

Policy Title: Conflict of Interest	Policy Number: 003-JBG	Pages 5
Date: September 29 th 2022	Supersedes: September 27 th 2018	
Cross Reference: SJHH, SJVD, SJHC Administrative By-laws (available on the Board portal)	Issuing Authority: St. Joseph's Hamilton Joint Boards of Governors (JBG)	
Policy Sponsor : SJHH Office of the President	Policy Author: Senior Manager Office of the President	

1.0 Purpose

- 1.1** All trustees of the St. Joseph's Hamilton Joint Boards of Governors (JBG) have a duty to ensure that the trust and confidence of the public in the integrity of the decision-making processes of the JBG is maintained by ensuring that they and other trustees of the JBG are free from conflict or potential conflict (actual or perceived) in their decision-making. It is inherent in a trustee's fiduciary duty that conflicts of interest be avoided.
- 1.2** It is important that all trustees and officers understand their obligations when a conflict of interest or potential conflict arises in their decision making.

2.0 Application

Applies to all trustees and officers including ex officio directors, and all community members of JBG committees and sub-committees. "Officers" means officers appointed by the board including the president, a vice president, secretary or assistant secretary, treasurer or assistant treasurer, general manager and others who perform functions for the corporation similar to those normally performed by such officers.

3.0 Policy Statement

Trustees, officers and community committee members shall avoid situations in which they may be in a position of conflict of interest or perceived conflict of interest. The by-laws contain provisions with respect to conflict of interest that

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must be strictly adhered to.

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

3.1 The policy is pursuant to the following by-law sections:

- SJHH Administrative By-laws = Article 5
- SJHC Administrative By-laws = Article 7.1
- SJVD Administrative By-laws = Article 5

4.0 Description of Conflict of Interest

A conflict of interest arises in any situation where a trustee's duty to act solely in the best interests of the corporation and to adhere to his or her fiduciary duties is or may be perceived to be compromised or impeded by any other interest, relationship or duty of the trustee. A conflict of interest also includes circumstances where the trustee's duties to the corporation are in conflict with other duties owed by the trustee such that the trustee 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:

1. Transacting with the Corporation

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

2. 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 trustee is a principal, officer or representative.

3. Gifts

- When a trustee or a member of the trustee's household or any other person or entity designated by the trustee, accepts gifts, payments, services or anything else of more than a token or nominal value 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.

4. Acting for an Improper Purpose

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- When trustees exercise their powers motivated by self-interest or other improper purposes. Trustees must act solely in the best interest of the corporation. Trustees 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.
5. Appropriation of Corporate Opportunity
 - When a trustee diverts to his or her own use, an opportunity or advantage that belongs to the corporation.
 6. Duty to Disclose Information of Value to the Corporation
 - When trustees fail to disclose information that is relevant to a vital aspect of the corporation's affairs.
 7. Serving on Other Corporations
 - A trustee may be in a position where there is a conflict of "duty and duty". This may arise where the trustee serves as a trustee of two corporations that are competing or transacting with one another. It may also arise where a trustee has an association or relationship with another entity. For example, if two corporations are both seeking to take advantage of the same opportunity, a trustee 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 trustee cannot discharge the duty to maintain such information in confidence while at the same time discharging the duty to make disclosure. The trustee cannot act to advance any interests other than those of the corporation.

5.0 Process for Resolution of Conflicts and Addressing Breaches of Duty

5.1 Disclosure of Conflicts

A trustee, officer or community committee member 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 trustee is not present at a meeting where a matter in which

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the trustee has a conflict is first discussed and/or voted upon, or (ii) a conflict arises for a trustee after a matter has been discussed but not yet voted upon by the board, or (iii) a trustee becomes conflicted after a matter has been approved, the trustee 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 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 or officer may make a general declaration of the trustee's relationships and interests in entities or persons that give rise to conflicts.

5.2 Abstain from Discussions

The trustee or officer 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.

6.0 Process for Resolution of Conflicts and Addressing Breaches of Duty

6.1 All trustees shall comply with the requirements of the by-laws.

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

1. Circumstances for Referral

Where any trustee believes that he or she or another trustee:

- 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, perceived or potential conflict of interest;
- 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.

2. 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 chief executive officer.
- b) Chair (or vice chair as the case may be) may either (i) attempt to

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resolve the matter informally, or (ii) refer the matter to either the executive committee (if one has been established) or 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.

- 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 trustee referring the matter and the trustee 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 trustee may be asked to resign or may be subject to removal pursuant to the by-laws and Corporations Act.

7.0 Perceived Conflicts

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 trustee be asked to resign.

8.0 Amendment

This policy may be amended by the board.

Approval Date: September 29th 2022

Next Scheduled Review Date: September 2025

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