

Code of Conduct for the Board of Governors of Okanagan College

1. PURPOSE

- 1.1. The fundamental relationship between a Board member and the Board on which they serve should be one of trust; essential to trust is a commitment to honesty and integrity. Ethical conduct within this relationship imposes certain obligations.
- 1.2. The purpose of this Code of Conduct is to set out minimum standards of ethical conduct expected of all members of the Board of Okanagan College.

2. SCOPE

- 2.1. This Code of Conduct applies to all Board members of Okanagan College, including those appointed or elected, voting or non-voting and ex officio.

3 DUTIES

- 3.1. The effective governance of Okanagan College is contingent on Board members fulfilling their roles and responsibilities with the highest standards of conduct.
- 3.2. Duty of Loyalty - Board members have a duty to be responsible first and foremost to the welfare of Okanagan College and must function primarily as a member of the Board, not as a member of any particular constituency. Members of specific constituency groups such as faculty, staff or students may bring forward to Board discussions the views of their respective constituency; however, in deliberations and voting they shall always act in accordance with the best interest of Okanagan College as a whole.
- 3.3. Duty of Care - Board members are expected to act at all times in a prudent and diligent manner by:
 - (a) informing themselves of the duties, ethics and legal obligations of Board members in general and conducting themselves according to such duties, ethics and legal obligations;
 - (b) informing themselves specifically as to the policies, business and affairs of Okanagan College and conducting themselves and exercising their judgment in light of such policies, business and affairs;
 - (c) regularly attending meetings and adequately preparing for and executing the duties expected of them;
 - (d) using their level of knowledge and expertise effectively in dealing with the affairs of Okanagan College; and
 - (e) exercising independent judgment.

- 3.4. Duty of Integrity – Board members are expected to act at all times honestly and in good faith
- 3.5. Duty of Confidentiality - Board members have a duty to maintain the confidentiality of information received in the course of their duties and to not use such information for any purpose outside that of understanding the work of the Board.
- 3.6. Board members' conduct shall reflect social standards of courtesy, respect and dignity
- 3.7. Board members shall act in accordance with the principle that the Board speaks with one voice. The Board Chair or someone designated by the Chair represents the Board in public and Board members must refer to the Chair for public comments about the Board and its decisions in accordance with section 7 of the Bylaws.

4 COMPLIANCE WITH THE LAW

- 4.1. Board members shall act at all times in full compliance with both the letter and the spirit of all applicable laws.
- 4.2. In his/her relationship with Okanagan College, no Board member shall commit or condone an unethical or illegal act or instruct another Board member, employee, or supplier to do so.
- 4.3. Board members are expected to be sufficiently familiar with any legislation that applies to their work to recognize potential liabilities and to know when to seek legal advice. If in doubt, Board members are expected to ask for clarification.
- 4.4. Falsifying any record of transactions is unacceptable.
- 4.5. Board members shall not only comply fully with the law, but shall also avoid any situation which could be perceived as improper or indicate a casual attitude towards compliance.

5 CONFLICTS OF INTEREST

- 5.1. In general, a conflict of interest exists for Board members who use their position at Okanagan College to benefit themselves, friends or families.
- 5.2. A Board member shall not use his or her position with Okanagan College to pursue or advance the Board member's personal interests, the interests of a related person¹, the Board member's business associate, corporation, union or partnership, or the interests of a person to whom the Board member owes an obligation.
- 5.3. A Board member shall not directly or indirectly benefit from a transaction with Okanagan College over which a Board member can influence decisions made by Okanagan College.
- 5.4. A Board member shall not take personal advantage of any opportunity available to

¹ "related" person means a spouse, child, parent or sibling of a Board members

Okanagan College unless Okanagan College has clearly and irrevocably decided against pursuing the opportunity, and the opportunity is also available to the public.

- 5.5. A Board member shall not use his or her position with Okanagan College to solicit clients for the Board member's business, or a business operated by a related person, close friend, family Board member, business associate, corporation, union or partnership of the Board member, or a person to whom the Board member owes an obligation.
- 5.6. A Board member shall avoid any situation in which there is, or may appear to be, potential conflict² which could appear³ to interfere with the Board member's judgment in making decisions in the best interest of Okanagan College.
- 5.7. There are several situations that could give rise to a conflict of interest. The most common are accepting gifts, favors or kickbacks from suppliers, close or family relationships with outside suppliers, passing confidential information to competitors or other interested parties or using confidential information inappropriately. The following are examples of the types of conduct and situations that can lead to a conflict of interest:
 - (i) influencing Okanagan College to lease equipment from a business owned by the Board member's spouse or a related person;
 - (ii) influencing Okanagan College to allocate funds to an institution where the Board member or his or her relative works or is involved;
 - (iii) participating in a decision by Okanagan College to hire or promote a relative of the Board member;
 - (iv) influencing Okanagan College to make all its travel arrangements through a travel agency owned by a relative of the Board member;
 - (v) influencing or participating in a decision of Okanagan College that will directly or indirectly result in the Board member's own financial or other gain.
- 5.8. Board members shall fully disclose all circumstances that could conceivably be construed as a conflict of interest.

6 DISCLOSURE

- 6.1. Full disclosure enables Board members to resolve unclear situations and gives an opportunity to dispose of conflicting interests before any difficulty can arise.
- 6.2. A Board member shall, immediately upon becoming aware of a potential conflict of interest situation disclose the conflict, in writing, to the Board Chair. This requirement exists even if the Board member does not become aware of the conflict until after a transaction is complete.

² "conflict" means a conflict of interest or apparent conflict of interest

³ "apparent" *conflict of interest* means any situation where it would appear to a reasonable person that the Board member is in a conflict of interest situation

- 6.3. If a Board member is in doubt whether a situation involves a conflict, the Board member shall immediately seek the advice of the Board Chair. If appropriate, the Board may wish to seek advice from Okanagan College's Governance Committee or legal advice. If the Board Chair determines that a conflict exists, then the Chair shall report the matter to the Board.
- 6.4. After disclosing the conflict, the Board member:
- (a) shall not take part in the discussion of the matter or vote on any questions in respect of the matter (although the Board member may be counted in the quorum present at the Board meeting);
 - (b) may remain in the room if the meeting is open to the public, but shall not take part in that portion of the meeting during which the matter giving rise to the conflict is under discussion, and shall leave the room prior to any vote on the matter giving rise to the conflict; and
 - (c) shall, if the meeting is not open to the public, immediately leave the meeting and not return until all discussion and voting with respect to the matter giving rise to the conflict is completed.
- 6.5. Unless the Board member is otherwise directed by the Board Chair, a Board member shall immediately take steps to resolve the conflict or remove the suspicion that it exists.
- 6.6. If a Board member is concerned that another Board member is in a conflict of interest situation, the Board member shall immediately bring his or her concern to the other Board member's attention and request that the conflict be declared. If the other Board member refuses to declare the conflict, the Board member shall immediately bring his or her concern to the attention of the Board Chair. If there is a concern with the Board Chair, the issue shall be referred to the Governance Committee
- 6.7. If a Board member does not agree that a conflict exists, the Board member shall leave the meeting and the Board Chair shall put the question to the Board for discussion and vote. A majority ruling by the Board shall determine the issue and the Board's decision shall be final.
- 6.8. Student members are not considered to be in conflict on issues related to fees and charges paid to Okanagan College by students, and may engage in the full debate and vote on these issues.

7 OUTSIDE BUSINESS INTERESTS

- 7.1. Board members shall declare possible conflicting outside business activities at the time of appointment. Notwithstanding any outside activities, Board members are required to act in the best interest of Okanagan College.
- 7.2. No Board member shall hold a significant financial interest, either directly or through a relative or associate, or hold or accept a position as an officer or Board member in an organization in a material relationship with Okanagan College, where by virtue of his or her position in Okanagan College, the Board member could in any way benefit the other organization by influencing the purchasing, selling or other decisions of Okanagan College, unless that interest has been fully disclosed in writing to Okanagan College.

- 7.3. A “significant financial interest” in this context is any interest substantial enough that decisions of Okanagan College could result in a personal gain for the Board member.
- 7.4. These restrictions apply equally to interests in companies that may compete with Okanagan College in all of its areas of activity.

8 CONFIDENTIAL INFORMATION

- 8.1. Confidential information includes proprietary technical, business, financial, legal or any other information which Okanagan College treats as confidential.
- 8.2. Board members shall not, either during or following the termination of their appointment, disclose such information to any outside person unless authorized by the Board Chair.
- 8.3. Similarly, Board members shall never disclose or use confidential information gained by virtue of their association with Okanagan College for personal gain, or to benefit friends, relatives, a related person or associates.
- 8.4. If in doubt about what is considered confidential, a Board member shall seek guidance from the Board Chair.

9 INVESTMENT ACTIVITY

- 9.1. Board members shall not, either directly or through relatives or associates, acquire or dispose of any interest, including publicly traded shares, in any company while having undisclosed confidential information obtained in the course of work at Okanagan College which could reasonably affect the value of such securities.

10 OUTSIDE EMPLOYMENT AND ASSOCIATION

- 10.1. A Board member, who accepts a position with any organization that could lead to a conflict of interest or situation prejudicial to the interest of Okanagan College, shall discuss the implications of accepting such a position with the Board Chair recognizing that acceptance of such a position might require the Board member’s resignation from the Okanagan College Board.

11 ENTERTAINMENT, GIFTS AND FAVOURS

- 11.1. It is essential to fair business practices that all those who associate with Okanagan College, as suppliers, contractors or Board members, have access to Okanagan College on equal terms.
- 11.2. Board members and related persons shall not accept entertainment, gifts or favors that create or appear to create a favored position for doing business with Okanagan College. Any firm offering such inducement shall be asked to cease.

- 11.3. Similarly, no Board member shall offer or solicit gifts or favors in order to secure preferential treatment for themselves or Okanagan College.
- 11.4. Under no circumstances shall a Board member offer or receive cash, preferred loans, securities, or secret commissions in exchange for preferential treatment. Any Board member experiencing or witnessing such an offer shall report the incident to the Board Chair immediately.
- 11.5. Gifts and entertainment shall only be accepted or offered by a Board member in the normal exchanges common to established business relationships for Okanagan College. An exchange of such gifts shall create no sense of obligation on the part of the Board member.
- 11.6. Inappropriate gifts received by a Board member shall be returned to the donor.
- 11.7. Full and immediate disclosure to the Board Chair of borderline cases will always be taken as good-faith compliance with these standards.

12 USE OF OKANAGAN COLLEGE PROPERTY

- 12.1. A Board member shall require Okanagan College's approval by the Vice President, Finance to use property owned by Okanagan College for personal purposes, or to purchase property from Okanagan College unless the purchase is made through the usual channels also available to the public.
- 12.2. Even then, a Board member shall not purchase property owned by Okanagan College if that Board member is involved in an official capacity in some aspect of the sale or purchase.

13 COMPLIANCE

- 13.1. Okanagan College shall behave, and be perceived, as an ethical organization and accordingly, each Board member shall adhere to the minimum standards described herein and to the standards set out in applicable policies, guidelines or legislation.
- 13.2. Integrity, honesty, and trust are essential elements of Okanagan College's success. Any Board member who knows or suspects a breach of this Code of Conduct has a responsibility to report it to the Board Chair.
- 13.3. To demonstrate determination and commitment, each Board member shall review and declare compliance with this Code of Conduct upon joining the Board and annually.

14 BREACH

- 14.1. A Board member found to have breached his/her duty by violating the minimum standards set out in this document may be liable to censure or a recommendation for dismissal to the Government or other actions as the Board determines is appropriate.
- 14.2. Within 7 days, a Board member may appeal a sanction to the full Board, in writing, and the decision of the Board shall be final.

15 WHERE TO SEEK CLARIFICATION

- 15.1. Normally, the Board Chair or the Chair of the Governance Committee shall be responsible to provide guidance on any item concerning standards of ethical behavior.

16 OATH OF OFFICE

All Board members are required to take the following oath:

I, _____, sincerely promise and swear (or affirm) that I will truly, faithfully and impartially, to the best of my ability execute the duties and responsibilities of my position as a Member of the Board of Okanagan College. I have read and agree to abide by the Bylaws of Okanagan College including the Code of Conduct and Conflict of Interest by-laws of Okanagan College.

The Oath of Office is to sworn, signed, and dated before the Board at the commencement of each member's first meeting with the Board.

Existing Board members are required to resign the Code of Conduct on an annual basis.

I ACKNOWLEDGE that I have read and considered the Code of Conduct for Board members of Okanagan College and agree to conduct myself in accordance with the Code of Conduct for Board members.

Signature

Print Name

Date

CHARTER OF EXPECTATIONS FOR DIRECTORS OF GOVERNING BOARDS¹

The Charter of Expectations for Directors of Governing Boards, as set out below, outlines for potential candidates the duties and expectations of board members generally.

Strategic Planning

- provide input to management on emerging trends and issues
- review and approve management's strategic plans, including significant capital allocations and expenditures

Performance Monitoring and Reporting

- monitor corporate performance against strategic and business plans
- evaluate corporate performance reporting
- evaluate performance of senior management

Risk Assessment

- identify principal risks of the Organization's operations and ensure that appropriate systems are in place to manage these risks

Public Policy

- appreciate the role of the Organization as an instrument of public policy
- monitor performance of Organization in relation to the strategic objectives of the shareholder

Senior Staff

- appoint, monitor and evaluate the performance of the CEO; replace if necessary
- ensure succession planning

Financial/Legal Integrity

- ensure ethical behaviour of entity and compliance with all laws and regulations:
- ensure accuracy of financial information and compliance with all accounting and audit principles

Personal Integrity

- ensure personal integrity in all dealings with and on behalf of the Organization, including ongoing responsibility to disclose conflict of interest

Governance

- establish appropriate governance structures to ensure efficient and prudent stewardship of the Organization
- assess board's own effectiveness including monitoring the effectiveness of individual board members

Material Transactions

- review and approve material transactions not in the ordinary course of business

Committees

- participate as appropriate on board committees including: Audit and Risk Management, Governance, Human Resources.

¹ Board Resourcing and Development Office, Office of the Premier, Province of British Columbia, Schedule "A" to Governing Board Candidate Profile and Declaration 2005.