

ISAO OPERATIONAL POLICY

CONFLICT OF INTEREST

Approved by the ISAO Board of Directors at its meeting of 13 December 2016

Reference: [Canada Not-for-profit Act Section 141: Disclosure of Interest](#)

(1) A director or an officer of a corporation shall disclose to the corporation, in writing or by requesting to have it entered in the minutes of meetings of directors or of committees of directors, the nature and extent of any interest that the director or officer has in a material contract or material transaction, whether made or proposed, with the corporation.

Note:

- The entirety of section 141 of the Act should be reviewed for a full understanding of its provisions. (see page 6 for full text)
- This ISAO Conflict of Interest Policy includes requirements that go beyond the Act.

This policy applies to:

- ISAO Board Members
- ISAO Committee Chairs and Members
- Anyone appointed to represent or act on behalf of the Board of Directors
- The Executive Director, staff and persons who are contracted to supply services to the ISAO
- The ISAO representative on the ISA Committee of Representatives
- Other positions that may be added to this list by the ISA Board from time to time

Note: As a collective, the above are referred to as *ISAO representatives* throughout this policy.

A. General

1. ISAO representatives are expected to conduct themselves with personal integrity, ethics, honesty and diligence in performing their duties.

2. ISAO representatives are required to support and advance the interests of the ISAO and avoid placing themselves in situations where their private interests may be in conflict with, or be perceived to be in conflict with the interests of the ISAO.

3. When in doubt about whether or not a conflict of interest exists, the matter should be disclosed by the individual to the Board of Directors who will provide guidance.

4. The rules and examples set out in this policy identify obvious situations and do not exhaust the possibilities for conflict of interest.

5. The obligations and duties applicable too ISAO representatives in this policy do not replace, remove or supersede the duties and obligations required by applicable professional designations, regulatory bodies or employment responsibilities.

6. Wherever this policy references personal benefit or private interests, it also applies to organizational, company or group benefit where the individual is associated with, employed by or has a financial or any personal, interest, or their relative or friend has an interest in that organization, company or group. Relative is defined in D1 below.

B. Preferential Treatment

ISAO representatives shall not use their positions to give anyone preferential treatment that would advance the ISAO representative's own private interest or that of any other party where such advance is contrary to the interests of the ISAO, or would be otherwise contrary to the expectations set out in this policy.

Example: A Board member uses their influence to promote the interest of their own organization. This could be participating in the decision-making process involving:

- ISAO awards
- Sponsorship Opportunities
- Certification

C. Gifts.

1. ISAO representatives will not accept, arrange to accept, give or request to be given a reward, gift, advantage or benefit of any kind from any person or entity that influences or could be perceived to influence the performance of the ISAO representative's duty as an ISAO representative.

Example: An ISAO representative is given a gift voucher for hotel room and meals at a location being considered for a future ISAO Conference. This is a conflict of interest.

2. An ISAO representative who receives a gift in the performance of his or her duties will immediately notify the Board of Directors.

3. An ISAO representative may accept a gift of nominal value given as an expression of courtesy or hospitality if doing so does not influence, or would not be perceived to influence, the performance of the ISAO representative's duties.

Example: An ISAO representative is given a complimentary meal as part of a business meeting related to considering a venue for a future ISAO Conference. This is not a conflict as it is a legitimate sampling of the venue's services.

Example: An ISAO representative is given an open bar tab paid by the venue for an evening while they are considering a venue for an ISAO conference. This is a conflict of interest as alcohol is not a unique product and does not have to be sampled to make a determination about the venue.

4. The Board of Directors may pre-determine that no gift may be accepted under any circumstance in certain situations.

D. Employment of relatives.

1. A family member or relative of an ISAO representative may not become an employee of the ISAO where that ISAO representative has decision making power and/or authority over ISAO employees. "Relative" is defined as: parent, grandparent, son, daughter, sibling, spouse, in-law (father, mother, son, daughter, brother or sister), aunt, uncle, or first cousin. As well, "relative" includes anyone involved in an emotional or romantic relationship regardless of the tenure or arrangement of that relationship.

Example: A Board member gets involved in a romantic relationship with an ISAO employee. Either the Board member or the employee should resign their position.

2. The above restriction does not apply to elected or appointed positions; however Board members, committee chairs and officers of the ISAO should use judgement in running for office, appointing representatives and participating in ISAO governance activities where a close relationship could be perceived as posing a conflict of interest.

Example: A decision is made to fund the chair and one committee member to attend an ISA event. The Chair selects their spouse (who is a committee member) to attend with them, all expenses paid by the ISAO. This would likely be perceived as a conflict of interest.

E. Use of ISAO property.

1. An ISAO representative may not use, or permit the use of, ISAO property, including facilities, equipment, supplies or other resources for activities not associated with the proper performance of their duties as an ISAO representative.

2. Any exceptions to the above must be approved by the Board of Directors. Requests for exceptions by Committee members should be directed to the Board through the Committee Chair.

Example: Use of ISAO tree climbing competition equipment for personal matters.

F. Use or disclosure of confidential information

1. An ISAO representative may not, during the term of his or her tenure or any time thereafter, directly or indirectly use or disclose any confidential information obtained by him or her during the course of his or her tenure as a representative to another person or entity unless the ISAO representative is required by law, or authorized by the Board of Directors.

2. The obligation to maintain confidentiality, except as required or permitted by law or by the Board of Directors, continues after the representative is no longer a representative.

Example: Confidential decisions regarding employment matters or (possibly) awarding sponsor status should not be disclosed.

G. Disclosure of financial interests.

An ISAO representative involved in a decision-making process related to an actual or potential contract, sale, or business transaction who knowingly has or could potentially have a financial interest in the ISAO contract, sale or business transaction, or has family members, friends or business associates with such interests, must disclose the interest to the Board of Directors and, if applicable, to the relevant Committee Chair; and remove themselves from any decision-making process, including not participating in discussions in meetings on the matter. By “family member” is meant “relative” as defined in section D 1 above.

Example: An ISAO Board member is routinely or occasionally employed to conduct training with a certain company. That Board member should declare a conflict of interest and not take part in discussions or decisions regarding ISAO engaging that training company in delivering ISA training. That person could benefit financially from the ISAO engaging the company for training.

H. Participating in decision-making.

An ISAO representative will not participate in a decision-making process with respect to a matter that the ISAO representative is able to influence in the course of his or her duties if the ISAO

representative could benefit from the decision, unless the ISAO representative is authorized to do so by the Board of Directors.

Example: A municipality wishes to host an ISAO Conference for the economic benefits that will result in that community. A Board member is an employee of that municipality. That person should not participate in the decision to hold, or not to hold, the conference at that municipality.

I. Engaging in work or business activities.

ISAO representatives must disclose to the Board of Directors any work or business activity that conflicts with his or her duties to the ISAO; or where the ISAO representative could benefit from confidential information obtained during the course of his tenure as an ISAO representative.

Example: An ISAO Board member is also a member of a rival arboricultural organization. The ISAO is planning legal action to contest the rival organization's legal action requiring their organization's certification for the practice of urban forestry. This conflict of interest must be declared and the Board member possibly requested to not be present for discussions and decisions on the matter.

J. Conduct respecting lobbyists.

ISAO representatives should disclose where they have been lobbied for specific benefits or roles by companies, individuals or other organizations. Where the ISAO representative feels that conferring a favour or benefit on the lobbyist will constitute an actual or perceived conflict of interest, they should remove themselves from discussion and decision making on that matter and refer it to the Board of Directors.

Example: A supply company implies that you will receive discounts on goods should you choose them as a sponsor for an event. This is an actual conflict of interest.

Example: You are known to favour a certain supply company with business and you influence the selection of that company as a sponsor for an event. This is a perceived conflict of interest.

K. Failure to comply with the policy.

Individuals who fail to comply with the conflict of interest rules in this policy may be subject to such action as the Board of Directors deems appropriate, up to and including removal from position and/or membership as may be allowed by the ISAO By-law and Policies and Procedures.

Appendix:

Canada Not-for-profit Act

Disclosure of interest

141 (1) A director or an officer of a corporation shall disclose to the corporation, in writing or by requesting to have it entered in the minutes of meetings of directors or of committees of directors, the nature and extent of any interest that the director or officer has in a material contract or material transaction, whether made or proposed, with the corporation, if the director or officer

- (a) is a party to the contract or transaction;**
- (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or**
- (c) has a material interest in a party to the contract or transaction.**

Time of disclosure for director

(2) The disclosure required by subsection (1) shall be made, in the case of a director,

- (a) at the meeting at which a proposed contract or transaction is first considered;**
- (b) if the director was not, at the time of the meeting referred to in paragraph (a), interested in the proposed contract or transaction, at the first meeting after the director becomes so interested;**
- (c) if the director becomes interested after a contract or transaction is made, at the first meeting after the director becomes so interested; or**
- (d) if an individual who is interested in a contract or transaction later becomes a director, at the first meeting after the individual becomes a director.**

Time of disclosure for officer

(3) The disclosure required by subsection (1) shall be made, in the case of an officer who is not a director,

- o (a) immediately after the officer becomes aware that the contract, transaction, proposed contract or proposed transaction is to be considered or has been considered at a meeting;**
- (b) if the officer becomes interested after a contract or transaction is made, immediately after the officer becomes so interested; or**
- (c) if an individual who is interested in a contract or transaction later becomes an officer, immediately after the individual becomes an officer.**

Time of disclosure for director or officer

(4) If a material contract or material transaction, whether entered into or proposed, is one that, in the ordinary course of the corporation's activities, would not require approval by the directors or members, a director or an officer shall, immediately after they become aware of the contract or transaction, disclose in writing to the corporation, or request to have entered in the minutes of meetings of directors or of committees of directors, the nature and extent of their interest.

Voting

(5) A director required to make a disclosure under subsection (1) shall not vote on any resolution to approve the contract or transaction unless the contract or transaction

(a) relates primarily to the director's remuneration as a director, an officer, an employee, an agent or a mandatary of the corporation or an affiliate;

(b) is for indemnity or insurance under section 151; or

(c) is with an affiliate.

Continuing disclosure

(6) For the purposes of this section, a general notice to the directors declaring that a director or an officer is to be regarded as interested, for any of the following reasons, in a contract or transaction made with a party, is a sufficient declaration of interest in relation to the contract or transaction:

(a) the director or officer is a director or an officer, or acting in a similar capacity, of a party referred to in paragraph (1)(b) or (c);

(b) the director or officer has a material interest in the party; or

(c) there has been a material change in the nature of the director's or the officer's interest in the party.

Access to disclosures

(7) The members of the corporation may examine the portions of any minutes of meetings of directors or of committees of directors that contain disclosures under this section, and of any other documents that contain those disclosures, during the corporation's usual business hours.

Avoidance standards

(8) A contract or transaction for which disclosure is required under subsection (1) is not invalid, and the director or officer is not accountable to the corporation or its members for any profit realized from the contract or transaction, because of the director's or officer's interest in the contract or transaction or because the director was present or was counted to determine whether a quorum existed at

the meeting of directors or of the committee of directors that considered the contract or transaction, if

- (a) disclosure of the interest was made in accordance with this section;**
- (b) the directors approved the contract or transaction; and**
- (c) the contract or transaction was reasonable and fair to the corporation when it was approved.**

Confirmation by members

(9) Even if the conditions of subsection (8) are not met, a director or an officer, acting honestly and in good faith, is not accountable to the corporation or to its members for any profit realized from a contract or transaction for which disclosure is required under subsection (1), and the contract or transaction is not invalid by reason only of the interest of the director or officer in the contract or transaction, if

- (a) the contract or transaction is approved or confirmed by special resolution at a meeting of the members;**
- (b) disclosure of the interest was made to the members in a manner sufficient to indicate its nature and extent before the contract or transaction was approved or confirmed; and**
- (c) the contract or transaction was reasonable and fair to the corporation when it was approved or confirmed.**

Application to court

(10) If a director or an officer of a corporation fails to comply with this section, a court may, on the application of the corporation or any of its members, set aside or annul the contract or transaction on any terms that it thinks fit, require the director or officer to account to the corporation for any profit or gain realized on the contract or transaction or make any other order that the court thinks fit.