

Wyndham Hill Co-operative Homes Inc.

By-law No. 17 Conflict of Interest Bylaw

(replaces Article 9 in the
Organizational By-law No. 7)

Passed by the Board of Directors on January 11, 2017.

Confirmed by a 15% majority vote of members present at a General Meeting held on January 18, 2017.

Article 1: About this by-law

- 1.1 This by-law helps the co-op meet the requirements of the *Co-operative Corporations Act* and any local rules established by the service manager under the authority of the *Housing Services Act*.
- 1.2 If there is a conflict among rules about conflict of interest, they will govern in this order:
1. the *Co-operative Corporations Act* and the *Housing Services Act*
 2. the Regulations under the *Housing Services Act* and any regulations that are relevant under the *Co-operative Corporations Act*
 3. Local Rules about conflict of interest set by the service manager in accordance with the *Housing Services Act*
 4. this by-law
 5. the other by-laws of the Co-op.

Article 2: What is conflict of interest?

- 2.1 All directors, officers, committee members, agents and employees must carry out their duties honestly, in good faith and in the best interests of the co-operative rather than in their personal interest. This includes following the co-op's by-laws and provincial legislation about conflict of interest.
- 2.2 In this by-law, a person related to a director, officer, agent or employee means a parent, spouse, same-sex partner, child, household member, sibling, uncle, aunt, nephew, niece, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandparent, or a person with whom the director, officer, agent or employee has a business relationship.

Article 3: Procedures

- 3.1 The facts of each case are different, and careful judgement is needed to decide whether there is a conflict of interest. Even a perception of conflict of interest could undermine the appearance of integrity and the credibility of the co-op's business practices and the government funding program.

Therefore, the board and members should follow the procedures below to determine if there is a conflict and to deal with the conflict if it exists.

(a) Director conflict or possible conflict of interest

When a director has or may have a conflict of interest:

- the director must declare the conflict of interest, or possible conflict of interest, in writing at or before the first board meeting after becoming aware of the conflict of interest or potential conflict of interest. This declaration must be recorded in the minutes of the meeting;
- if the director does not declare a conflict of interest or a possible conflict of interest, but another director is aware of one, the other director should bring it up at the meeting:

The board must consider the matter no later than the second meeting after the notice of the conflict of interest was given. This discussion must be recorded in the minutes of the meeting;

The board then decides if there is a conflict of interest. If the board decides that there is a conflict of interest the director cannot vote on the matter, must not be present at any of the parts of meetings when the matter is discussed, and does not count in quorum for those parts of the meeting.

As set out in Article 7, the board must report its discussion of the matter including how it was resolved to the service manager.

(b) Financial conflicts of interest

This paragraph applies in addition to paragraph 3.1(a) if a director or officer has or may have a financial conflict of interest.

As set out in Article 7, the board must also report the conflict of interest to the service manager.

(e) Members' conflicts of interest

At members' meetings, all members can discuss and vote as they wish, even if they have a conflict of interest. However, members must declare the conflict of interest before taking part in the discussion. Members should try to act in the best interests of the co-op as a whole.

These procedures are in addition to, and do not replace, the requirements of the provincial statutes or common law.

Article 4: Avoiding conflict of interest

- 4.1 The board will closely monitor its relationships, contracts, arrangements and agreements. It will not engage in any that may result in a conflict of interest unless the situation is resolved as in Article 3.
- 4.2 The board will promote fair, open and objective business policies and practices in all its purchasing, contracting and hiring.
- 4.3 The board and staff must follow the procedures set out in the Spending By-law.

Article 5: Payment of directors

- 5.1 Directors and officers serve without compensation for their role as a director. However, they have the right to be paid for travelling or other expenses while doing business for the co-op as long as the expenses are reasonable. The board must authorize these expenses which must meet any guidelines and limits set by the board. Directors cannot receive compensation for lost income while doing business for the co-op.
- 5.2 Despite anything else in this by-law, directors and officers, or people related to them, cannot enter into any contracts with the co-op other than contracts that are generally available to other members, such as occupancy or performance agreements.

- a) If a director, employee or agent associated with a housing provider identifies a perceived, potential or actual conflict of interest, the person in the identified conflict must immediately notify the board chair verbally or in writing.
- b) The chair must address the conflict of interest at the first board meeting after the notice of a perceived, potential or actual conflict of interest is received.
- c) The chair must ensure that the individual in the conflict of interest is removed and remains isolated from the decision-making process.
- d) The board must review the available options and make a decision which best represents the interests of the housing provider.
- e) The board meeting minutes must include the following information when a conflict of interest is declared:
 - Name of the person who declared the conflict of interest;
 - The nature of the conflict of interest;
 - Options available to and considered by the board;
 - Names of board members present for the discussions and final decisions;
 - How the board resolved the conflict;
 - How the board's final decision was in the best interest of the housing provider.
- f) The housing provider maintains conflicts of interest files which contain board/staff/agent conflict of interest declarations and information on all declared conflicts (notices, correspondence, meeting minutes, etc.).
- g) All conflict of interest files must be stored, maintained and easily accessible for a minimum of seven years.

7.3. Conflict of Interest Reporting to CMSM

Declared conflicts of interest shall be reported to meet the following requirements of the CMSM:

- a) The report must be in writing and submitted to the CMSM prior to the next board meeting after a conflict of interest has been identified.
- b) The report will include the board meeting minutes.

The CMSM will provide a written response to the declared conflict of interest report. The CMSM response to the conflict of interest report will be presented to the board of directors at a subsequent meeting. The housing provider is required to comply with all requirements stated in the CMSM written response.

Schedule A

**Conflict of Interest Declaration
(Board of Directors and Staff)**

Wyndham Hill Co-operative Homes Inc.

I agree that I will act honestly, in good faith, and in the best interests of the co-op. I must avoid conflicts of interest, both direct and indirect. I will always put the interests of the co-op before my personal interests. I promise to declare in writing any possible conflict of interest that I have, or may have, in connection with any co-op contract, business or proposed business as soon as it occurs. I understand that the obligations and limitations regarding conflict of interest also apply to all persons in my household and to my relatives. The board will deal with the conflict of interest using the procedures set out in the Conflict of Interest By-law.

Name:

Signature:

Date:

Declaration to be signed annually by directors and staff.