



**INDEPENDENT MORTGAGE BROKERS ASSOCIATION OF ONTARIO, operating as  
CANADIAN MORTGAGE BROKERS ASSOCIATION - ONTARIO**

**CONFLICT OF INTEREST POLICY FOR  
BOARD MEMBERS, OFFICERS AND COMMITTEE MEMBERS**

**APPROVED BY THE BOARD ON FEBRUARY 14, 2018**

**A. POLICY**

**INDEPENDENT MORTGAGE BROKERS ASSOCIATION OF ONTARIO, operating as CANADIAN MORTGAGE BROKERS ASSOCIATION - ONTARIO** (the “Corporation”) strives to promote the highest standards of public trust and integrity in all of its activities and decision-making and to develop procedures to ensure that the fact or perception of conflict of interest is avoided or effectively managed. The members of the Board of Directors (the “Board”) of the Corporation have a fiduciary obligation to act in the best interests of the Corporation in all transactions, decisions, actions, and consultations in which they engage on the Corporation’s behalf. To avoid conflicts of interest, members of the Board must do more than merely act within the law. They must conduct their affairs in such a manner that their performance will at all times bear public scrutiny. The appearance of conflict of interest, as well as the conflict itself, must be avoided or effectively managed.

**B. PURPOSE**

At times, members of the Board’s personal interests and relationships, and relationships with other persons, may give rise to conflicts of interest. The purpose of this Policy is to:

- (a) ensure that financial and non-financial interests do not, and are seen not to, affect appropriate decision-making; and to
- (b) ensure that neither the members of the Board of the Corporation, nor their friends, family members, current or former business associates, partnerships or corporations in which they were or are partners or employees or hold or held a significant interest or persons to whom members of the Board owe an obligation or duty, benefit personally as a result of the member of the Board’s position with the Corporation or act in a way that is detrimental to the Corporation’s interests or the public interest.

This Policy supplements the conflict of interest provisions set forth in Section 18 of the Corporation's Bylaw and if there is an inconsistency between the terms of this Policy and Section 18 of the Corporation's Bylaw, the terms of this Policy shall govern.

### C. APPLICATION

This Policy applies to all members of the Board of the Corporation, officers of the Corporation and to any person appointed to a Committee of the Corporation by the Board (all of which shall be collectively referred to herein as "**members of the Board**").

### D. DEFINITIONS

In this Policy:

A "**conflict of interest**" is any situation where:

- (a) your personal interests, or
- (b) those of a friend, family member, current or former business associate, partnership or corporation in which you are or were a partner or employee or hold or held a significant interest, or a person to whom you owe an obligation or duty,

could influence or be reasonably apprehended to influence your decisions and impair your ability to:

- (i) act in the Corporation's best interests, or
- (ii) represent the Corporation fairly, impartially and without bias.

A "conflict of interest" exists if the decision could be, or could appear to be influenced. It is not necessary that influence takes place.

"**family member**" means the spouse, spousal equivalent, parent, child, brother, sister, aunt, uncle or cousin and the spouse or spousal equivalent of any such child, parent, brother, sister, aunt, uncle or cousin.

"**officer of the Corporation**" means an individual who is appointed as a corporate officer of the Corporation by Board resolution pursuant to the Corporation's Bylaw.

"**person**" includes an individual, corporation, partnership, limited partnership, trust, unincorporated organization and any other form of entity or organization.

"**spousal equivalent**" means one of two persons who have lived together for at least one year in a close personal relationship that is of primary importance in both persons' lives.

**E. GENERAL DUTIES**

1. To the extent reasonably possible, you shall arrange your private interests in a manner that will prevent a conflict of interest from arising.
2. Unless and until authorized to do so by the Board, or by a person the Board designates, you shall not:
  - (a) act on behalf of the Corporation, or deal with the Corporation, in any matter where you are in a conflict of interest or appear to be in a conflict of interest, nor,
  - (b) use your position or office with the Corporation to pursue or advance your personal interests or those of a person described in paragraph (b) of the definition of conflict of interest above.
3. The “appearance of a conflict of interest” occurs when a reasonable observer properly could have a reasonable perception that you are making decisions on behalf of the Corporation to promote your personal interests or those of a person described in paragraph (b) of the definition of conflict of interest above. A “reasonable observer” is a hypothetical individual who has knowledge of the facts which you knew or ought to have known and applies judgment objectively with integrity and due care.
4. You must not:
  - (a) use your relationship with the Corporation to confer a benefit on a person described in paragraph (b) of the definition of conflict of interest above.
  - (b) personally benefit from any activity involving the Corporation except in unique situations, authorized by the Board.
  - (c) indirectly benefit from any activity involving the Corporation except in unique situations, authorized by the Board.

An “**indirect benefit**” is:

  - (i) a benefit derived by a friend, family member, current or former business associate, partnership or corporation in which you are or were a partner or employee or hold or held a significant interest; or
  - (ii) a benefit which advances or protects your interest although it may not be measurable in money.
5. If you are in any way directly or indirectly interested in a proposed contract or transaction or in a contract or transaction with the Corporation you shall declare your interest at a meeting of the Board. In the case of a proposed contract or transaction, the declaration shall be made at the meeting of the Board at which the question of entering into the contract or transaction is first taken into consideration or, if you are not, at the date of that meeting, interested in the proposed contract or transaction, at

the next meeting of the Board held after you become so interested, and, in a case where you become interested in a contract or transaction after it is made, the declaration shall be made at the first meeting of the Board after you become so interested.

6. The agenda for Board meetings is to be reviewed in advance by members of the Board to identify any conflicts of interest and legal counsel's guidance will be obtained where appropriate for review by the Board at the beginning of the Board meeting.
7. Where a member of the Board, on reviewing the agenda prior to a Board meeting, is uncertain of whether there is a conflict of interest, the member of the Board should contact the Executive Director to arrange for legal counsel's opinion to be obtained in order that the member of the Board may evaluate his/her position.
8. While a member of the Board, you shall not serve on the Board of, or be employed in any capacity by, any organization or entity with a mandate that conflicts with that of the Corporation.
9. In determining whether a conflict of interest exists, the following matters shall be considered:
  - (a) could the competing interest influence the individual's judgment in fulfilling his or her responsibilities to the Corporation in an impartial, responsible, diligent, and efficient manner?
  - (b) what is the seriousness of the harm that may result from the influence of the competing interest, including harm to the Corporation's reputation and/or public image?
  - (c) would a reasonable observer question the ability of the individual to make proper decision(s) in light of the competing interests if informed of all the relevant facts?
10. Notwithstanding anything to the contrary contained in this Policy, the following matters shall not be a conflict of interest:
  - (a) The purchase of goods or services from or through CMBA Ontario at a rate customarily paid by Members, which may or may not include a discount based on membership. This includes goods or services that are provided on a no-charge basis to all Members.
  - (b) Directors attending CMBA Ontario events in their capacity as Directors or in their personal or business capacity when deemed appropriate by the Board;
  - (d) Establishing dues, penalties, service charges or levies, or any decision regarding the establishment of prices for goods or services, which is the responsibility of the Board or a Committee, in the normal course of its duties;
  - (e) Payments made to Directors for teaching, speaking engagements or the creation or updating of educational materials, where the payment is at the rate

customarily paid by CMBA Ontario for the service, or if there is no customary rate, at an amount approved by the Board.

11. If you are in doubt about whether you are or may be in a conflict of interest, you must request the advice of the Chair of the Board or a person the Chair designates.
12. If you have any doubt as to whether you are in a position of conflict of interest, you shall disclose the competing or potentially competing interest to the Chair of the Board.
13. If you have reason to believe that another member of the Board has an undisclosed conflict of interest, and you have been unable to resolve the matter by informal discussions with that member of the Board, you should bring the matter to the attention of the Chair of the Board.
14. If the Executive Director has reason to believe that a member of the Board has an undisclosed conflict, the Executive Director shall promptly bring the matter to the attention of the Chair of the Board for further action.
15. The decision of the Chair shall be final.
16. The Chair may, in his or her sole discretion, refer an issue under this Policy to the Board or to the Corporation's legal counsel. Depending on the situation, the Board may defer the issue or matter until a legal opinion is obtained from the Corporation's legal counsel.
17. Based on the decision of the Chair or the Board, as applicable, the member of the Board will make the disclosure provided for above.
18. If at any time, you come to have an actual or appearance of a conflict of interest, you shall promptly declare that conflict to the Chair of the Board in writing, and at the first meeting of the Board after becoming aware of the conflict. If you are absent from that meeting, you shall make all reasonable efforts to ensure that the conflict is brought up and read at that meeting.
19. You must immediately takes steps to resolve any conflict or remove the apprehension that it exists by:
  - (a) promptly declaring to the Board any conflict of interest as defined by this Policy and asking that such declaration be recorded in the minutes;
  - (b) excusing yourself from the portion of the meeting where the matter giving rise to the conflict of interest is being discussed;
  - (c) refraining from all discussions of the matter giving rise to the conflict of interest, at any meeting of the Board, or elsewhere; and
  - (d) refraining from voting on the matter giving rise to the conflict of interest at any meeting.

20. A general notice given to the Board by you to the effect that you are to be regarded as interested in any contract or transaction or proposed contract or transaction made with any other corporation, agency, institution, public authority or person, shall be deemed to be a sufficient declaration of interest in relation to a contract or transaction so made, but no such notice is effective until it is given at a meeting of the Board or you take reasonable steps to ensure that it is brought up and read at the next meeting of the Board after it is given.
21. You shall not direct or influence the process or outcome of any specific matter, except in accordance with the policies of the Corporation. This Policy does not, however, impact on your duty to ensure the policies of the Corporation are developed, amended, maintained and implemented consistently and in accordance with the best practices of self-governance.

**F. CONFIDENTIAL INFORMATION AND GIFTS**

22. You shall not use the Corporation's confidential information, for any private advantage, commercial purpose, or other personal gain. You may use the Corporation's confidential information only for the Corporation's purposes and will protect Corporation confidential information from improper disclosure. You may divulge Corporation's confidential information if you are authorized by the Board or by a person designated by the Board to release it and it is to a person who has a lawful right to the information. If you are in doubt about whether Corporation confidential information may be released, you should request advice from the Board or from a person the Board designates. This confidentiality obligation survives your termination, by resignation or otherwise, as a member of the Board.
23. You may not accept any benefit or gift given as result of your position at the Corporation if that benefit or gift is of greater than nominal value, except that you may accept:
  - (a) reimbursement by the Corporation for expenses actually incurred in the service of the Corporation;
  - (b) token gifts such as souvenirs, mementos or commemorative gifts;
  - (c) occasional meals if there is an appropriate Corporation business justification.

**"gift"** includes, but is not limited to, articles of value such as cash, personal loans, offers of travel, accommodation, meals, entertainment, equipment, equities and other securities, the right to receive any of the foregoing, or other special considerations.

**"nominal value"** means small and intrinsic in nature, of an amount that is unlikely to be perceived to influence the exercise of your fiduciary obligations.

24. You shall not accept or grant preferential treatment to any person relating to any benefits offered by the Corporation, including employment or contracting.

25. You shall not make use of Corporation property, including the Corporation's name or symbols, unless otherwise approved by Bylaw or policies of the Corporation.

**G. ANNUAL DISCLOSURE**

26. Members of the Board shall make annual disclosure of all actual and appearances of conflicts of interest, both of a financial and non-financial nature. Such disclosure shall include any situation in which he or she may become involved that could result in an actual or appearance of a conflict of interest. The disclosure shall be in the form attached hereto as Appendix A and shall be submitted by members of the Board to the Chair of the Board upon their appointment to the Board and thereafter by the first Board meeting following the Annual Members Meeting of each year. The Chair of the Board shall submit his or her disclosure(s) to the Board.

**H. ENFORCEMENT**

27. With respect to any conflicts of interest identified or described in this Policy, the Chair of the Board shall take all appropriate steps to ensure compliance with the letter and spirit of this Policy.

28. If there has been a significant breach of the requirements of this Policy, the Board of Directors is empowered to seek removal of the offending member of the Board from the Board, in accordance with the Bylaw of the Corporation.

I, \_\_\_\_\_ the undersigned hereby agree to be bound by the foregoing terms and conditions.

Signed this \_\_\_ day of \_\_\_\_\_, 20\_\_\_ in the City of \_\_\_\_\_ in the Province of \_\_\_\_\_.

Signature \_\_\_\_\_

**APPENDIX A**  
**INDEPENDENT MORTGAGE BROKERS ASSOCIATION OF ONTARIO, operating as**  
**CANADIAN MORTGAGE BROKERS ASSOCIATION - ONTARIO**  
**("the Corporation")**

***CONFLICT OF INTEREST DECLARATION***

**TO: the Corporation and the Corporation's Board of Directors**

I have read, understand and agree to abide by Section 18 of the By-law of the Corporation and the Conflict of Interest Policy for the directors, officers and Committee members of the Corporation (the "Policy"). The By-law and the Policy require that I declare any actual or potential conflicts of interest relating to myself, my family members and my associated businesses (as described in paragraph (b) of the definition of conflict of interest in the Policy).

**I declare that, to my best knowledge and belief,**

\_\_\_I do not have any actual or potential conflicts of interest, as characterized by the Policy, nor do any of my family members or associated business, as those terms are defined in the Policy, at the date set out below.

I understand that if I, or any of my family members or associated businesses shall come to have any actual or potential conflicts of interest at any time while I am a director, officer or Committee member, I am required to declare the interest, in writing, to the Chair of the Board of Directors and at the first meeting of the Board of Directors after I become aware of the conflict. I must take reasonable steps to ensure that any such declaration is brought up and read at the next meeting of the Directors if I am not present.

**OR**

\_\_\_I, or a family member or associated business, do have actual or potential conflict(s) of interest, as characterized by the Policy. These conflict(s) are described on the attached sheet which includes the nature of the conflicting interest.

I also understand that I, my family members, and associated businesses are prohibited from entering into any proposed contract or transaction or contract or transaction with the Corporation unless:

- (a) I have declared the conflict of interest; and
- (b) I have withdrawn from all Board discussions and deliberations relating to the contract or transaction and refrained from voting on the matter.

***all in accordance with the provisions of Section 18 of the By-law and the Policy.***

**DATED this \_\_ day of \_\_\_\_\_, 20\_\_.**

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Signature of Director, Officer or Committee  
Member

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Witness



