



DIRECTORS' CONFLICT OF INTEREST

1. GENERAL

1.1. Application - This document, which comprises the Conflict of Interest, and Code of Conduct, for Directors of the Scottish Society (the "**Society**") has been approved by the Board of Directors (the "**Board**") of the Society. The Policy is intended to govern the conduct of Directors of the Society. It also sets out guidelines for avoiding and disclosing conflicts of interest, as well as guidelines regarding the prohibition of financial associations between Directors

1.2. Definitions - Unless otherwise specified, the words and expressions used in this Policy shall have the same meaning as in By-law Article 15.0 of the Society.

1.3. Complement to By-laws - The provisions of this Policy are intended to complement and enhance in a consistent manner, the requirements that arise at law and in the By-laws and policies of the Society. The Board may adopt such other policies or prescribe such other rules and regulations not inconsistent with the provisions of the Society's By-laws or the *Canada Not-for-Profit Corporations Act* relating to conflicts of interest.

1.4. Interpretation - This Policy shall be, unless the context otherwise requires, construed and interpreted in accordance with the interpretation provisions of the Society's By-laws.

2. DIRECTORS' CODE OF CONDUCT

2.1. Conduct of Directors - A Director will at all times conduct himself/herself in a manner that:

- Supports the Mission, Vision and Values of the Society.
- Serves the overall best interests of the Society.
- Subordinates his/her personal interests, and those of any particular constituency, to the best interests of the Society.
- Brings credibility and goodwill to the Society.
- Respects principles of fair play and due process;
- Demonstrates respect for individuals and human rights.
- Respects and gives fair consideration to diverse and opposing viewpoints.
- Demonstrates due diligence and dedication in preparation for, and attendance at, meetings, special events and in all other activities on behalf of the Society.
- Demonstrates good faith, prudent judgement, honesty, transparency and openness in her activities on behalf of the Society.
- Ensures that the financial affairs of the Society are conducted in a responsible and transparent manner with due regard for her fiduciary responsibilities and public trusteeship.



- Avoids real, potential or perceived conflicts of interest.
- Conforms with the By-laws and policies approved by the Board, in particular Articles 15 of the By-laws dealing with Conflict of Interest.

3. DIRECTORS' CONFLICT OF INTEREST GUIDELINES

3.1. Maintain Integrity - These Conflict-of-Interest Guidelines are intended to ensure the highest standards and maintenance of the integrity of the Board, and to complement the Bylaws, particularly Article 15.

- Directors shall act at all times in the best interests of the Society rather than in the interests of particular constituencies. This means putting the interests of the Society ahead of any personal interest or the interest of any other person or entity.
- It also means performing his/her duties and transacting the affairs of the Society in such a manner that promotes public confidence and trust in the integrity, objectivity and impartiality of the Board.

3.2. No Pecuniary Benefit.

- No Director shall directly or indirectly receive any profit from his/her position as such, provided that, notwithstanding anything herein contained to the contrary, Directors may receive reasonable payment for their services and reimbursement for reasonable expenses incurred by them in the performance of their duties as permitted in the By-laws and approved by the Board.
- The pecuniary interests of immediate family members (including the immediate family members of a Director's partner) or close personal or business associates of a Director are considered to also be the pecuniary interests of the Director.

3.3. Definition of Conflict of Interest.

- A conflict of interest refers to situations in which personal, occupational or financial considerations may affect, or appear to affect, a Director's objectivity, judgment or ability to act in the best interests of the Society and includes conflicts as described in subsection 3.4 hereof.
- A conflict of interest may be real, potential or perceived in nature.
- A real conflict of interest arises where a Director has a private or personal interest, for example, a close family connection or financial interest.
- A potential conflict of interest may arise when a Director has a private or personal interest such as an identified future commitment.
- A perceived or apparent conflict of interest may exist when a reasonable, well informed person has a reasonable belief that a Director has a conflict of interest, even if there is no real conflict.
- Full disclosure, in itself, does not remove a conflict of interest.



3.4. Gifts and Hospitality - Directors shall not directly or indirectly offer or accept cash payments, gifts, gratuities, privileges or other personal rewards, which are intended to influence the activities or affairs of the Society. Directors may, however, give or receive modest gifts or hospitality as a matter of general and accepted business practice, provided the foregoing does not include cash or other negotiable instruments and provided all gifts or hospitality have been disclosed and properly accounted for.

4. PRINCIPLES FOR DEALING WITH DIRECTORS' CONFLICTS OF INTEREST AND FINANCIAL ASSOCIATIONS

4.1. Disclosure. Both prior to serving on the Board and during their term of office, Directors must openly disclose a potential, real or perceived conflict of interest or financial association as soon as the issue arises and before the Board or its committees dealing with the matter at issue.

4.2. Guidance. If the Director is not certain whether she is in a conflict of interest or financial association position, the matter may be brought before the Chair of the Board, the Chairs of the Society's committees, or the Board for advice and guidance.

4.3. Board Vote. If there is any question or doubt about the existence of a real or perceived conflict of interest or financial association, the Board will determine by majority vote if a conflict of interest or financial association exists. The Director potentially in conflict of interest or financial association shall be absent from the discussion and shall not vote on the issue.

4.4. Obligation of Fellow Directors. It is the responsibility of other Directors who are aware of a real, potential or perceived conflict of interest or financial association on the part of a fellow Director to raise the issue for clarification, first with the Director in question and, if still unresolved, with the Chair of the Board.

4.5. Abstention. The Director must declare the matter in advance and if decided by the Board, shall abstain from participation in any discussion on the matter, shall not attempt to personally influence the outcome, shall refrain from voting on the matter and/or shall leave the meeting room for the duration of any such discussion or vote.

4.6. Recording of Minutes. The disclosure and decision as to whether a conflict of interest or financial association exists shall be duly recorded in the minutes of the meeting. The time the Director left and returned to the meeting shall also be recorded.



Schedule "A"

Oath of Office

I, _____, a Director of **The Scottish Society of Ottawa**, declare that I have read, understood and agree to comply with the *Directors' Conflict of Interest Policy* and other applicable policies, and that in carrying out my duties as a Director, I will:

1.0 Exercise the powers of my office and fulfil my responsibilities honestly, in good faith and in the best interests of the Society.

2.0 Exercise these responsibilities, at all times, with due diligence, care and skill in a reasonable and prudent manner.

3.0 Respect and support the Society's By-laws, policies, Directors' Conflict of Interest and decisions of the Board of Directors.

4.0 Keep confidential all information unless the Board of Directors determines that such information is public. This shall include, but not be limited to, information about personnel and volunteers, finances, trade-secrets, any personal information, and matters dealt with during in-camera meetings of the Board of Directors.

5.0 Conduct myself in a spirit of collegiality and respect for the collective decisions of the Board of Directors and subordinate my personal interests to the best interests of the Society.

6.0 Immediately declare any personal conflict of interest or financial association that may come to my attention.

7.0 Comply with decisions of the Board of Directors made pursuant to the Society's policies.

POLICY NAME:	Directors' Conflict of Interest
POLICY NUMBER:	1.0
DATE REVISED:	April 2021
RESPONSIBILITY CENTRE:	Board of Directors
APPENDICES:	
SEE ALSO:	
SIGNING AUTHORITY:	Jane Torrance, Chair