



## CORA Conflict of Interest Policy

### PART 1 - GENERAL

1.1 Directors and officers (each an “**Executive**”) of the Canadian Outrigger Racing Association (“**CORA**”) are required to act honestly, in good faith, and in the best interests of CORA. Consistent with these standards of conduct, real and potential conflicts of interest (each a “**Conflict**”) and the appearance or perception of Conflicts are to be avoided where practicable and acted upon openly and appropriately when encountered.

1.2 This policy sets out:

- (a) the Conflict requirements applicable to Executives under the *Canada Not-for-profit Corporations Act* (the “**NFPA**”); and
- (b) the procedures to be followed in addressing any Conflict involving an Executive.

1.3 An Executive must abide by the standards described in this policy, in other applicable policies and guidelines that CORA may implement from time to time, and all applicable laws and regulations.

1.4 This policy shall also apply to any person appointed by CORA’s board of directors (the “**Board**”) to serve on a CORA committee (a “**Committee Member**”), and the term “Executive” as used in this policy, including in respect of NFPA requirements, shall be deemed to include Committee Members unless expressly provided otherwise.

### PART 2 – WHAT IS A CONFLICT?

2.1 A Conflict exists where there is potential to favour personal interests, or the interests of another person, over the interests of CORA or where circumstances are sufficient to influence or appear to influence an Executive’s exercise of his or her powers or judgment in an independent and impartial manner.

2.2 Generally, there are two situations giving rise to a Conflict:

- (a) where the Executive has a financial interest in a matter; and
- (b) where the Executive, who through his or her position with another party, has an obligation of loyalty that conflicts, or appears to conflict, with his or her loyalty obligation to CORA.

2.3 A perceived Conflict may arise if an Executive, or a member of the Executive's immediate family or household, has an interest or relationship with a supplier of CORA, or another organization that may, or may appear to, compromise the Executive's independence or ability to provide an impartial or objective decision or recommendation or assessment of facts in any circumstance that relates to CORA.

2.4 For a Conflict to be perceived, it must be visible and the Executive must be aware. Executives are not required to do exhaustive research on all contracts and relationships of any party in which the Executive may be involved.

2.5 It is a Conflict if an Executive misuses information obtained in the course of acting as an Executive.

2.6 In order to manage Conflicts and protect the reality and the perception that an Executive can continue to exercise independent and impartial judgment, the principles of awareness, written disclosure and mitigation are to be applied.

2.7 As soon as an Executive is aware of a Conflict, the Executive must disclose in the manner provided herein the facts of the situation and the mitigating factors or actions the Executive believes will allow the Executive to continue to exercise independent judgment and impartiality.

### **PART 3 – GUIDELINES**

3.1 An Executive is obligated to avoid, whenever reasonably practicable, a Conflict. However, Conflicts may arise. To provide some guidance regarding the application of this policy, the guidelines contained in this Part are intended to assist Executives in avoiding and dealing with Conflict situations. These guidelines do not address or anticipate all situations or circumstances that may from time to time arise. Executives are expected to use their best judgment to ensure that they deal with Conflicts appropriately. If an Executive is not certain if a situation requires disclosure, the Executive should seek clarification from CORA's President or Corporate Secretary.

3.2 An Executive must not derive a personal benefit from the activities of CORA and CORA should avoid, to the extent practicable, contracts or arrangements with parties that would result in personal profit or benefit to an Executive or a member of the Executive's immediate family or household, friends, business associates or colleagues.

3.3 Executives must not allow their loyalty to CORA to be compromised by their relationships to or involvement in other organizations.

3.4 Information of a confidential nature gained by an Executive from his or her involvement with CORA is to be kept confidential and used only for the proper purposes of CORA and, specifically, is not to be disclosed to anyone who might gain an advantage from use

of such information, such as in securing a contract with CORA or CORA's endorsement of a bid or proposal.

3.5 An Executive may be in a position of leadership in an organization where the Executive may be viewed as a spokesperson for such organization. In such situations, the Executive should ensure that they are seen as speaking for such organization or as an individual and not as a spokesperson or representative of CORA.

3.6 Where a vendor or supplier is bidding to perform work or provide services to CORA, it is a Conflict if the Executive:

- (a) is a director, employee or consultant (including on a retainer, whether active or not) of such vendor or supplier;
- (b) or an immediate family or household member has a financial interest in such vendor or supplier;
- (c) or an immediate family or household member has an investment in such vendor or supplier; or
- (d) has an immediate family or household member who is a director, employee or consultant of the vendor or supplier.

3.7 An Executive must not allow any benefit, gift or hospitality to compromise or appear to compromise an Executive's ability to make fair, impartial and objective decisions. It is acknowledged that it may be acceptable to give or receive a benefit, gift or hospitality when there is a benefit to CORA. An Executive must not ever offer, ask for, give or receive any benefit, gift or hospitality that would be illegal or result in any violation of law.

#### **PART 4 – CANADA NOT-FOR-PROFIT CORPORATIONS ACT REQUIREMENTS**

4.1 The NFPA sets out the statutory obligations and procedures relating to certain specified Conflicts with which Executives must comply. The NFPA is specifically concerned with Conflicts where an Executive:

- (a) is a party to a material contract or transaction or a proposed material contract or transaction with CORA; or
- (b) is a director or officer (or is acting in a similar capacity) of, or has a material interest in, a party to a material contract or transaction or a proposed material contract or transaction with CORA;

(each a "**Contractual Interest**").

4.2 The NFPA requirements apply regardless of whether the material contract or transaction or proposed material contract or transaction requires approval by the Board.

4.3 The NFPA requires Executives having a Contractual Interest to disclose in writing to CORA the nature and extent of the Contractual Interest in accordance with the timeframes set out in the NFPA.

4.4 The NFPA restricts members of the Board from voting on matters in which they have a Contractual Interest, as set out in the NFPA.

4.5 The relevant provisions of the NFPA are reproduced in full in **Appendix A**.

## **PART 5 – GENERAL DISCLOSURE PROCEDURE**

5.1 Executives who are members of the Board must disclose any Conflicts to the Board at its regular meetings or by e-mail distribution, Executives who are officers must make such disclosure by e-mail distribution to the Board or to the CORA President and Corporate Secretary, and Committee Members must make such disclosure to the committee to which they are appointed at its regular meetings or by e-mail distribution. For each committee, Committee Members who are members of the Board shall ensure that disclosures are forwarded to the Board at its regular meetings or by e-mail distribution.

5.2 Disclosure must be made in each of the following circumstances, where appropriate:

- (a) as soon as any situation arises that creates, or may be perceived to create, a Conflict for an Executive or as soon as the Executive becomes aware of such a situation;
- (b) before appointment or election as a Board member or officer;
- (c) where required by a particular contract; or
- (d) where otherwise required by this policy or any other policy of CORA or as required by applicable law.

5.3 The Board will determine the course of action that is in the best interests of CORA to address the Conflict. In making this determination, the Board may take into account the following factors:

- (a) any possible harm to CORA, any Executive, any employee or other representative acting on CORA's behalf if the Conflict is permitted;
- (b) any possible harm to the interests of CORA's members or member clubs, if the Conflict is permitted;
- (c) whether reasonable alternative arrangements are possible which do not create a Conflict;
- (d) the consequences to CORA, its reputation and future activities if the Conflict is not permitted;

- (e) the consequences to CORA and its reputation and future activities if the Conflict is permitted to continue;
- (f) other interests of CORA; and
- (g) the rights and interests of the Executive.

5.4 Without limiting the discretion of the Board to consider all relevant factors, the following factors in assessing a disclosure must be considered:

- (a) the impact on the Executive's ability to satisfy his or her obligations to CORA, including discharging his or her fiduciary duties to CORA;
- (b) the degree to which the Conflict may compromise the Executive's judgment, independence and impartiality; and
- (c) the extent to which the Conflict may be managed through an appropriate protocol.

5.5 The Board may adopt from time to time policies and guidelines that establish procedures for addressing Conflicts in an expeditious manner, including, without limitation, in respect of CORA committees, and in such event the terms and conditions of such policies and guidelines shall apply, provided that no such action by the Board may supersede the statutory obligations and procedures under the NFPA.

## APPENDIX A

### CANADA NOT-FOR-PROFIT CORPORATIONS ACT REQUIREMENTS

#### Disclosure of interest

141 (1) A director or an officer of a corporation shall disclose to the corporation, in writing or by requesting to have it entered in the minutes of meetings of directors or of committees of directors, the nature and extent of any interest that the director or officer has in a material contract or material transaction, whether made or proposed, with the corporation, if the director or officer

- (a) is a party to the contract or transaction;
- (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or
- (c) has a material interest in a party to the contract or transaction.

#### Time of disclosure for director

- (2) The disclosure required by subsection (1) shall be made, in the case of a director,
- (a) at the meeting at which a proposed contract or transaction is first considered;
  - (b) if the director was not, at the time of the meeting referred to in paragraph (a), interested in the proposed contract or transaction, at the first meeting after the director becomes so interested;
  - (c) if the director becomes interested after a contract or transaction is made, at the first meeting after the director becomes so interested; or
  - (d) if an individual who is interested in a contract or transaction later becomes a director, at the first meeting after the individual becomes a director.

#### Time of disclosure for officer

- (3) The disclosure required by subsection (1) shall be made, in the case of an officer who is not a director,
- (a) immediately after the officer becomes aware that the contract, transaction, proposed contract or proposed transaction is to be considered or has been considered at a meeting;
  - (b) if the officer becomes interested after a contract or transaction is made, immediately after the officer becomes so interested; or

- (c) if an individual who is interested in a contract or transaction later becomes an officer, immediately after the individual becomes an officer.

#### **Time of disclosure for director or officer**

(4) If a material contract or material transaction, whether entered into or proposed, is one that, in the ordinary course of the corporation's activities, would not require approval by the directors or members, a director or an officer shall, immediately after they become aware of the contract or transaction, disclose in writing to the corporation, or request to have entered in the minutes of meetings of directors or of committees of directors, the nature and extent of their interest.

#### **Voting**

(5) A director required to make a disclosure under subsection (1) shall not vote on any resolution to approve the contract or transaction unless the contract or transaction

- (a) relates primarily to the director's remuneration as a director, an officer, an employee, an agent or a mandatary of the corporation or an affiliate;
- (b) is for indemnity or insurance under section 151 [of the *Canada Not-for-Profit Corporations Act*]; or
- (c) is with an affiliate.

#### **Continuing disclosure**

(6) For the purposes of this section, a general notice to the directors declaring that a director or an officer is to be regarded as interested, for any of the following reasons, in a contract or transaction made with a party, is a sufficient declaration of interest in relation to the contract or transaction:

- (a) the director or officer is a director or an officer, or acting in a similar capacity, of a party referred to in paragraph (1)(b) or (c);
- (b) the director or officer has a material interest in the party; or
- (c) there has been a material change in the nature of the director's or the officer's interest in the party.

#### **Access to disclosures**

(7) The members of the corporation may examine the portions of any minutes of meetings of directors or of committees of directors that contain disclosures under this section, and of any other documents that contain those disclosures, during the corporation's usual business hours.

### **Avoidance standards**

(8) A contract or transaction for which disclosure is required under subsection (1) is not invalid, and the director or officer is not accountable to the corporation or its members for any profit realized from the contract or transaction, because of the director's or officer's interest in the contract or transaction or because the director was present or was counted to determine whether a quorum existed at the meeting of directors or of the committee of directors that considered the contract or transaction, if

- (a) disclosure of the interest was made in accordance with this section;
- (b) the directors approved the contract or transaction; and
- (c) the contract or transaction was reasonable and fair to the corporation when it was approved.

### **Confirmation by members**

(9) Even if the conditions of subsection (8) are not met, a director or an officer, acting honestly and in good faith, is not accountable to the corporation or to its members for any profit realized from a contract or transaction for which disclosure is required under subsection (1), and the contract or transaction is not invalid by reason only of the interest of the director or officer in the contract or transaction, if

- (a) the contract or transaction is approved or confirmed by special resolution at a meeting of the members;
- (b) disclosure of the interest was made to the members in a manner sufficient to indicate its nature and extent before the contract or transaction was approved or confirmed; and
- (c) the contract or transaction was reasonable and fair to the corporation when it was approved or confirmed.

### **Application to court**

(10) If a director or an officer of a corporation fails to comply with this section, a court may, on the application of the corporation or any of its members, set aside or annul the contract or transaction on any terms that it thinks fit, require the director or officer to account to the corporation for any profit or gain realized on the contract or transaction or make any other order that the court thinks fit.