



# Code of Conduct and Conflict of Interest Policy for Directors, Officers and Employees

Approval / Amendments	Date
Approval	June 24, 2015 (AGM)
Amendment 1	December 13, 2017 (Disclosure Statement)
Amendment 2	

## 1. INTRODUCTION

Community Futures Big Country is a federally supported not-for-profit community organization with a volunteer board of directors and professional employees whose purpose is to develop and diversify local economies. Community Futures Big Country supports community economic development and small business growth by developing and implementing strategic community plans, delivering a range of counseling and information services to small business and operating locally controlled investment funds to provide repayable financing to new and existing businesses.

The following constitutes the Code of Conduct and Conflict of Interest Policy (“Policy”), which has been developed to govern the conduct of and the disclosure and avoidance of real and perceived Conflicts of Interest for all Directors, Officers and Employees of Community Futures Big Country (“CFBC” or “the Corporation”). It is intended that this Policy will be compliant with and be in addition to the requirements of CFBC’s By-laws and other governing documents, as well as the *Canada Not-for-Profit Corporations Act S.C. 2009, c.23* (“the Act”) and its Regulations as amended from time to time.

## 2. PURPOSE

Effective governance of CFBC depends upon informed, thoughtful and impartial decision-making by the Directors of the CFBC Board of Directors (the “Board”) and its Officers. Confidence in the integrity of CFBC and the ability of its Directors and Officers to make such decisions is jeopardized when a Director, Officer or Employee is or appears to be in a Conflict of Interest. The purpose of this Policy is to permit CFBC, through its Board, to effectively manage both real and perceived Conflict of Interest situations whenever they arise.

## 3. APPLICATION

This Policy applies to all CFBC Directors, Officers and Employees. This Policy also applies to Directors, Officers and Employees who are acting in their capacity as members of Committees of CFBC.

## 4. DEFINITIONS

- a) “By-Laws” means all by-laws, including special by-laws, of the Corporation as amended from time to time.
- b) “Conflict of Interest” arises where a Director, Officer or Employee has a personal or financial interest which may be in conflict with or may influence the exercise of his/her obligations or responsibilities in his/her role with CFBC, or which may undermine CFBC stakeholders’ confidence in the Director’s, Officer’s or Employee’s ability to fulfill his/her duties with CFBC. A conflict of interest includes, but is not limited to, circumstances where a Director’s, Officer’s or Employee’s personal and/or financial interest is in competition with his/her fiduciary obligation(s) to act in the best interest of CFBC or where a Relative or Spouse of a Director, Officer or Employee has a personal and/or financial interest in the same subject matter as CFBC. (Refer to Section 6 Conflict of Interest).
- c) “Director” means an individual who has been elected to the Board of Directors of the Corporation in accordance with CFBC’s By-laws.
- d) “Officer” is defined in accordance with the CFBC By-laws.

- e) “Employee” means an individual who is employed or contracted by CFBC.
- f) “Significant Interest” means the ownership, whether directly, indirectly or beneficially, of more than 10% of the capital stock of the incorporated body, or shares or debentures to which are attached more than 10% of the voting rights in the incorporated body.
- g) “Immediately Related Parties” means the spouse and child of any Director, Officer or member of an investment review sub-committee of the Board or Employee of the Corporation and any entities in which the Director, Officer, or member of an investment review sub-committee of the Board or Employee, or the spouse or child of any Director, Officer or member of an investment review sub-committee of the Board or Employee of the Corporation, have a significant interest, substantial investment or control.
- h) “Other Related Parties” include the grandchild, sibling or parent of any Director, Officer or Employee of the Corporation and, any entity in which the grandchild, sibling or parent of any Director, Officer or Employee has a significant interest, substantial investment or control.
- i) “Related Entities” are not-for-profit or profit oriented enterprises that are wholly-owned by the Corporation, or in which the Corporation has a significant interest, substantial investment of control.

## **5. CODE OF CONDUCT**

- a) Directors, Officers and Employees must at all times act honestly, in good faith and in the best interests of CFBC, and in the manner prescribed by the Act as amended from time to time, in accordance with the By-laws of CFBC, and otherwise in accordance with applicable law.
- b) Directors, Officers and Employees must be loyal to CFBC.
- c) Directors, Officers and Employees must base their decisions on a proper consideration of the overall good of CFBC and must not act in the interest of one group of stakeholders over the interest of the CFBC as a whole.
- d) Directors, Officers and Employees must be committed to the purposes of CFBC and must base their decisions and take such action as necessary to support and further those purposes.
- e) Directors, Officers and Employees must conduct themselves in such a way as to maintain the integrity of and public confidence in the CFBC, as well as the economic development industry as a whole.
- f) The Chair of the Board or designate shall be the official spokesperson for releasing to the public only such information as is authorized from time to time by the Board. No other Director, Officer or Employee shall speak publicly about CFBC, through the media or otherwise, without prior approval of the Board.
- g) Directors, Officers and Employees must maintain confidentiality of Board deliberations, discussions and decisions unless prior approval of the Board has been given for disclosure. This commitment shall survive termination of the Director’s, Officer’s or Employee’s service to the Board or Company.

- h) If a Director votes against a resolution of the Board, he/she must nevertheless publicly support that resolution. If a Director cannot reconcile this duty of obedience with his/her conscience, he/she must resign from the Board of Directors. This commitment shall survive termination of the Director's service to the Board.
- i) Directors, Officers and Employees must strive to ensure that they do not place themselves in a position of conflict of interest, either perceived or real, where their duty to CFBC conflicts with their own Personal Interest or with their duty to others.
- j) Directors, Officers and Employees shall not have a financial interest which may be in conflict with or may influence the exercise of their obligations or responsibilities in their roles with CFBC, or which may undermine CFBC stakeholders' confidence in the Director's, Officer's or Employee's ability to fulfill his/her duties with CFBC.
- k) Directors, Officers and Employees shall immediately or as soon as practicable, declare to the Board in accordance with this Policy, any personal and/or financial interest which may constitute a real or perceived Conflict of Interest.
- l) Directors, Officers and Employees shall not communicate or otherwise use any information that was obtained in his/her capacity as a Director, Officer or Employees to further or to seek to further his/her personal and/or financial interest unless such information is available to the general public. Community Futures Big Country Directors, Officers and Employees, upon leaving Community Futures Big Country shall, in perpetuity, abide by the ethical standards relating to Community Futures Big Country confidentiality.

**6. CONFLICT OF INTEREST** (from WED Contribution Agreement March 3, 2015, Section 13)

The Corporation shall ensure that:

- a) Each director, officer or employee acts in the best interest of the Corporation and discloses the material facts regarding his or her interest in a proposed transaction should it potentially give rise to a conflict of interest.
- b) Each director, officer, member of any investment review sub-committee of the Board or employee of the corporation signs a form acknowledging their understanding of these conflict of interest provisions.
- c) No director, officer, member of an investment review sub-committee of the Board or employee of the Corporation or any Related Entity shall enter into any transaction, including acceptance of a loan, loan guarantee or share capital and granting of a loan, loan guarantee or share capital to an Immediately Related Party, either directly or indirectly.
- d) Transactions for the purpose of granting loans, loan guarantees or share capital to Other Related Parties may be permitted provided that:
  - i. The decision is made by the Board to approve such loans, irrespective of the existing delegation of lending authority;
  - ii. The conflict of interest is declared by the director, officer, employee of the Corporation or any Immediately Related Party and recorded in the minutes of the Board; and
  - iii. The director, officer, employee of the Corporation or any Immediately Related Party does not participate in the decision and refrains from attempting to influence, lobby or persuade the Board.

- e) Notwithstanding the provisions of section 13.3, goods and services contracts between the Corporation and a director, officer, member of an investment review sub-committee of the Board or employee of the Corporation, or an Immediately Related Party are permitted provided that:
  - i. The decision is made by the Board to approve such contracts, irrespective of the existing contracting authorities;
  - ii. The conflict of interest is declared by the director, officer, member of an investment review sub-committee of the Board, employee of the Corporation or any Immediately Related Party and recorded in the minutes of the Board;
  - iii. The director, officer, member of an investment review sub-committee of the Board, employee of the Corporation or any Immediately Related Party does not participate in the decision and refrains from attempting to influence, lobby or persuade the Board;
  - iv. A minimum of three competitive bids are obtained where possible; and,
  - v. The contract offering the lowest cost or best value is selected.
  
- f) Transactions for the purpose of granting loans, loan guarantees or share capital to Related Entities may be permitted provided that:
  - i. The decision is made by the Board to approve such loans, loan guarantees or share capital irrespective of the existing delegation of lending authority;
  - ii. The Related Entity relationship was originally created as result of an equity investment by the Corporation in the SME as permitted in Attachment B of the WED Contribution Agreement and that any subsequent investment complies with that section ensuring that the total investment does not have the effect of the Corporation holding in excess of 49% of the outstanding shares; and
  - iii. The Corporation advises the Minister of the investment within 90 days of the decision.

## **7. ENFORCEMENT**

- a) Where a Director, Officer or Employee fails to disclose a personal or financial interest which may constitute a real or perceived Conflict of Interest according to this Policy or according to other laws or regulations in Canada, CFBC reserves all rights which it may have to deal with the conflict and individual involved.
  
- b) The Board may at any time determine by a majority vote that a Director, Officer or Employee has contravened this Policy and may call a meeting of the full Board in accordance with the By-laws in order to determine whether the Director, Officer or Employee should be removed from office or employment. The Director, Officer or Employee will be given the opportunity at the meeting to state why he/she should not be removed but he/she shall not be entitled to a vote on the matter. The decision of the Board, by majority vote, is final.
  
- c) Nothing in this Policy detracts from the obligations for disclosure found in Section 6 of this Policy.
  
- d) This Policy shall be reviewed annually at a meeting of the Board and shall form part of the minutes and record of that meeting.

**8. DECLARATION**

- a) Every Director, Officer or Employee will be required to sign the following declaration at the Annual General Meeting, or at their appointment to the Board, or at their hiring as an Employee.

**I have received a copy of the current Community Futures Big Country Code of Conduct and Conflict of Interest Policy for Directors, Officers and Employees.**

**I have read, understand and agree with it and I will abide by it.**

**Signature:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_



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Drumheller, AB T0J 0Y0

**Community Futures Big Country**  
Disclosure Statement  
for Work done by Board Members

I, \_\_\_\_\_ (the Buyer) declare that I have engaged  
\_\_\_\_\_ (the Seller) to help me with aspects of my business.

I, the buyer, acknowledge that the Seller has informed me that they are a member of the Board of Community Futures Big Country. They have also told me that they have no influence on the decisions of the organization when it comes to operational matters such as recommending loans, approving participation in programs, or similar administrative and operational issues.

I have hired the Seller because I feel they can provide me with the work I need, not because of any hope that they may influence any of the above decisions. I have no expectation of any preferred treatment as a consequence of hiring the Seller.

I understand that this form may be given to Community Futures Big Country as proof that no preferred treatment was expected or paid for.

Buyer's Signature \_\_\_\_\_

Buyer's Printed Name \_\_\_\_\_