



# Timmins and District Hospital L'Hôpital de Timmins et du district

<b>Policy Title:</b> CONFLICT OF INTEREST		
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## Table of content

	Title	Page
A	Purpose	1
B	Definitions (all documents)	1
C	Content	1
D	Policy/Procedure	1
E	References	1
F	Appendices/Links	1

### A. Purpose

To avoid conflict of interests.

### B. Definitions

N/A

### C. Content

#### **DEFINITIONS AND INTERPRETATIONS SECTION 1.1 (1) (p)**

- (p) “Conflict of Interest” includes, without limitation, the following three (3) areas that may give rise to a conflict of interest for the Directors of the Corporation, namely:
  - (i) Pecuniary or financial interest – a Director is said to have a pecuniary or financial interest in a decision when the Director (or the Director’s Associates) stands to gain by that decision, either in the form of money, gifts, favours, gratuities or other special considerations;

### 1.1.1.2

- (i) Undue influence – participation or influence in Board decisions that selectively and disproportionately benefits particular agencies, companies, organizations, municipal or professional groups, or patients from a particular demographic, geographic, political, socio-economic or cultural group is a violation of the Director’s entrusted responsibility to the community at large; and
- (ii) Adverse Interest – a Director is said to have an adverse interest to the Corporation when the Director is a party to a claim, application or proceeding against the Corporation;

### **3.12 CONFLICT OF INTEREST [SEE ALSO DEFINITIONS AND INTERPRETATIONS SECTION 1.1 (1) (p)]**

- (1) Every Director who has or thinks they may potentially have an actual or perceived Conflict of Interest with respect to a proposed or current contract, transaction, matter or decision of the Corporation, shall disclose the nature and extent of the Conflict of Interest at a meeting of the Board.
- (2) The declaration of interest shall be disclosed at the meeting of the Board at which the contract, transaction, matter or decision is first raised.
- (3) If the Director becomes interested in a contract, transaction, matter or decision after the Board meeting at which it is first raised, the Director shall make a declaration at the next Board meeting following the Director’s perception or apprehension of a conflict.
- (4) In the case of an existing contract, transaction, matter or decision, the declaration shall be made at the first meeting of the Board after the individual becomes a Director or the interest comes into being.
- (5) All such declarations of interest (including the specific nature thereof) shall be recorded in the minutes of the meeting and in the minutes of every meeting at which the matter that is the subject of the declaration is addressed (either discussed or voted on). The Secretary of the Corporation shall maintain a list of all ongoing

matters that are the subject of a conflict of interest declaration, together with the identity of the conflicted Director(s).

- (6) Such list shall be referred to by the Secretary (or designate) when preparing board or committee packages, and any materials relating to a matter that is the subject of a conflict of interest declaration shall be omitted from the board or committee package of any conflicted Director.
- (7) After making such a declaration, no interested Director shall vote or be present at the vote or during the discussions, or otherwise attempt to influence the voting, on a contract, transaction, matter or decision, nor shall the Director be counted in any required quorum with respect to the vote. The abstention of the conflicted Director from discussion and voting shall also be recorded in the minutes of each relevant meeting. The conflicted Director is not restricted from answering questions about or explaining the Director's involvement in the matter that is the subject of the declaration.
- (8) If a Director has made a declaration of Conflict of Interest in compliance with this By-Law, the Director is not accountable to the Corporation for any profits the Director's may realize from the contract, transaction, matter or decision.
- (9) If the Director fails to make a Declaration of the Director's interest in a contract, transaction, matter or decision, as required by this By-Law, this failure may be considered grounds for termination of the Director's position as a Director, in addition to any other remedies available to the Corporation under statute, equity or common law. A Director's undeclared Conflict of Interest may, at the discretion of the Board, be brought before the members for approval and confirmation.
- (10) The failure of any Director to comply with the Conflict of Interest provisions of this By-Law does not, in or of itself, invalidate any contract, transaction, matter or decision undertaken by the Board, although the contract, transaction, matter or decision may be voidable at the discretion of the Board.
- (11) If a Director believes that any other Director is in a Conflict of Interest position with respect to any contract, transaction, matter or decision, the Director shall have such concern recorded in the minutes, and the Director with the alleged Conflict of Interest shall have the right to address the Board with respect to the allegation,

and shall then absent themselves from the room. Thereafter, at the request of the Director who recorded the initial concern, the Board shall vote on whether the Director alleged to have a Conflict of Interest is, in the opinion of the Board, in a Conflict of Interest. If the Board finds the person in a Conflict of Interest that interested Director shall absent themselves during any subsequent discussion or voting process relating to or pertaining to the conflict. The question or whether a Director has a Conflict of Interest shall be determined by a simple majority of the Board and shall be final.

- (12) If the Board finds that the person is not in conflict, the Board will then vote on the contract, transaction, matter or decision and the votes of each Director shall be recorded.
- (13) Where the number of Directors who, by reason of the provisions of this section, are prohibited from participating in a meeting is such that at that meeting the remaining Directors are not of sufficient number to constitute a quorum, then, notwithstanding any other provision in this By-Law, the remaining number of Directors shall be deemed to constitute a quorum , provided such number is not less than three (3).
- (14) Where, in the circumstances mentioned in the preceding paragraph, the remaining number of Directors who are not prohibited from participating in the meeting is less than three (3), the Chief Executive Officer may apply to the Superior Court of Justice on an expert basis for an Order authorizing the Board to give consideration to, discuss and vote on the matter out of which the interest arises, or such other relief as the Court may consider appropriate.
- (15) On an annual basis, the Directors shall be required to sign a conflict of interest and independence declaration, as prescribed by the Board.

#### **D. Policy/Procedure**

Directors must follow the Conflict of Interest provisions in the Hospital bylaws as attached.

#### **E. References**

Definitions and Interpretation Section 1.1 (1)(p)  
Conflict of Interest Section 3.12

#### **F. Appendices/Links**

**N/A**