

Conflict of Interest

Directors owe a fiduciary obligation and a duty of loyalty to Develop Nova Scotia (DNS). The integrity of the Board's decision-making may be compromised by a real or perceived conflict of interest on the part of any of its Directors. Trust and confidence in the Board can only be sustained if all forms of conflict of interest are identified, disclosed and resolved.

A conflict of interest is:

- any situation in which a Director's private or personal interests may be incompatible or in conflict with their duties and responsibilities as a Director of DNS.
- any situation where a Director's membership in another organization may, or may be perceived to, influence their carrying out of duties and responsibilities as a Director of DNS.

Situations of conflict of interest can arise from:

- private / personal interests of a monetary or economic nature
- non-economic interests such as religious, political, corporate or institutional interests that may take precedence over a Director's duties and responsibilities
- financial, economic and other interests that may provide a Director with a personal benefit or avoidance of a financial loss
- the use for personal benefit of information that has been obtained as a result of being a Directors of DNS

A conflict of interest does not exist where:

- the interest is so remote or insignificant that it cannot reasonably be regarded as likely to influence the Director, or where a pecuniary interest is in common with a broad group of which the Director is a member

Conflict of Interest Process

DNS depends on the integrity of its Directors to disclose their individual conflicts of interest, if any. Directors will be asked to sign a DNS Conflict of Interest Directors' Agreement at the time of their appointment or reappointment. A copy of this Agreement is attached.

A Director who feels that he/she has or may have a perceived conflict of interest should declare the conflict and the general nature of the conflict at a Board meeting (and/or committee

meeting as the case may be) at the earliest opportunity. This declaration will be recorded in the minutes of the meeting.

If a Director is unsure of whether he/she is in a conflict of interest, he/she should raise the matter with the Board Chair at the earliest opportunity. Similarly, if any Director considers that another Director has or may have a conflict of interest, he/she should raise the matter with the Board Chair.

If the Director (with the potential or perceived conflict) and the Board Chair are unable to resolve the issue, the Chair of the Board will bring the situation to the Board as a whole. The Board should determine by majority vote whether or not a conflict of interest exists. Of course, the Director involved should refrain from voting on the existence of a conflict.

If a Director has declared or has been found to be in a conflict of interest, he/she must:

- withdraw from a Board or a committee meeting while the matter is being discussed and voted upon to ensure that he/she does not participate in the discussion or vote on the related matter.
- not attempt in any way before, during or after the meeting to influence the voting on the related matter.

What happens if a Director is in a conflict of interest but does not declare it? The Board may:

- issue a verbal or reprimand
- request that a Director resign
- recommend to the Minister of Economic and Rural Development the suspension of the Director or that the appointment be rescinded.

For greater certainty, notwithstanding this policy, the Province of Nova Scotia's *Conflict of Interest Act* is the governing authority for all matters regarding conflicts of interest.

<https://nslegislature.ca/sites/default/files/legc/statutes/conflict.htm>