

BOARD OF GOVERNORS CONFLICT OF INTEREST

Approval Authority: Board of Governors

Established On: 2022 05 12

Amendments: (Replaces previous COI Policy NOSM, 2019)

Category: Board

1.0 POLICY STATEMENT

All Governors have a duty to ensure that the integrity of the decision-making processes of the board of governors (the “Board”) are maintained by ensuring that they and other members are free from conflict or potential conflict in their decision making. It is inherent in a governor’s fiduciary duty that conflicts of interest be avoided. It is important that all governors and officers understand their obligations when a conflict of interest or potential conflict of interest arises.

2.0 SCOPE

This policy applies to all governors, including ex-officio governors, officers, and non-governor members herein referred to as Members.

3.0 POLICY

Members shall avoid situations in which they may be in a position of a conflict of interest or perceived conflict of interest. In addition to the conflict-of-interest provisions in the Act and the by-laws, which must be strictly adhered to, the process set out in this policy shall be followed when a conflict or potential conflict arises.

Duty of Board, Committee and Subcommittee members

1. Each Member owes a duty to the University to:
 - a) act honestly, in good faith and in the best interests of the University.
 - b) to disclose each real, potential, or perceived Conflict of Interest; and
 - c) to refrain from taking part in any discussion or vote in relation to any matter in which they have a Conflict of Interest.

Description of Conflict of Interest

A conflict of interest arises in any situation where a members' duty to act solely in the best interests of the University and to adhere to their fiduciary duties is compromised or impeded by any other interest, relationship, or duty of the governor.

A conflict of interest also includes circumstances where the members' duties to the University are in conflict with other duties owed by the governor such that the member is not able to fully discharge the fiduciary duties owed to the University.

The situations in which a potential conflict of interest may arise cannot be exhaustively set out. Conflicts generally arise in the following situations:

1. Transacting with the University

- When a member transacts with the University directly or indirectly.
- When a member has a material direct or indirect interest in a transaction or contract with the University.

2. Interest of a Relative

When the University conducts business with suppliers of goods or services or any other party of which a family member of a governor is a principal, officer, or representative.¹

3. Gifts

When a member or a family member or any other person or entity designated by the member, accepts gifts, payments, services, or anything else of more than a token or nominal value from a party with whom the University may transact business (including a supplier of goods or services) for the purposes of (or that may be perceived to be for the purposes of) influencing an act or decision of the Board.

4. Acting for an Improper Purpose

When members exercise their powers motivated by self-interest or other improper purposes. Members must act solely in the best interest of the University. Members who are nominees of a particular group must act in the best interest of the University even if this conflicts with the interests of the nominating party.

¹ "Family Member" means a spouse (including common law spouse or life partner), parent, grandparent, sibling, child, grandchild, child in-law, sibling in-law, and the parent, grandparent, sibling, child, grandchild, child-in law, or sibling in-law of the Governor's spouse. (By-Law No 1 Sec 1.1(i))

5. Appropriation of Opportunity

When a member diverts to their own use, an opportunity or advantage that belongs to the University.

6. Duty to Disclose Information of Value to the University

When members fail to disclose information that is relevant to a vital aspect of the University's affairs.

7. Serving Other Institutions or Universities

A member may be in a position where there is a conflict of "duty and duty". This may arise where the member serves as a member of two institutions that are competing or transacting with one another. It may also arise where a member has an association or relationship with another entity. For example, if two institutions are both seeking to take advantage of the same opportunity, a member may be in possession of confidential information received in one boardroom or related to the matter that is of importance to a decision being made in the other boardroom. The member cannot discharge the duty to maintain such information in confidence while at the same time discharging the duty to make disclosure. The member cannot act to advance any interests other than those of the University

8. Structural conflicts

The composition of the Board creates the potential for perceived Conflicts of Interest on the part of Members who are NOSM University faculty, staff or students. Faculty, staff and student members (or Members whose spouse is a faculty, staff or student member) are not considered to have a Conflict of Interest where their interest is the same or substantially the same as any other faculty, staff or student member of the University.

No member of the Board, other than the President, who is an employee or whose spouse is an employee of the University may take part in discussions or vote on matters related to the remuneration or benefits, pension, terms of employment, rights, or privileges available to employees of the University that are directly related to compensation or that are negotiated in a collective fashion for a class or group of employees of the University.

Process for Resolution of Conflicts and Addressing Breaches of Duty

Disclosure of Conflicts

A member or officer, who is in a position of conflict or potential conflict, shall immediately disclose such conflict to the Board by notification to the Board chair or vice chair. Where the chair has a conflict, notice shall be given to the vice chair. A non-governor Board committee member, who is in a position of conflict or potential conflict, shall immediately disclose such conflict to the Board by notification to the committee chair. The disclosure shall be sufficient to disclose the nature and extent of the interest. Disclosure shall be made at the earliest possible time and, where possible, prior to any discussion and vote on the matter.

The disclosure must be made, at a minimum, in the case of a governor:

- at the meeting where a matter in which the governor has a conflict is first considered.
- if the governor was not then interested in a matter, at the first meeting after the governor becomes so interested.
- if the governor becomes interested after a matter has been approved, at the first meeting after the governor becomes so interested; or
- if an individual who has a conflict in a matter later becomes a governor, at the first meeting after the individual becomes a governor.

The disclosure must be made, at a minimum, in the case of an officer:

- forthwith after the officer becomes aware that a matter in which the officer has a conflict is to be considered or has been considered by the Board.
- if the officer becomes interested after a matter has been approved by the Board, forthwith after the officer becomes so interested; or
- if an individual who has a conflict in a matter later becomes an officer, forthwith after the individual becomes an officer.

The disclosure must be made, at a minimum, in the case of a non-governor Board committee member:

- at the committee meeting where a matter in which the Board committee member has a conflict is first considered.
- if the Board committee member was not then interested in a matter, at the first meeting after the Board committee member becomes so interested.

- if the Board committee member becomes interested after a matter has been approved, at the first committee meeting after the Board committee member becomes so interested.
- if an individual who has a conflict in a matter later becomes a Board committee member, at the first meeting after the individual becomes a Board committee member.

If a member or officer has a conflict of interest in a matter that, in the ordinary course of the University's business, would not require approval of the Board or members, the member or officer shall disclose the conflict of interest to the Board chair or vice chair, or request to have entered in the minutes of Board meetings, the nature and extent of their interest forthwith after the member or officer becomes aware of the matter.

Continuing Disclosure

A governor, officer, or non-governor Board committee member may provide a general notice to the Board disclosing their relationships and interests in entities or persons that give rise to conflicts.

Leave the Meeting and Do Not Vote

A governor, officer, or non-governor Board committee member who has declared a conflict shall not attend any part of a meeting during which the matter in which they have a conflict is discussed and shall not vote on any resolution to approve the matter.

If no quorum exists for the purposes of voting on a resolution to approve a matter only because one or more governor(s) or Board committee member(s) are not permitted to be present at the meeting due to a conflict, the remaining governors or Board committee members(s) are deemed to constitute a quorum for the purpose of voting on the resolution.

Access to Meeting Materials

Where a member has declared or been found to have a Conflict of Interest in a matter which is to be considered in camera, at the request of the Chair, the Secretary may withhold the materials related to the matter from, the Member.

Referral

A member may be referred to the process outlined below where any member believes that they or another member:

- (a) has breached their duties to the University.
- (b) is in a position where there is a potential breach of duty to the University.
- (c) is in a situation of actual or potential conflict of interest; or
- (d) has behaved or is likely to behave in a manner that is not consistent with the highest standards of trust and integrity and such behaviour may have an adverse impact on the University.

Process for Resolution

- (a) The matter shall be referred to the chair or where the issue may involve the chair, to the vice chair, with notice to the President.
- (b) The chair (or vice chair, as the case may be) may either:
 - (i) attempt to resolve the matter informally; or
 - (ii) refer the matter to either the executive committee or to special committee of the Board established by the chair (or vice chair, as the case may be) which shall report to the Board.
- (c) If the chair or vice chair elects to attempt to resolve the matter informally and the matter cannot be resolved to the satisfaction of the chair (or vice chair as the case may be), the governor referring the matter, and the governor involved, then the chair or vice chair shall refer the matter to the process in (b) (ii) above.
- (d) A decision of the Board by majority resolution shall be determinative of the matter.

It is recognized that if a conflict or other matter referred cannot be resolved to the satisfaction of the Board (by simple majority resolution) or if a breach of duty has occurred, a governor may be asked to resign or may be subject to removal pursuant to the by-laws and the Act.

Perceived Conflicts

It is acknowledged that not all conflicts or potential conflicts may be satisfactorily resolved by strict compliance with the by-laws. There may be cases where the perception of a conflict of interest or breach of duty (even where no conflict exists, or breach has occurred) may be harmful to the University notwithstanding that there has been compliance with the by-laws. In such circumstances, the process set out in this policy for addressing conflicts and breaches of duty shall be followed.

It is recognized that the perception of a conflict or breach of duty may be harmful to the University even where no conflict exists, or breach has occurred, and it may be in the best interests of the University that the governor be asked to resign.

4.0 INTERPRETATION

Questions of interpretation or application of this policy or its procedures will be referred to the

- Board of Governors Chair via governance@nosm.ca
- University Secretary via governance@nosm.a

5.0 RELATED DOCUMENTS

- [Northern Ontario School of Medicine University Act, 2021](#)
- NOSM University [Regulations](#)
- [Freedom of Information and Protection of Privacy Act](#)
- NOSM University Board By-Laws

AUTHORITIES AND OFFICERS

The following is a list of authorities and officers for this policy:

- a. Approving Authority: Board of Governors
- b. Responsible Officer: Board Chair
- c. Procedural Authority: Governance Committee
- d. Procedural Officer: University Secretary

Review and Revision History

Review Period: 3 years or as required

Date for Next Review: 2025 01