



## **CONDUCT REVIEW COMMITTEE**

### **CONFLICT OF INTEREST POLICY FOR DIRECTORS - Approved 28.04.14**

#### **Introduction**

The purpose of this policy is to identify and to prevent or resolve conflicts of interest of the directors of the BC Libraries Cooperative (the "Co-op").

#### **Intent**

The Co-op requires strong representation from its members, represented by an elected board of directors. A degree of institutional conflict is inevitable in a member-driven organization. In this context, it is the position of the Co-op that board directors should consider whether personal or direct institutional conflict arises during their service on the Co-op board. In service as a board director, the overall health of the Co-op must be the overarching consideration.

#### **Conflict of Interest Explained**

The Co-op acknowledges that various types of conflict may arise, and offers the following clarification as an interpretation aid. If further clarification is required, board directors are urged to contact the Board Chair or Executive Director, in confidence.

In exercising the functions of a director, a director has a duty to act with the utmost honesty and good faith and must always act in the best interests of the Co-op. As well, a director must exercise the care, diligence, and skill of a reasonably prudent person under comparable circumstances.

To be in a conflict of interest situation does not necessarily involve fault or blame. However, a director who ignores a conflict of interest situation and acts in that situation is at fault and may incur personal liability.

A conflict of interest arises where a director has a duty or a direct interest that comes into conflict with, or is sufficient to influence or appear to influence, the performance of the director's duties owed to the Co-op.

#### **A conflict of interest may involve:**

- the business of the Co-op;
- the business of entities in which the Co-op has an interest; and
- specific transactions with the Co-op or an entity in which the Co-op has an interest.
- accepting gifts.

## **Resolution of Conflicts of Interest**

For the purposes of this policy, a conflict of interest will be resolved:

In the case of a gift or hospitality, by obtaining the consent of the balance of directors or by refusing, returning or refunding the value of the gift or hospitality;

### **In all cases, by the director:**

- disclosing the conflict;
- leaving a meeting of directors while the matter creating the conflict is being discussed or otherwise dealt with;
- taking no part in any discussion or voting with respect to the matter creating the conflict of interest;
- not attempting to influence, in any way, the Board's dealing with the matter creating the conflict of interest; and
- satisfying any other legal requirement;
- Where the balance of directors determine that a conflict of interest would influence or appear to influence virtually every decision in which the director is required to participate as a member of the Board of Directors of the Co-op, the director shall either eliminate the interest or duty giving rise to the conflict or resign as a director of the Co-op.

Each conflict of interest is a separate conflict of interest and no permission or approval with respect to one conflict shall be deemed to be approval of any other.

### **Other Requirements**

It is not possible to state a set of rules that would codify proper behaviour in every situation. Therefore, nothing in this conflict of interest policy will excuse a director from any other duty or responsibility imposed by law.

### **Administration of Policy**

A director will not be excused from compliance with this policy or any other rule of law relating to conflicts of interest on the basis that the director did not realize that a conflict of interest existed or might arise.