

## CONFLICT OF INTEREST GUIDELINES

Approved by Board Directors on March 27, 2011

### Definitions

- A “*conflict of interest*” is any situation where your personal interests, or the interests of a close friend, family member, business associate, corporation, union, partnership, or a person to whom you owe an obligation or debt may prevent you from acting in the Board or Society’s best interests, and on behalf of the Board or Society, fairly, impartially and without bias.

For example, any direct or indirect financial interest of a member that could impair the member’s independent, unbiased judgment in making decisions as a Member of the Board or of the Society is a *conflict of interest*.

- The “*appearance of a conflict of interest*” arises where it appears to a reasonable person that you are or may be in an actual conflict of interest.
- An “*indirect benefit*” is a benefit derived by a close friend, family member, business associate, corporation, union, partnership, or a person to whom you owe an obligation or debt, or a benefit which advances or protects your interests even though it may not be measurable in money.
- In this Guideline, the term “*conflict*” includes both a “*conflict of interest*” and the “*appearance of a conflict of interest*”.

### General

1. H4H Directors are expected to conduct themselves in a manner to avoid both a conflict of interest, or the appearance of a conflict of interest.
2. Directors should not:
  - (a) act for the Board or Society, or deal with the Board or Society in any matter where they are in a conflict of interest or appear to be in a conflict of interest; or
  - (b) use their position with the Board or Society to pursue or advance personal interests or the interests of a close friend, family member, business associate, corporation, union, partnership, or any person to whom they owe an obligation.
3. Directors should not directly or indirectly benefit from a transaction with the Board or Society over which they can influence decisions made by the Board or Society. Under no circumstances may a transaction of this type be authorized.

### Disclosure of a Conflict

4. H4H Directors must immediately disclose a conflict of interest or a possible appearance of conflict of interest orally or in writing to the Board or Society, or to a person designated by the Board or Society for this purpose. It is very important to come forward when first become aware of the conflict. If not aware of the conflict until after a transaction is finished, they should make disclosure immediately.

5. If in doubt about whether there may be in a conflict of interest, a Director should immediately request the advice of the Board or Society, or a person the Board or Society has designated to give advice. (It may be appropriate to seek legal advice).
6. Unless otherwise directed, a Director should immediately take steps to resolve the conflict or remove the suspicion that it exists.

**Personal Benefit**

7. Directors should not personally benefit from any transaction involving the Board or Society except in unique situations that are authorized by this Guideline.
8. Directors should not indirectly benefit from any transaction involving the Board or Society except in unique situations that this Guideline authorizes.

**Use and Acquisition of Property**

9. Directors should have authorization to use property owned by the Board or the Society for personal purposes, or purchase property from the Board or Society unless the purchase is made through the usual channels equally available to the public. Even then, Directors should not purchase the property if they are involved in some aspect of the sale.

**Taking Personal Advantage of an Opportunity**

10. Directors should not take personal advantage of an opportunity available to the Board or Society unless the Board or Society has clearly and irrevocably decided against pursuing the opportunity, and the opportunity is equally available to members of the public.

**Soliciting Clients or Business**

11. Directors should not use their position with the Board or Society to solicit clients for their own business, or one operated by a close friend, family member, business associate, corporation, union, partnership, or a person to whom the Directors owe an obligation.

**Confidentiality of Board and Society Information**

12. Directors may have access to Board or Society information only for Board and Society purposes.
13. Directors should not use Board or Society information for their personal benefit, or for the benefit of a close friend, family member, business associate, corporation, union, partnership, or a person to whom they owe an obligation.
14. Directors must protect Board or Society information from improper disclosure.
15. Directors must report any incident of abuse of Board or Society information.

16. Directors may only divulge Board or Society information if they are authorized to release it, and the release of information is to a person who has a lawful right to the information.
17. When Directors are in doubt about whether Board or Society information may be released, they must request advice from the Board or Society or the person designated by the Board or Society to give such advice.

### **Gifts**

18. You may accept a gift only in the following situations:

- (a) If the gift has no more than token value.
- (b) The gift is offered in the normal exchange of hospitality between persons doing business together.
- (c) The exchange is lawful and is in accordance with local ethical practice and standards, and could not be interpreted by an impartial observer as a bribe, pay off or improper or illegal payment.

19. You may not personally use Board or Society property to make a gift, charitable donation or political contribution to anyone on behalf of the Board or Society.

Any gift must have the authorization of the Board or Society, or the person designated by the Board or Society to give authorization.

### **Ensuring the Integrity of the Board or Society as a Whole**

20. As a Board or Society member, you should always be aware of the possibility that you or another member of the Board or Society may be confronted with a conflict situation and may not recognize or acknowledge that the conflict exists. If you are concerned about a conflict involving another Board or Society member, you must immediately bring that concern to the Board or Society member's attention and request that they declare the conflict.
21. If you are concerned about the possibility that another member of the Board or Society is in a conflict situation, and that other member has refused to declare the conflict, you must immediately bring your concern to the attention of the Board or Society. This duty arises from the fact that your first and foremost responsibility is to the health of the Society and the integrity of the Board.

### **Some Examples of Conflict of Interest**

To help in understanding the types of conduct and situations that can lead to a conflict, the following examples are provided:

1. Influencing the Board or Society to lease equipment from a business owned by your spouse.
2. Influencing the Board or Society to allocate funds so an employer in a community will need to hire more Laboratory Technologists, when your daughter-in-law is an unemployed Laboratory Technologist living in the community.

3. Influencing the Board or Society to direct funds to an institution where you work.
4. Participating in a decision by the Board or Society to hire a relative.
5. Influencing the Board or Society to make all its travel arrangements through a travel agency owned by a family member.
6. Influencing or participating in a decision of the Board or Society that will directly result in your own financial gain.

**What Must be Done when a Conflict Arises?**

A Board or Society member is required to make a declaration of the nature and extent of any conflict of interest or perceived conflict of interest at the first Board meeting after which the facts leading to the conflict have come to the Board or Society member's attention.

After making a declaration of conflict of interest or the potential appearance of conflict of interest, a Board or Society member:

1. Shall not take part in the discussion of the matter and is not entitled to vote on any question in respect of the matter. However, that member may be counted in the quorum present at the Board meeting.
2. The Board or Society member must immediately leave the meeting and may not return until all discussion and voting with respect to the matter giving rise to the conflict is completed.
3. Shall not attempt, in any way or at any time to influence the discussion or voting of the Board or Society on any question relating to the matter giving rise to the conflict.

When a conflict of interest or perceived conflict of interest is declared by a Board or Society member, the following procedure shall be followed:

1. The person recording the minutes of the meeting shall record the member's declaration, the reasons given for it, and the time the member left the room and returned.
2. The person presiding at the meeting shall ensure that the member is not present at the meeting at the time of any vote on the matter giving rise to the conflict.