way to influence the voting.

4. Perceived or Potential Conflict

When there is a Perceived Conflict of Interest or Potential Conflict of Interest, the Board will determine whether the member or members remain for the discussion and vote on agenda items. The minutes should reflect what takes place.

5. Not Influence Voting

A governor with a conflict of interest should not attempt in any way to influence the voting on the matter before, during, or after the meeting.

Resolution on Issues

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

1. Circumstances for Referral

Where any governor believes that they or another governor:

a. Has breached their duties to the College;

b. Is in a position where there is a potential breach of duty to the College;

c. Is in a situation of 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 College.

2. Process for Resolution

The matter shall be referred to the following process:

a. Refer matter to the Chair or where the issue may involve the Chair, to any Vice-Chair, with notice to the President.

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 either the Executive Committee or to an ad hoc sub-committee of the Board established by the Chair (or Vice-Chair, as the case may be) which sub-committee shall report to the Board.

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 governor referring the matter and the governor 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.

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 governor may be asked to resign or may be subject to removal pursuant to the by-laws of the College and applicable legislation.

Consequences for Failure to Comply

Where there has been a failure on the part of a Board member to comply with this policy or the Conflict of Interest Directive, unless the failure is the result of a bona fide error in judgment, the Board is to:

a. Issue a verbal reprimand;

b. Issue a written reprimand;

c. Request that a Board member resign; and/or

d. Remove the Board member through processes established in the by-laws of the College.

Perceived Conflicts

It is acknowledged that not all Actual Conflicts of Interest, Potential Conflicts of Interest or Perceived Conflicts of Interest may be satisfactorily resolved by strict compliance with 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 College notwithstanding that there has been compliance with this policy and the Conflict of Interest Directive. In such circumstances, it may be in the best interests of the College that the governor be asked to resign.

Acknowledgement and Confirmation

Governors are expected to complete the attached Conflict of Interest Declaration Form on an annual basis for review by the Chair (Schedule A).

The Board is required to attest on an annual basis that the Board is in compliance with the Conflict of Interest Directive. The Annual Conflict of Interest Attestation Form (Schedule B) must be completed by the Chair and submitted to the Ministry by such deadline as may apply from year to year as determined by the Ministry.

AMENDMENT

This policy may be amended by the Board.

RELEVANT LEGISLATION AND RELATED DOCUMENTS

- Conflict of Interest Policy Directive for Colleges of Applied Arts and Technology

REVISION LOG

- March 5, 2018: Board of Governors Approved
- April 12, 2022: Governance Committee Approved
- May 9, 2022: Executive Committee Approved
- May 15, 2022: Board of Governors Approved
- June 30, 2026: Administrator Approved

Schedule A

<u>Conflict of Interest Declaration Form</u>

To be completed by all governors on an annual basis.

A conflict of interest arises where you have a private or personal interest that conflicts, might conflict, or may be perceived to conflict with the interests of the college. A conflict of interest could arise in relation to private or personal matters including:

- directorships or other employment;
- interests in business enterprises or professional practices;
- share ownership;
- beneficial interests in trusts;
- existing professional or personal associations with the college;
- professional associations or relationships with other organizations; and
- personal associations with other groups or organizations, or family relationships.

1. A direct or indirect conflict with my duty as a governor may arise because:

    a. I hold the following office(s) (appointed or elected):

    b. I, or any trustee or any nominee on my behalf, own or possess, directly or indirectly, the following interest(s):

2. The nature and extent of the conflicting office, duty or interest is:

3. A real or perceived conflict of interest with my duty as a governor could arise because I receive financial remuneration (either for services performed by me as an owner or part owner, trustee, or employee or otherwise) from the following source(s):

4. Other than disclosed above, do you have any relationships or interests that could compromise, or be perceived to compromise, your ability to exercise judgment or decision-making independently and objectively with a view to the best interests of the College?

Yes ☐ No ☐

If yes, describe:

Governor Name:	____________________	Chair Name:	____________________
Signature:	____________________	Signature:	____________________
Date:	____________________	Date Reviewed:	____________________

Comments from the Chair:

Schedule B

Annual Conflict of Interest Attestation Form

To be completed annually by the chair at each institution.

On behalf of the board of governors (the "**Board**") at The Conestoga College Institute of Technology and Advanced Learning (the "**College**"),

I attest that:

- All governors of the College have completed the annual Conflict of Interest Declaration Form.
- The Board is operating in compliance with the Ministry of Colleges and Universities, Research Excellence and Security's Conflict of Interest Policy Directive for Colleges of Applied Arts and Technology.

Chair Name: ________________________________

Signature: ________________________________

Date: ________________________________