

CNA Board of Directors – Conflict of Interest Policy

Date of creation: Dec. 4. 2020

Revisions:

1. Purpose

The purpose of this policy is to help directors of the Canadian Nuclear Association’s (the “organization”) board of directors (the “board”) to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to ensure the integrity of decision-making involving the board.

2. Description of Conflict of Interest

A conflict of interest arises in any situation where a director’s duty to act in the best interests of the organization and to adhere to their fiduciary duties is compromised or impeded by any other interest, relationship or duty of the director. A conflict of interest also includes circumstances where the director’s duties to the organization are in conflict with other duties owed by the director such that the director is not able to fully discharge the fiduciary duties owed to the organization.

It is important to note that a conflict of interest exists if the decision could be or could appear to be influenced – it is not necessary that influence takes place.

3. General Duties

- 3.1 Every director and officer must disclose to the organization, in the manner and to the extent provided by the *Canada Not-for-profit Corporations Act* (the “Act”), any interest that such director has in a material contract or transaction, whether made or proposed with the organization, if such director is a party to the contract or transaction; is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or has a material interest in a party to the contract or transaction. Such director must not vote on any resolution to approve the same except as provided by the Act.
- 3.2 Unless authorized by the board, or by a person the board designates, a director may not:
 - a. Act on behalf of the organization, or deal with the organization, in any matter where they are in a conflict of interest or appear to be in a conflict of interest; nor



- b. Use their position, office or affiliation with the organization to pursue or advance their personal interests or those of a close friend, family member, business associate, or a corporation or partnership in which they hold a significant interest.
- 3.3 The “appearance of a conflict of interest” occurs when a reasonably well-informed person properly could have a reasonable perception that a director is making decisions on behalf of the organization that promote their personal interests or those of a close friend, family member, business associate, or a corporation or partnership in which they hold a significant interest.
- 3.4 Every director must immediately disclose a conflict of interest to the board either in writing or at a meeting of the board or its committees. It is important to make the disclosure when the conflict first becomes known. If a director does not become aware of the conflict until after a matter is concluded, the director must still make the disclosure immediately.
- 3.5 If a director is in doubt about whether they are or may be in a conflict of interest, they must request the advice of the board of directors or a person the board designates.
- 3.6 Unless otherwise directed, every director must immediately take steps to resolve the conflict or remove the suspicion that it exists, by:
 - Promptly declaring to the board any conflict of interest as described by this policy and asking that such declaration be recorded in the minutes.
 - Recusing themselves from the portion of the meeting where the matter giving rise to the conflict of interest is being discussed.
 - Refraining from all discussion of the matter giving rise to the conflict of interest at any meeting of the board, its committees; or elsewhere
 - Refraining from voting on the matter giving rise to the conflict of interest at any meeting of the board of directors, or its committees; or elsewhere.

4. More about Avoiding a Conflict of Interest

- 4.1 A director must not:
 - a. Use their relationship with the organization to confer a benefit on a close friend, family member, business associate, or a corporation or partnership in which they hold a significant interest. This duty does not prevent a director or anyone else from conducting business with other people connected with the organization.
 - b. Benefit personally from any business activity involving the organization except in unique situations, authorized by the board; or
 - c. Indirectly benefit from any business activity involving the organization except in unique situations, authorized by the board.

- 4.2 An “indirect benefit” is a benefit derived by a close friend, family member, business associate, or a corporation or partnership in which the director holds a significant interest; or a benefit which advances or protects a director’s interests although it may not be measurable in money.

5. Use of Property and Information

- 5.1 A director must have authorization from the board, or from a person the board designates to:
- a. Use, for personal purposes, property owned by the organization; or
 - b. Purchase property owned by the organization unless it is through channels of disposition equally available to the public (even then such director may not purchase the property without authorization if such director is involved in some aspect of the sale).
- 5.2 A director may not take personal advantage of an opportunity available to organization unless:
- a. It is clear that the organization has irrevocably decided against pursuing the opportunity; and
 - b. The opportunity is equally available to members of the public.
- 5.3 A director may not use their position with the organization to solicit any stakeholder of the organization for a personal business or one operated by a close friend, family member, business associate or a corporation or partnership in which such directors holds a significant interest. This duty does not prevent a director or anyone else from transacting business with other people connected with the organization.
- 5.4 “CNA information” is information that is acquired solely by reason of involvement with the organization and which the organization is under an obligation to keep confidential.
- 5.5 A director must:
- a. Not use CNA information for personal benefit.
 - b. Protect CNA information from improper disclosure.
 - c. Report to the board, or to a person the board designates, any incident of abuse of CNA information.
- 5.6 A director may divulge CNA information if:
- (a) They are authorized by the board or by a person designated by the board to release it; and
 - (b) It is to a person who has a lawful right to the information.
- 5.7 If a director is in doubt about whether CNA information may be released, they must request advice from the board or from a person the board designates.

6. Rules about Gifts

- 6.1 A director may accept a gift made to them because of their involvement in the organization if:
- a. The gift has no more than token value.
 - b. It is the normal exchange of hospitality or a customary gesture of courtesy between persons doing business together.
 - c. The exchange is lawful and in accordance with ethical practices and standards.
 - d. The gift could not be construed by an impartial observer as a bribe, pay off or improper or illegal payment.
- 6.2 A director may not use the property of the organization to make a gift, charitable donation or political contribution to anyone on behalf of the organization. Any gift must have the authorization of the board or a person the board designates.

7. Annual Statements

Each director must complete the attached conflict of interest acknowledgement and disclosure form annually, and on change of circumstances; and submit to the form to the corporate secretary for reviewed by the governance, human resources and compensation committee (GHRC committee).

8. Review

The GHRC committee will review this policy every second year from the date of its approval or sooner if warranted and will recommend changes to the policy, if any, to the board. This policy is considered in effect, unless revoked by resolution of the board.

9. Related Information

- The *Canada Not-for-profit Corporations Act*
- CNA By-law No. 1
- CNA Board of Directors – Duties and Expectations of Directors

