

## 6. Conflict of Interest for Board of Directors Policy

**Objective:** To establish a standard of conduct for Board members and appropriate Board procedures with respect to existing or potential conflicts of interest

**Context:** The Milk River Watershed Council Canada (MRWCC) shall ensure that it fulfills its mission with integrity and to a high ethical standard

**Background:**

The MRWCC comprises a group of stakeholders who are expected to have a vested interest in the environmental and economic health of the Milk River Watershed and the people living in and near the watershed. The work of the Council is based on the understanding that many varied and often potentially conflicting interests, working together in a structured and focused manner, can achieve better decisions and outcomes than alternative decision-making structures. Enlightened self interest within a structure of collaboration and mutual respect is fundamental to the success of organizations such as the MRWCC.

If a Board member has a conflict of Interest, they must make their interests known. Thus, conflict of interest guidelines for such an organization must enable the members to express and protect their interests in an open and fair process without compromising open, transparent, respectful and fair conduct of Council business.

Conflicts of interest are unavoidable in an organization such as the MRWCC and should not disqualify an individual or organization from fully participating in MRWCC activities, except when there may be a direct financial or commercial benefit to the individual or organization.

**Definition:**

- A. *A conflict of interest occurs when an individual or organization is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit*  
or
- B. *A conflict of interest occurs when, in instances where issues arise, a person who represents the position of one organization may conflict with the position of the MRWCC*

**Statement of Policy and Procedures (specific to the Board of Directors):**

***Under Definition A:***

1. No Board member may receive any financial benefit, personally or by a company with which they are associated, from the business of the MRWCC.

2. Any beneficial interest, beyond nominal and incidental gifts or hospitality, obtained or potentially obtained by a Board member of the MRWCC from activities related to the business of the MRWCC, constitutes a potential conflict of interest and should be reported to the Executive Director or Board Chair for resolution.

3. Procedure for Disclosure:

- a) Individuals who are elected or appointed to positions on the MRWCC Board of Directors, will disclose their potential conflict in the following manner:
- i) Following the election of Board members at the MRWCC Annual General Meeting, or upon appointment, Board members will complete a Board Conflict of Interest Disclosure Statement if they consider that they may have, or may be considered to have, a Conflict of Interest.
  - ii) Notwithstanding Section 3 a) i), whenever a Board Member considers that he or she could be, or could potentially be, in a conflict of interest as defined in this policy, he or she shall disclose this conflict to the Board immediately.

#### 4. Procedure following Disclosure or 3rd Party Assertion:

Once a Board member has disclosed a potential conflict of interest, or a 3rd party asserts that a Board member has a conflict of interest:

The Board of the MRWCC will follow the Conflict and Complaint Resolution Procedure (as outlined in the MRWCC Administration Manual).

- a) The individual in potential conflict of interest and the third party (the person asserting a conflict or perceived conflict) may not participate in discussion of this matter as an advocate on his or her own behalf, either formally at the meeting or informally through private contact, communication or discussion, unless such participation is approved by a majority vote of the Directors.
- b) Except where participation in discussion has been properly approved as per section (a), a Board member of the MRWCC shall not be present at that portion of the meeting when the matter in which they have an interest is considered.
- c) The individual in a potential conflict of interest shall not participate in any vote on the matter.

#### 5. Documentation:

Documentation relating to conflict of interest situations shall be done in “camera”. Actions taken by the Board to resolve the conflict will be recorded.

#### ***Under Definition B:***

Procedures following such conflict:

The persons whose interests are in conflict can choose to:

- a. abstain from discussion of the issue and/or
- b. abstain from voting on the issue and/or
- c. be excluded from any MRWCC correspondence or representation of the issue

Documentation relating to conflict of interest situations may be recorded in the minutes of the Board of Directors of the MRWCC. Conflicts that are reported and recorded will be communicated to the membership of the MRWCC through the publication of these minutes.

Approved April 26, 2018