



Board Procedure for Resolving Declared Conflicts of Interest and Addressing Breaches of Duty

Purpose

1. The purpose of this procedure is to establish a fair and transparent process for dealing with declared conflicts of interest and addressing breaches of duty.

Application

2. This process applies when dealing with breaches of duty or conflicts of interest declared by a director, non-board members of committees and ex-officio directors who are not otherwise affiliated with or employed by CMHA Lambton Kent.

Policy

3. Directors are required to sign a declaration at the time of appointment and on an annual basis, pursuant to CMHA Lambton Kent's Conflicts of Interest Policy and Procedure.
4. Following the annual signing of the declaration, directors are responsible for reporting, in a similar fashion, subsequent changes in their interests which may be or appear to be in breach of the policy.
5. The director shall not be present during the discussion of the matter in which he or she has a conflict and shall not attempt in any way to influence the voting.
6. Where any director believes that the director or another director:
 - Has breached director duties to the organization;
 - Is in a position where there is a potential breach of duty to CMHA Lambton Kent organization;
 - Is in a situation of actual or potential conflict of interest; or
 - Has behaved or is likely to behave in a manner that is not consistent with the highest standards of public trust and integrity and such behaviour may have an adverse impact on the organization,

the matter shall be referred to the following process:

- Refer matter to Chair or where the issue may involve the Chair, to the Vice-Chair, with notice to CEO.
- Chair (or Vice-Chair as the case may be) may either
 - i) attempt to resolve the matter informally, or
 - ii) refer the matter to the Executive Committee.
- If the matter cannot be informally resolved to the satisfaction of the Chair, then the Chair shall refer the matter to the above process.

7. In the event the conflict arises out of business dealings between the organization and the business of a director or any member of a director's immediate family or any business organization in which any director or immediate family member serves as an officer or director, following the exhaustion of the processes outlined above, the agreement related to such business dealings and any amendments thereto to be of any legal force and effect must be approved by the board of directors as being in the best interests of the organization.

8. It is recognized that if a conflict, or other matter referred cannot be resolved to the satisfaction of the board (by simple majority resolution) or if a breach of duty has occurred, a director may be asked to resign or may be subject to removal pursuant to the by-laws and the Corporations Act.