

Coast Conservation Endowment Fund Foundation

Policy

Standards of Ethical Conduct for Directors

The fundamental relationship between a director and the organization which the director serves is one of trust; essential to trust is a commitment to honesty and integrity. Ethical conduct within this relationship imposes certain obligations.

The purpose of this document is to set out the standard of ethical conduct expected of all directors of the Coast Conservation Endowment Fund Foundation (CCEFF)

1. COMPLIANCE WITH THE LAW

- 1.1 In fulfilling his/her role as a director, each director must comply with all applicable laws.
- 1.2 In his/her role as a director, no director will commit or condone an illegal act or instruct another director, employee, or supplier to do so.
- 1.3 Directors are expected to be sufficiently familiar with any legislation that applies to their responsibilities as directors to recognize potential concerns and to know when to seek advice. If in doubt, directors are expected to ask for clarification.
- 1.4 Falsifying the record of any transaction that relates to CCEFF is not permitted.
- 1.5 Directors must not portray a casual attitude towards compliance with applicable laws.

2. CONFLICTS OF INTEREST

- 2.1 In general, a conflict of interest exists for directors who use their position at an organization to benefit themselves, their family members, their close friends or their business associates.

- 2.2 A director must not use his or her position with CCEFF to pursue or advance the director's personal interests, the interests of a related person¹, the interests of a business associate, the interests of a corporation, union or partnership of which the director is a member, or the interests of a person to whom the director owes an obligation.
- 2.3 A director must not directly or indirectly benefit from a transaction entered into by CCEFF unless the disclosure requirements of this policy have been followed.
- 2.4 A director may not take personal advantage of an opportunity available to CCEFF unless CCEFF has clearly and irrevocably decided against pursuing the opportunity, and the opportunity is also available to the general public.
- 2.5 A director may not use his or her position with CCEFF to solicit clients for the director's business, or a business operated by a related person, close friend, business associate, or a corporation, union or partnership of which the director is a member, or a person to whom the director owes an obligation.
- 2.6 Every director should avoid any situation in which there is, or may appear to be, a potential for a conflict which could appear to interfere with the director's judgment in making decisions in CCEFF best interest.
- 2.7 There are many situations that could give rise to a conflict of interest. The following are examples of the types of conduct and situations that can be a conflict of interest:
- (i) influencing the organization to lease equipment from a business owned by the director's spouse;
 - (ii) influencing the organization to allocate funds to an institution where the director or his or her son works or is involved;

¹ "related" person means a spouse, child, parent, siblings of a director or a person who resides with a director.

- (iii) participating in a decision by the organization to hire or promote a sister of the director who resides with the director;
- (iv) influencing the organization to make all its travel arrangements through a travel agency owned by a cousin of the director who resides with the director;
- (v) influencing or participating in a decision of the organization that will directly or indirectly result in the director's own financial gain.

3. DISCLOSURE

- 3.1 Disclosure of a conflict is legally required and enables directors to resolve situations before any difficulty can arise.
- 3.2 A director must, immediately upon becoming aware of a conflict of interest, disclose the conflict (preferably in writing) to each and every other director. This requirement exists even if the director does not become aware of the conflict until after a transaction is complete.
- 3.3 If a director is in doubt whether a situation involves a conflict, the director should immediately seek their own advice and/or the advice of the board chair. If appropriate, the board chair may seek advice.
- 3.4 If a director is concerned that another director (the "Potential Conflict Director") is in a conflict of interest, the director (the "Inquiring Director") should bring his or her concern to the attention of the Potential Conflict Director. If the Potential Conflict Director is not of the view that a conflict exists, the Inquiring Director may then bring his or her concern to the attention of the board chair. The board chair will consult with the Potential Conflict Director and if the board chair concurs with the Potential Conflict Director, that is the end of the matter. If the board chair does not concur with the Potential Conflict Director he or she will then request the Potential Conflict Director to follow the disclosure requirements outlined in this section. If the Potential Conflict Director chooses not to comply with the request of the board chair, he or she does so with full knowledge of section 8.1 of this policy.
- 3.6 A director must disclose the nature and extent of any conflict before or at the first meeting of the board after which the situation creating the conflict has come to the director's attention. After disclosing the conflict, the director:

- (i) may take part in the discussion of the matter, but may not vote on any questions in respect of the matter (although the director may be counted in the quorum present at the board meeting);
- (ii) if the meeting is open to the public, may remain in the room while the matter giving rise to the conflict is under discussion, but will leave the room prior to any vote on the matter giving rise to the conflict;
- (iii) should, if the meeting is not open to the public, leave the room for the remainder of the discussion and voting either at their own discretion or if requested by one or more Directors; and
- (iv) must not attempt, in any way or at any time, to influence the voting of the Board on any question relating to the matter giving rise to the conflict.

4. OUTSIDE BUSINESS INTERESTS

- 4.1 Directors must declare all business interests with which they are engaged at the time of their appointment. Notwithstanding such business interests, directors are required to act in the best interest of CCEFF at all times.
- 4.2 Notwithstanding that a director may be appointed to the Board by a stakeholder, that director does not represent the interests of that stakeholder. The director is obligated at all times to act in the best interests of CCEFF and not the stakeholder.

5. CONFIDENTIAL INFORMATION

- 5.1 Confidential information includes proprietary technical, business, financial, legal, or any other information which the organization treats as confidential.
- 5.2 Directors must not, either during or following the termination of an appointment, disclose such information to any outside person unless authorized by the board of CCEFF.
- 5.3 Similarly, directors should never disclose or use confidential information gained by virtue of their association with CCEFF for personal gain, or to benefit a related person, a close friend, a business associate, a corporation, union or partnership of which the director is a member or a person to whom the director owes an obligation.
- 5.4 If in doubt about what is considered confidential, a director should seek guidance from the board chair or the CEO.

6. ENTERTAINMENT, GIFTS AND FAVOURS

- 6.1 It is essential to fair business practices that all those who associate with CCEFF, as suppliers, contractors or directors, have access to CCEFF on equal terms.
- 6.2 Directors and related persons should not accept entertainment, gifts or favours that create or appear to create a favoured position for doing business with CCEFF. Any firm offering such inducements will be asked to refrain from doing so.
- 6.3 No director will offer or solicit gifts or favours in order to secure preferential treatment for themselves or CCEFF.
- 6.4 Under no circumstances will directors offer or receive cash, preferred loans, securities, or secret commissions in exchange for preferential treatment. Any director experiencing or witnessing such an offer must report the incident to the board chair immediately.
- 6.5 Gifts and entertainment should only be accepted or offered by a director in the normal exchanges common to established business relationships for CCEFF. An exchange of such gifts should create no sense of obligation on the part of the director.
- 6.6 Inappropriate gifts received by a director must be returned to the donor.

7. RESPONSIBILITY

- 7.1 CCEFF aims to be, and wishes to be perceived as, an ethical organization and expects its directors to act in all ways to support this aim.
- 7.2 Each director must adhere to this policy.
- 7.3 Any director who knows or suspects a breach of the this policy by any director must report it to the board chair.
- 7.4 Each director must annually review and declare his/her compliance with this policy.

8. BREACH

- 8.1 A breach of this policy by a director may result in a Board recommendation to the Members that such director be removed.

9. WHERE TO SEEK CLARIFICATION

9.1 The board chair and the governance committee chair are responsible for providing guidance on this policy.

10. DECLARATION

10.1 The following Declaration will be signed by each Director of the organization.

I ACKNOWLEDGE that I have read the Standards of Ethical Conduct Policy for Directors of the Coast Conservation Endowment Fund Foundation and agree to conduct myself in accordance with policy.

Signature

Print Name

Date