

Conflicts of Interest

The *University of Western Ontario Act (1982, as amended in 1988 and 2016)* (the Act), Section 17 sets out the parameters of conflict of interest for members of the Board.

In addition, common law holds that once a person becomes a director (as in the case of a member of Western's Board of Governors), that person is, at law, "no one's nominee".

A director is expected to act in the interest of the company or institution, and not in their own interest. In other words, a director owes a duty of loyalty to the organization on whose board they serve. This duty and personal interest must not conflict.

The University of Western Ontario Act, Section 17

- 17.(1) A member of the Board who has an interest, directly or indirectly, in any contract, transaction, proposed contract or proposed transaction under consideration by the Board or a committee created by it shall,
- (a) declare the nature and extent of the interest as soon as possible and no later than the meeting at which the matter is to be considered;
 - (b) refrain from taking part in any discussion or vote in relation to the matter; and
 - (c) withdraw from the meeting when the matter is being discussed if requested to do so by a majority of the members present at the meeting.
- (2) A member of the Board who is an employee of the University or whose spouse is an employee of the University may take part in discussions and vote on all matters relating generally to the financial operation of the University, other than matters referred to in subsection (3) or matters in which the member's interest or the interest of the member's spouse is not the same or substantially the same as that of other employees of the University.
- (3) No member of the Board, other than the President or a Vice-President appointed under clause 9(1)(i), who is an employee or whose spouse is an employee of the University may take part in discussions or vote on matters related to the remuneration or benefits, terms of employment, rights or privileges available to employees of the University that are directly related to compensation or that are negotiated in a collective fashion for a class or group of employees of the University.
- (4) Where the Board or a committee of the Board to which the Board has delegated authority is of the opinion that a conflict of interest exists that has not been declared, the Board or committee may declare, by a resolution carried by two-thirds of the members present at the meeting, that a conflict of interest exists and a member of the Board thus found to be in conflict shall,
- (a) refrain from taking part in any discussion or vote related to the matter; and
 - (b) withdraw from the meeting when the matter is being discussed if requested to do so by a majority of the members present at the meeting.

From By-Law No. 1 of the Board of Governors

C.11. Pursuant to section 17 of the *Act*, no member of the Board whose salary is paid under a collective agreement or Memorandum of Agreement between the University and a union or employee association may serve as a member of any team negotiating matters related to the remuneration or benefits, terms of employment, rights or privileges available to employees in a class or group of employees of the University.

Contract/Transaction Conflict of Interest Guidelines

[Adapted from Policy 3.4 on Conflicts of Interest, in the context of Section 17 of the *Act*]:

A conflict of interest arises where a member of the Board of Governors, sitting as a member of the Board or of a committee of the Board, has or could be seen to have the opportunity to use the authority, knowledge, or influence derived from their position to benefit improperly the member or their spouse/partner. Such situations include but are not limited to the following:

- (a) Participating as a director, officer, or in any other capacity in the management of a firm which is a supplier of materials or services to the University.
- (b) Having personal financial dealings with an individual or company whose business with the University involves the member's sphere of responsibilities.
- (c) Making an investment in any situation in anticipation of the University taking a material interest therein or which results from knowledge of facts not generally available to the public or in anticipation of actions which may be taken by the University in such a situation.

Members of Faculty on the Board of Governors

As defined by certificate number 4482-97-R dated May 26, 1998, of the Ontario Labour Relations Board, members of the academic staff of the University who sit as full-voting members of the Board of Governors are not members of the UWOFA bargaining unit.

Note, however, that members of faculty on the Board must nevertheless declare conflict of interest under terms set out in the *Act*, Section 17, and in University policy (e.g., Policy 3.4).