

# Conflict of Interest

## 1 Definition

A director has a conflict of interest when:

- 1.1 He/she directly or indirectly has any pecuniary interest in any matter, or directly or indirectly receives financial benefit, is beneficially entitled to or has a business interest in any matter which is offered to ELFEC and/or to organizations receiving grants from ELFEC;
- 1.2 The spouse, parent, sibling or child of the director has a pecuniary interest or financial benefit, direct or indirect, in any matter relating to the activities of ELFEC;
  - 1.2.1 “Spouse” means a person to whom the director is married or with whom he/she is living in a common law relationship.
  - 1.2.2 “Parent” means a mother or father as defined through birth, adoption or marriage (“in-law”).
  - 1.2.3 “Sibling” means a brother or sister as defined through birth, adoption or marriage (“in-law”).
  - 1.2.4 “Child” means a child born within or outside marriage and includes an adopted child and a person whom a parent has demonstrated a subtle or overt intention to treat as a child of his/her family.
- 1.3 A group, organization, association or business:
  - (a) which the director owns or represents;
  - (b) by whom he/she is employed;
  - (c) of which he/she is a member; or
  - (d) to which he/she belongs;has a pecuniary interest or financial benefit, direct or indirect, in any matter relating to the activities of ELFEC.

## 2 Disclosure

Under either of the following circumstances, a director shall make a disclosure of his/her participation or interest to the board. This disclosure shall be made at the beginning of a member’s term, or as soon thereafter as the participation or interest begins:

- 2.1 If a director participates in any transaction, either as an individual or as a member of another organization, which is similar to the transactions in which ELFEC engages;
- 2.2 If a member has any ownership interest or profit participation in an outside business enterprise which has or may have dealings with ELFEC.

### 3 Procedure for Declaration of Conflicts

- 3.1 At the beginning of each meeting of the directors, the chair shall ask for declarations of conflict of interest relating to matters on the agenda.
- 3.2 Any director who has a conflict of interest on any particular matter, or considers that he/she *could be* in a position of conflict of interest, shall declare such conflict to the board.
- 3.3 After declaring a conflict, the director shall thereafter abstain from participating in any and all discussions and decisions regarding that matter.
- 3.4 Such declarations and abstention shall be recorded in the minutes of the meeting.
- 3.5 The abstaining directors shall not be counted in determining the quorum if there is a vote on that particular matter.
- 3.6 If the directors consider a declared conflict of interest to be so serious that the presence of the director with the conflict would jeopardize a fair and frank discussion of the matter in question, the board may by majority vote ask the director with the conflict to withdraw from the meeting until the matter has been disposed of.
- 3.7 If a director does not declare a conflict of interest, any other director may raise the question as to whether or not a conflict of interest exists, and the board shall determine by majority vote whether such a conflict exists. Such vote shall be recorded in the minutes of the meeting.
  - 3.7.1 If the directors have determined that a conflict exists, they may further determine whether the director with the conflict will abstain from the discussion and decision or withdraw from the meeting.

### 4 Acknowledgment

At the first meeting of the board following the election of a director, he/she shall sign a copy of this policy as an acknowledgment that he/she is aware of and understands it. The signed and dated copy will be kept on file by the Secretary-Treasurer.