

Approval Authority: Board of Governors

Last Approved: June 13, 2023

Administrative Responsibility: President

Next Review: 2025-2026

POLICY

A. Code of Conduct

Effective governance of Nicola Valley Institute of Technology is contingent on its Board members fulfilling their roles and responsibilities with the highest standards of conduct. The following outlines the minimum standard of conduct demanded of all NVIT Board members (appointed, elected, and ex-officio):

- (a) Duty of Integrity - to comply with the fiduciary duties of a Board member, to act honestly and in good faith in this position of trust.
- (b) Duty of Loyalty - to give their loyalty to the institution when acting as a member of the Board, responsible first and foremost to the welfare of Nicola Valley Institute of Technology. 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 the best interest of NVIT as a whole.
- (c) Duty of Care - to act prudently and diligently, keeping themselves informed about the institution's policies, business and affairs, and to regularly attend meetings, adequately prepared for the expected duties.
- (d) Duty of Confidentiality - notwithstanding the need of members to make an informed decision on an issue before the Board by obtaining input from internal and external committees, members are to ensure that information usually considered confidential (i.e., financial, legal and personnel issues) remains so.
- (e) Duty of Skill - to use one's level of knowledge and one's expertise effectively in dealing with the institution's affairs.
- (f) Duty of Respect - Board member conduct should reflect social standards of courtesy, respect and dignity.
- (g) Duty to Comply with the Law
 - i. Board members should comply fully with the letter and the spirit of all applicable laws.
 - ii. In their relationship with the organization, no Board member should commit or condone an unethical or illegal act or instruct another Board member, employee, or supplier to do so.
 - iii. 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.
 - iv. Falsifying any record of transactions is unacceptable.

- v. Board members should not only comply fully with the law but should also avoid any situation which could be perceived as improper or indicate a casual attitude towards compliance.
- (h) Duty to Inform – Board members must inform the Board Chair of any circumstance that may negatively or harm their respective abilities to perform the duties required of their membership on the Board.

Conduct of members contrary to the above duties may be subject to review by the Board and subsequent punitive action as per B.10 Breach in the Ethical Conduct section below.

B. Ethical Conduct

B.1 Conflict Of Interest

- i. In general, a conflict of interest exists for Board members who use their position at the organization to benefit themselves, friends or families.
- ii. A Board member should not use their position with the organization to pursue or advance their personal interests or the interests of a related person (“related” person means a spouse, child, parent or sibling), the Board member's business associate, corporation, union or partnership, or the interests of a person to whom the Board member owes an obligation.
- iii. A Board member should not directly or indirectly benefit from a transaction with the organization over which a Board member can influence decisions made by the organization.
- iv. A Board member should only take personal advantage of an opportunity available to the organization if the organization has clearly and irrevocably decided against pursuing the opportunity and the opportunity is also open to the public.
- v. A Board member should not use their position with the organization to solicit clients for the Board member's business or a business operated by a close friend, family, business associate, corporation, union or partnership of the Board member, or a person to whom the Board member owes an obligation.
- vi. Every Board member should avoid any situation in which there is, or may appear to be, a potential conflict that could interfere with the Board member's judgment in making decisions in the organization's best interest. “Conflict” means a conflict of interest or apparent conflict of interest; “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.
- vii. Several situations could give rise to a conflict of interest. The most common are accepting gifts, favours, or kickbacks from suppliers, close or family relationships with outside suppliers, passing confidential information to competitors or other interested parties or misusing privileged information. The following are examples of the types of conduct and situations that can lead to a conflict of interest:
 - influencing the organization to lease equipment from a business owned by the Board member's spouse;
 - influencing the organization to allocate funds to an institution where the Board member or their relative works or is involved;

- participating in a decision by the organization to hire or promote a relative of the Board member;
 - influencing the organization to make all its travel arrangements through a travel agency owned by a relative of the Board member;
 - influencing or participating in a decision of the organization that will directly or indirectly result in the Board member's own financial gain.
- viii. A Board member should fully disclose all circumstances that could conceivably be construed as a conflict of interest.
- ix. A conflict of interest due to representation of or relation to a specific constituency may occasionally arise. In general, voting on matters which affect a broad group (i.e., students, staff, faculty) by a member of that group is not considered a conflict of interest. Conflict could reasonably be deemed to exist, however for the following identified groups when considering these matters:
- (a) decisions directly affecting a specific instructional program in which
 - i. Student Board members are enrolled in the program;
 - ii. faculty or support staff Board members are employed in the program;
 - iii. members with related persons are enrolled in or employed in the program.
 - (b) decisions related to labour negotiations and labour relations
 - i. for faculty and support staff Board members;
 - ii. for Board members with related persons who hold faculty and/or support staff positions at the institution;
 - iii. for Board members with related persons who hold positions at other institutions who could be seen to gain benefit from information divulged on these matters.

For clarification, these guidelines recommend that student members be permitted to vote on issues related to tuition and fees.

B.2 Disclosure

- i. Full disclosure enables Board members to resolve unclear situations and allows disposing of conflicting interests before any difficulty can arise.
- ii. A Board member should disclose the conflict (preferably in writing) to the Board Chair immediately upon becoming aware of a potential conflict of interest situation. This requirement exists even if the Board member becomes aware of the conflict after a transaction is complete.
- iii. If a Board member doubts whether a situation involves a conflict, the Board member should immediately seek the advice of the Board Chair. If appropriate, the Board may wish to seek advice from the organization's ethics advisor or legal advice.
- iv. Unless a Board member is otherwise directed, a Board member should immediately take steps to resolve the conflict or remove the suspicion that it exists.
- v. If a Board member is concerned that another Board member is in a conflict of interest situation, the Board member should immediately bring their 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 should immediately bring their concern to the attention

of the Board Chair. If there is a concern with the Board Chair, the issue should be referred to the Board's Executive Committee.

- vi. A Board member should disclose the nature and extent of any conflict at the first meeting of the Board, after which the facts leading to the conflict have come to that Board member's attention. After disclosing the conflict, the Board member:
 - should 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);
 - if the meeting is open to the public, may remain in the room, 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 before any vote on the matter giving rise to the conflict;
 - should, if the meeting is not open to the public, immediately leave the meeting and not return until all discussion and voting concerning the matter giving rise to the conflict is completed; and
 - should not attempt, in any way or at any time, to influence the discussion or the voting of the Board on any question relating to the matter giving rise to the conflict.
- vii. If a Board member is ruled by the Board Chair to be in a conflict of interest but does not voluntarily comply with the relevant conflict of interest actions in B.2(vi) above, then the Board Chair may require that Board member to either comply or be considered in breach of Board bylaws and subject to immediate Board action under B.10 below.

B.3 Outside Business Interests

- i. Board members should declare possible conflicting outside business activities at the time of appointment. Notwithstanding any outside activities, Board members must act in the organization's best interest.
- ii. No Board member should 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 the organization, whereby their position in the organization, the Board member could in any way benefit the other organization by influencing the purchasing, selling or other decisions of the organization, unless that interest has been fully disclosed in writing to the organization.
- iii. A "significant financial interest" in this context is any interest substantial enough that decisions of the organization could result in a personal gain for the Board member.
- iv. These restrictions apply equally to interests in companies that may compete with the organization in all of its areas of activity.
- v. Board members selected to the Board as a stakeholder group or region's representative owe the same duties and loyalty to the organization. When their duties conflict with the wishes of the stakeholder or constituent, their primary duty remains to act in the best interests of the organization.

B.4 Confidential Information

- i. Confidential information includes proprietary technical, business, financial, legal, or any other information the organization treats as confidential.
- ii. Board members should not disclose such information to any outside person unless authorized during or after the termination of an appointment.
- iii. Similarly, Board members should never disclose or use confidential information gained by their association with the organization for personal gain, or to benefit friends, relatives or associates.
- iv. If in doubt about what is considered confidential, a Board member should seek guidance from the Board Chair or the President.

B.5 Investment Activity

- i. Board members should 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 the organization which could reasonably affect the value of such securities.

B.6 Outside Employment Or Association

- i. A Board member who accepts a position with any organization that could lead to a conflict of interest or situation prejudicial to the organization's interests, should 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 organization's Board.

B.7 Entertainment, Gifts And Favours

- i. It is essential to fair business practices that all those who associate with the organization, as suppliers, contractors or Board members, have access to the organization on equal terms.
- ii. Board members and members of their immediate families should not accept entertainment, gifts or favours that create or appear to create a favoured position for doing business with the organization. Any firm offering such inducement should be asked to cease.
- iii. Similarly, no Board member should offer or solicit gifts or favours to secure preferential treatment for themselves or the organization.
- iv. Under no circumstances should Board members offer or receive cash, preferred loans, securities, or secret commissions in exchange for preferential treatment. Any Board member experiencing or witnessing such an offer should immediately report the incident to the Board Chair. Gifts and entertainment should only be accepted or offered by a Board member in the normal exchanges common to established business relationships for the organization. An exchange of such gifts should create no sense of obligation on the part of the Board member. Inappropriate gifts received by a Board member should be returned to the donor.
- v. Full and immediate disclosure to the Board Chair of borderline cases will always be taken as good-faith compliance with these standards.

B.8 Use Of The Organization's Property

- i. A Board member should require the organization's approval to use property owned by the organization for personal purposes, or to purchase property from the organization unless the purchase is made through the usual channels also available to the public.
- ii. Even then, a Board member should not purchase property owned by the organization if that Board member is involved in an official capacity in some aspect of the sale or purchase.

B.9 Responsibility

- i. The organization should behave, and be perceived, as an ethical organization.
- ii. Each Board member should adhere to the minimum standards described herein and in the organization's code of conduct, and to the standards set out in applicable policies, guidelines or legislation.
- iii. Integrity, honesty, and trust are essential to the organization's success. Therefore, any Board member who knows or suspects a breach of the organization's code of conduct and ethics must report it to the Board Chair.
- iv. To demonstrate determination and commitment, each Board member should annually review and declare compliance with the organization's code of conduct and ethics.

B.10 Breach

- i. If a Board member is found to have breached their duty by violating the minimum standards set out in these by-laws, the Board may, in respect of that member, take any action permitted by law, including:
 - a) By resolution of the Board, request that member resign from the Board;
 - b) By a resolution passed by not less than 2/3 of the members of the Board, request the Lieutenant Governor in Council to remove that member from the Board for cause.
- ii. Within seven days, a Board member may appeal a sanction to the full Board, in writing, and the decision of the Board shall be final.

B.11 Where To Seek Clarification

- i. The Board Chair is responsible for guiding any item concerning the code of conduct and standards of ethical behaviour, consulting professional expertise as necessary.

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