

	<p>Policy Section 2: BOARD STRUCTURE AND RESPONSIBILITIES</p> <p>Policy: Procedural Guidance for Conflict of Interest</p> <p>Policy #: 2.3.1</p> <p>Approval: December 2007</p>
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1. Purpose: to provide procedural guidance to The Flower Cart Group Board of Directors in dealing with conflict of interest issues that may arise within the Board.

2. Procedures (Compliance):

2.1 Standard Disclosure

2.1.1 Prior to or during a Board meeting, a Director may disclose he/she is or may be in a conflict position with respect to a specific agenda item. The disclosure may be voiced to the Chairperson alone or to the assembled Board. The Board Chair or the Board itself will consider the disclosure and determine if the Director is in a conflict position or not.

2.1.2 If it is determined that a conflict does in fact exist, the Director will not be permitted to engage in the discussion of the specific agenda item and will not have a vote if a motion on that item is put forward. The Chairperson reserves the discretion to recuse the affected Director from the meeting while the agenda item in question is discussed by the remainder of the Board. If recused, the Director will be invited to return to the meeting once the item has been addressed. If it is determined that a conflict does not exist, the Director may participate in the discussion of the agenda item and have a vote if a motion is put forward. A declaration of a conflict of interest does not affect the quorum of a Board meeting.

2.1.3 If, as member of a Board committee, a Director believes he/she is or may become conflicted with respect to the work of the committee, he/she will disclose this to the Committee Chair. Depending on the nature of the conflict, the matter may be discussed privately or referred to the committee itself. In the event the Committee Chair is the person in a conflict position, he/she will refer the matter to the Board Chair. If it is determined that a conflict of interest does exist, the Director concerned may be required to step down from the

committee or recuse himself/herself from the portion of the committee work in which the conflict of interest lies.

- 2.1.4 Irrespective of meeting agendas, committee work etc., Directors will disclose any other conflicts of interest with respect to their position and the business of The Flower Cart Group to which they are privy.

2.2 Unintentional Non-Disclosure

- 2.2.1 A Director may fail to disclose he/she is in a conflict of interest position with respect to his/her duties as a member of The Flower Cart Group Board of Directors. Non-disclosure is contrary to Board Policy 2.3 – Conflict of Interest. When it is determined by the Board that the non-disclosure is an oversight or unintended on the part of the Director, (i.e. without an ulterior motive for personal gain or favour or for someone else to whom the Director has a personal, legal or financial obligation), the Director will then remove himself/herself from the conflict situation.
- 2.2.2 The Director will also review the Conflict of Interest Policy. Once these steps have been taken, the Director may resume his/her full duties with the Board.
- 2.2.3 The Board will maintain a written record of cases of Unintentional Non-Disclosure to include the circumstances of the non-closure, the resolution process and resolution outcomes.

2.3 Intentional Non-Disclosure

- 2.3.1 A Director who is knowingly in a conflict of interest position regarding his/her duties as a member of The Flower Cart Group Board and who intentionally fails to report this situation to the Chairperson and/or the Board, is in violation of Board Policy 2.3 – Conflict of Interest.
- 2.3.2 Intentional non-disclosure is a serious matter and has potentially serious consequences including but not limited to censure, suspension, dismissal and possible legal action. Once known, the Board Chairperson will cause the situation to be investigated as quickly as possible. Legal counsel may have to be engaged depending on the information discovered.
- 2.3.3 Should the Board Chairperson be the subject of intentional non-disclosure, the Vice-Chair will direct that an investigation be initiated.

2.3.4 The Board will maintain a written record of cases of Intentional Non-Disclosure to include the circumstances of the non-disclosure, the resolution process and resolution outcomes.

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