



CANADIAN RIGHT OF WAY EDUCATION FOUNDATION

(the “Corporation”)

DIRECTORS’ CODE OF CONDUCT AND POLICY ON CONFLICTS OF INTEREST

SECTION 1 GENERAL

- 1.01 Application. This document, which comprises the Code of Conduct for Directors of the Corporation and the Policy on Conflicts of Interests for Directors of the Corporation (the “**Policy**”) has been approved by the board of directors (the “**Board**”) of the Corporation. The Policy is intended to govern the conduct of Directors of the Corporation. It also sets out guidelines for avoiding and disclosing conflicts of interests.
- 1.02 Definitions. Unless otherwise specified, the words and expressions used in this Policy shall have the same meaning as in By-law No. 10 of the Corporation.
- 1.03 Complement to By-laws, etc. The provisions of this Policy are intended to complement and enhance in a consistent manner, the requirements that arise at law and in the By-laws of the Corporation. The Board may adopt such other policies or prescribe such other rules and regulations not inconsistent with the provisions of the Corporation’s By-laws or the *Canada Not-for-Profit Corporations Act* relating to conflicts of interest.
- 1.04 Interpretation. This Policy shall be, unless the context requires, construed and interpreted in accordance with the interpretation provisions of the Corporation’s By-laws.

SECTION 2 DUTIES AND RESPONSIBILITIES OF INDIVIDUAL DIRECTORS

- 2.01 Responsibilities. Each Director is expected to become an active participant in a board that functions effectively as a whole. A Director is responsible to:
- (a) Be informed of the constating documents and legislation under which the Corporation exists, its By-laws, mission, values, codes of conduct, and policies as they pertain to the duties of a Director;
 - (b) Keep generally informed about the activities of the Corporation and the general trends in the sector(s) in which it operates;

- (c) Attend Board meetings regularly, serve on committees of the Board and contribute from personal, professional and life experience to the work of the Board;
- (d) Exercise, in the performance of their duties, the degree of care, diligence and skill required of a Director pursuant to the laws under which the Corporation is incorporated;
- (e) Be independent and impartial;
- (f) Not be influenced by self-interest, outside pressure, expectation of reward or fear of criticism;
- (g) Act with honesty and integrity and conduct herself in a manner consistent with the nature and the responsibilities and the maintenance of public confidence in the conduct of the Board's business;
- (h) Offer her personal perspectives and opinion on issues that are the subject of Board discussion and decision;
- (i) Voice, clearly and explicitly at the time a decision is being taken, any opposition to a decision being considered by the Board;
- (j) Maintain solidarity with fellow Directors in support of a decision that has been made in good faith in a legally constituted meeting, by Directors in reasonably full possession of the facts;
- (k) Ask the Directors to review a decision, if she or he has reasonable grounds to believe that the Board has acted without full information or in a manner inconsistent with its fiduciary obligations, and, if still not satisfied after such review, ask that the matter be placed before the membership;
- (l) Work with the staff of the Corporation on committees or task forces of the Board;
- (m) Know and respect the distinction in the roles of the Board and staff consistent with the principles underlying the governance policies;
- (n) Exercise vigilance for and declare any apparent or real personal conflict of interest in accordance with the Corporation's By-laws and policies, and in particular with this Policy; and
- (p) Comply with all other codes and policies approved by the Board from time to time.

2.02 Conduct of Directors. A Director will at all times conduct herself in a manner that:

- (a) Supports the purposes and objectives of the Corporation;
- (b) Serves the overall best interests of the Corporation;
- (c) Subordinates her personal interests, and those of any particular Chapter or Region of the Corporation, to the best interests of the Corporation;
- (d) Brings credibility and goodwill to the Corporation;
- (e) Respects principles of fair play and due process;
- (f) Demonstrates respect for individuals and human rights;
- (g) Respects and gives fair consideration to diverse and opposing viewpoints;
- (h) Demonstrates due diligence and dedication in preparation for, and attendance at, meetings, special events and in all other activities on behalf of the Corporation;
- (i) Demonstrates good faith, prudent judgment, honesty, transparency and openness in her activities on behalf of the Corporation;
- (j) Ensures that the financial affairs of the Corporation are conducted in a responsible and transparent manner with due regard for her fiduciary responsibilities and public trusteeship;
- (k) Avoids real or perceived conflicts of interest;
- (l) Conforms with the By-laws and policies approved by the Board, in particular this Policy and the Oath of Office and Confidentiality Agreement.

SECTION 3 CONFLICT OF INTEREST GUIDELINES

3.01 Integrity. These Conflict of Interest Guidelines are intended to ensure the highest standards and maintenance of the integrity of the Board. Directors shall act at all times in the best interests of the Corporation rather than in the interests of any particular Chapter or Region of the Corporation. This means putting the interests of the Corporation ahead of any personal interest or the interest of any other person or entity. It also means performing her duties and transacting the affairs of the Corporation in such a manner that promotes public confidence and trust in the integrity, objectivity and impartiality of the Board.

3.02 No Pecuniary Benefit.

- (a) No Director shall directly or indirectly receive any profit from her position as such, provided that notwithstanding anything herein contained to the contrary, Directors may receive reasonable payment for their services and reimbursement for the reasonable expenses incurred by them in the performance of their duties as permitted in the By-laws and approved by the Board.

- (b) The pecuniary interests of immediate family members (including the immediate family members of a Director's partner) or close personal or business associates of a Director are considered to also be the pecuniary interests of the Director.

3.03 Definition of a Conflict of Interest.

- (a) A conflict of interest refers to a situation in which personal, occupational or financial considerations may affect, or appear to affect, a Director's objectivity, judgment or ability to act in the best interests of the Corporation and includes conflicts as described in subsection 3.04 hereof.
- (b) A conflict of interest may be real, potential or perceived in nature.
- (c) A real conflict of interest arises where a Director has a private or personal interest, for example, a close family connection or financial interest.
- (d) A potential conflict of interest may arise when a Director has a private or personal interest such as an identified future commitment.
- (e) A perceived or apparent conflict of interest may exist when a reasonable, well-informed person has a reasonable belief that a Director has a conflict of interest, even if there is no real conflict.
- (f) Full disclosure, in itself, does not remove a conflict of interest.

3.04 Examples of Conflict of Interest on the Part of a Director.

The following examples constitute, without limitation, Conflicts of Interest under this Policy:

- (a) Any circumstance that may result in a personal or financial benefit to a Director or his family, business associate or friend. This includes, but is not limited to, accepting any payment for services rendered to the Corporation other than payment for services of a Director as permitted in this Policy, including contracted work or honoraria; or accessing financial or other resources for personal use, i.e. transportation, training costs, supplies, equipment, etc.
- (b) Personal interests which conflict with the interests of Members of the Corporation or are otherwise adverse to the interests of the Corporation (for example, no Director shall vote in respect of requests for funding received from the International Right of Way Association ("IRWA") for Chapters or Regions for which a Director is a member);
- (c) Seeking, accepting or receiving any personal benefit from a supplier, vendor or any individual or organization doing or seeking business with the Corporation;
- (d) Being a member of the board or staff of another Person, which might have material interests that conflict with the interests of the Corporation or its Members; and, dealing with matters on one board which might materially affect the other board.

(e) Any involvement in the hiring, supervision, grievance, evaluation, promotion, remuneration or firing of a family member, business associate or friend of the Director.

3.05 Gifts and Hospitality. Directors shall not directly or indirectly offer or accept cash payments, gifts, gratuities, privileges or other personal rewards, which are intended to influence the activities or affairs of the Corporation. Directors may, however, give or receive modest gifts or hospitality as a matter of general and accepted business practice, provided the foregoing does not include cash or other negotiable instruments and provided all gifts or hospitality have been disclosed and properly accounted for.

SECTION 4 PRINCIPLES FOR DEALING WITH CONFLICT OF INTEREST

5.01 Disclosure. Both prior to serving on the Board and during their term of office, Directors must openly disclose a potential, real or perceived conflict of interest or financial association as soon as the issue arises and before the Board or its committees dealing with the matter at issue.

5.02 Guidance. If the Director is not certain whether she or he is in a conflict of interest or financial association position, the matter may be brought before the Chair of the Board, the Chairs of the Corporation's committees, or the Board for advice and guidance.

5.03 Board Vote. If there is any question or doubt about the existence of a real or perceived conflict of interest or financial association, the Board will determine by a majority vote if a conflict of interest or financial association exists. The Director potentially in conflict of interest or financial association shall be absent from the discussion and shall not vote on the issue.

5.04 Obligation of Fellow Directors. It is the responsibility of other Directors who are aware of a real, potential or perceived conflict of interest or financial association on the part of a fellow Director to raise the issue for clarification, first with the Director in question and, if still unresolved, with the Chair of the Board.

5.05 Abstention. The Director must declare the matter in advance and if not decided by the Board, shall abstain from participation in any discussion on the matter, shall not attempt to personally influence the outcome, shall refrain from voting on the matter and/or shall leave the meeting room for the duration of any such discussion or vote.

5.06 Recording of Minutes. The disclosure and decision as to whether a conflict of interest or financial association exists shall be duly recorded in the minutes of the meeting. The time the Director left and returned to the meeting shall also be recorded.

**SECTION 5
CONTRAVENTION OF POLICY PROCEDURE**

7.01 Self-Reporting.

- (a) Annual: Directors are required to file a questionnaire and declaration on an ongoing basis identifying any potential contraventions of this Policy.
- (b) Ongoing: Directors are required to report any potential contraventions of this Policy as soon as they are aware of the contravention. Directors who feel they may have contravened this Policy will consult with the Chair of the Board.

7.02 Peer Reporting. If a Director hears of or observes another Director who is, or appears to be, contravening this Policy, the Director will consult with the Chair of the Board and may advise the other Director of this action.

7.03 Investigation. The Chair of the Board will review or investigate the matter, in consultation with the Board, if necessary.

7.04 Outcomes.

- (a) The Chair of the Board, further to her review or investigation of the matter, may take such action as she or he considers necessary and appropriate in the circumstances, including, but not limited to:
 - (i) taking no further action (e.g. if the allegation is unfounded);
 - (ii) requiring that the Director undergo training or education;
 - (iii) requesting the Director's resignation; or
 - (iv) taking such other disciplinary action that the Chair of the Board deems fair and appropriate, including without limitation a recommendation that the Members be asked to remove the Director from the Board in accordance with the By-laws of the Corporation.
- (b) In carrying out her review or investigation, the Chair of the Board shall adopt such procedures as she or he considers fair and reasonable.
- (c) Any decision or disciplinary action taken by the Chair of the Board under this Policy is final, unless appealed to the Board within thirty (30) days of the date of the receipt of the Chair's decision.

7.05 Role of Vice-Chair. If a contravention of this Policy is alleged against the Chair of the Board, the Vice-Chair of the Board will undertake the responsibilities of the Chair as outlined above in this matter.

7.06 Allegations of Illegal Activity. Allegations of illegal activity involving a Director shall be immediately referred to the appropriate authorities for investigation. Any Director against whom such allegations are made shall take a leave of absence from the Board pending completion of the investigation.

SECTION 6 CONFIDENTIALITY

- 8.01 Confidential Information. It is the responsibility of the Directors to know what information is confidential and to obtain clarification when in doubt. Except as she or he may be compelled by the applicable legal process, a Director must, both while having and after ceasing to have that status, treat as confidential all information regarding the policies, internal operations, systems, business or affairs of the Corporation obtained by reason of her status as a Director and not generally available to the public. A Director shall not use information obtained as a result of her involvement on the Board for her personal benefit. Each Director shall avoid activities which may create appearances that she or he has benefitted from confidential information received during the course of her duties as a Director.
- 8.02 Review of Policy. Each Director, forthwith after being elected, shall meet with the Chair of the Board to review this Policy and such other policies of the Corporation that apply to Directors.
- 8.03 Oath of Office and Confidentiality Agreement. Each Director is required to sign and agree to comply with the *Oath of Office and Confidentiality Agreement*, in the form attached hereto as Schedule "A" on an annual basis.