

1.2 Board of Directors' Code of Conduct

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1	Initial release	1997-09-24
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3	Revision	2005-05-30
4	Revision	2008-11-26
5	Revision	2012-07-19
6	Revision	2015-01-28
7	Revision	2015-12-16
8	Revision	2019-05-22
9	Comprehensive revision	2026-06-17

Purpose

To establish the standards of ethical, professional, and lawful conduct expected of all members of the Board of Directors of Hawkesbury and District General Hospital (HGH), and to define the procedures for identifying, disclosing, and managing conflicts of interest and for addressing breaches of this Code of Conduct.

This policy supports the Board's commitment to acting with integrity, in good faith, and in the best interests of HGH and the communities it serves, in accordance with the fiduciary duties of directors under the Not-for-Profit Corporations Act, 2010 (Ontario) and the HGH Corporate By-laws.

Scope

This policy applies to all members of the Board of Directors, including elected directors, ex officio directors, and non-voting members. It applies to conduct in the boardroom and in all activities undertaken in a director's capacity as a member of the Board.

Guiding Principles

1.2.0 The Board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

The following principles reflect the fiduciary duties of directors as outlined in the Not-for-Profit Corporations Act, 2010 (Ontario), the HGH Corporate By-laws, and governance best practices:

1.2.0.1 Duty of Care: Directors shall act honestly, in good faith, with a view to the best interests of HGH, and exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.

1.2.0.2 Duty of Loyalty: Directors shall place the interests of HGH above their own personal interests and above the interests of any other organization, group, or individual.

1.2.0.3 Duty of Confidentiality: Directors shall protect the confidentiality of information received in the course of their governance responsibilities and shall not disclose confidential information to any person not authorized to receive it.

1.2.0.4 Duty of Solidarity: Directors shall respect and support the decisions of the Board, once validly taken, regardless of their personal position on the matter.

1.2.0.5 Duty to Avoid Conflicts of Interest: Directors shall avoid situations where their personal interests, or the interests of persons connected to them, conflict or may reasonably be perceived to conflict with the interests of HGH.

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Conduct and Loyalty

- 1.2.1** Members must have loyalty to the communities served, including Francophone, Indigenous, and equity-serving communities, unconflicted by loyalties to staff, other organizations, and any personal interest as a consumer.

Conflict of Interest

- 1.2.2** Members must avoid conflict of interest, in accordance with Article 5 of the HGH Corporate By-laws and the Not-for-Profit Corporations Act, 2010 (Ontario), with respect to their fiduciary responsibility.

Accordingly:

- a) There must be no self-dealing or any conduct of private business or personal services between any Board member and HGH except as procedurally controlled by the organization to assure openness, transparency, and equal access to information.
- b) Members shall annually disclose their involvements with other organizations, with vendors, or any other associations which might be or might reasonably be seen as being a conflict, by completing the Annual Declaration of Undertaking and Conflict of Interest Disclosure Form.
- c) When the Board is to decide upon an issue about which a member has an actual, potential, or perceived conflict of interest, that member shall declare the conflict, absent themselves from the deliberation and the vote, and withdraw from the meeting for the portion during which the matter is discussed, in accordance with Article 5 of the By-laws and Policy 1.6, Section 1.6.9. It is acknowledged that the perception of a conflict of interest, even where no actual conflict exists, may be harmful to the Corporation and shall be treated with the same seriousness as an actual conflict.
- d) Board members shall not use their Board position to obtain employment at HGH for themselves. Should a Board member apply for employment at HGH, they must first resign from the Board.
- e) Board members shall not use their Board position to obtain employment or a promotion at HGH for anyone.
- f) Members shall promptly notify the Board Secretary of any change in circumstances that could give rise to a new or previously undisclosed conflict of interest.
- g) Members shall be aware that a conflict of interest may arise not only from their own personal interests but also from the interests of a relative or member of their household. Where the Corporation conducts business with a supplier, vendor, or other party in which a relative or member of a director's household is a principal, officer, director, or representative, the director shall disclose this relationship in their Annual Declaration of Undertaking and, where the matter comes before the Board, declare the conflict and withdraw in accordance with section 1.2.2(c).

Individual Authority

- 1.2.3** Board members shall not exercise individual authority over HGH.
- a) Members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly Board-authorized.
 - b) Members' interaction with the public, press, or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions.
 - c) Except for participation in Board deliberation about whether the CEO has achieved any reasonable interpretation of Board policy, members shall not express individual judgments of CEO or staff performance.
 - d) The Board Chair is the authorized spokesperson for the Board. The Chief Executive Officer or the Chief of Staff, or their designate, may speak on behalf of the Corporation on operational matters. Any director who is approached by news media, reporters, or other external parties seeking comment on the Corporation's activities shall refer such individuals to the Board Chair or CEO as appropriate, and shall not make public statements on behalf of the Corporation without explicit Board authorization.

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- e) Requests by individual Board members to obtain outside legal opinions, expert advice, or external opinions regarding matters before the Board shall be made through the Chair of the Board. The Chair, in consultation with the CEO as appropriate, shall determine whether such advice is warranted and, if so, shall arrange for it on behalf of the Board as a whole.

Board Solidarity

- 1.2.4** Members shall support the legitimacy and authority of the final determination of the Board on any matter, irrespective of the member's personal position on the issue.

Accordingly:

- a) Members shall support the decisions of the Board in discussions with persons beyond the Board, even if the member holds another view or voiced another view during Board deliberations, or was absent from the meeting at which the decision was taken.
- b) A director who disagrees with a resolution passed at a Board or Board committee meeting may formally record their dissent. In accordance with the *Not-for-Profit Corporations Act, 2010* (Ontario), a director present at a meeting is deemed to have consented to any resolution passed unless:
 - the director's dissent is entered in the meeting minutes;
 - the director requests that their dissent be entered in the meeting minutes;
 - the director gives their written dissent to the secretary before the meeting is terminated; or
 - the director submits their written dissent to the secretary immediately after the meeting is terminated.
- c) A director who votes for or consents to a resolution is not entitled to subsequently dissent from it.
- d) A director who was absent from a meeting at which a resolution was passed is deemed to have consented to the resolution unless, within seven (7) days of becoming aware of it, the director causes their written dissent to be placed with the meeting minutes or submits their written dissent to the Board Secretary.

Confidentiality

- 1.2.5** Members shall respect the confidentiality appropriate to issues of a sensitive nature, in accordance with the fiduciary duty of confidentiality and the provisions of Policy 1.6 regarding in camera sessions.

Preparation and Engagement

- 1.2.6** Members shall be properly prepared for Board deliberation, including reviewing meeting materials in advance and participating actively and constructively in Board and committee discussions.

Ethical Framework

- 1.2.7** Board members shall ensure that the Accountability for Reasonableness (A4R) ethical decision-making framework is applied in governance deliberations with particular attention to equity, cultural safety, and the rights of marginalized and Indigenous communities.

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Equity, Diversity, and Inclusion

- 1.2.8** Board members shall conduct themselves in a manner that reflects the principles of equity, diversity, and inclusion, and shall treat all persons with dignity and respect, free from discrimination, harassment, or bias. Board members shall participate in mandatory education on equity, diversity, and inclusion, cultural safety and humility, and Indigenous-specific systemic racism, with specific recognition of First Nations, Inuit, and Métis peoples and communities, in accordance with the Truth and Reconciliation Commission's Calls to Action.

Annual Declaration of Undertaking

- 1.2.9** All Board members, including ex officio members, shall complete and sign the Annual Declaration of Undertaking and Conflict of Interest Disclosure Form following the Annual General Meeting each year. This declaration confirms the member's understanding of and commitment to:

- a) the fiduciary duties of Board members;
- b) the requirements of this Code of Conduct;
- c) the conflict of interest disclosure and management requirements under the By-laws and this policy;
- d) the duty of confidentiality.

The Chief of Governance is responsible for ensuring that all declarations are received, filed, and attested annually, and for notifying the Board Chair of any outstanding declarations. Signed declarations shall be shared with relevant organizational functions, including the Procurement and Materials Management department, to support organizational conflict of interest screening.

Procedure for Addressing Breaches of the Code of Conduct

- 1.2.10** Where a Board member is believed to have breached this Code of Conduct, the following procedure shall apply:
- a) **Reporting a concern:** Any Board member, the CEO, or the Board Secretary who becomes aware of a potential breach of this Code of Conduct may raise the concern with the Chair of the Board. If the concern involves the Chair, it shall be raised with the Vice-Chair of the Board.
 - b) **Preliminary review:** The Chair (or Vice-Chair, as applicable) shall conduct an initial review of the concern. This may include a confidential discussion with the Board member in question to understand the circumstances and determine whether a breach has occurred or may have occurred.
 - c) **Informal resolution:** Where the Chair determines that the matter can be resolved informally — for example, through education, a reminder of the expectations under this Code, or a commitment by the member to modify their conduct — the Chair may address the matter directly with the Board member. The Chair shall document the discussion and its outcome for the record.
 - d) **Formal review:** Where the Chair determines that the matter is serious or cannot be resolved informally, the Chair shall refer the matter to the Governance & Community Engagement Committee for formal review. The Committee shall:
 - review the facts and circumstances of the alleged breach;
 - provide the Board member with an opportunity to be heard;
 - consult legal counsel if warranted;
 - make a recommendation to the Board regarding the appropriate response.
 - e) **Range of responses:** The Board, upon recommendation of the Governance & Community Engagement Committee, may take one or more of the following actions, as appropriate:

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- a formal reminder of the director's fiduciary obligations and expectations under this Code;
 - a requirement that the director complete additional governance education;
 - a formal reprimand recorded in the Board's records;
 - removal from a Board committee;
 - in the case of an ex officio director, a request to the appointing body to replace the director;
 - in the case of an elected director, recommendation to the Board for such further action as may be available under the By-laws and the Not-for-Profit Corporations Act, 2010 (Ontario), including consideration of removal.
- f) **Documentation:** All formal breach proceedings, findings, and outcomes shall be documented and maintained securely by the Board Secretary. Records related to breach proceedings are considered confidential Board records.
- g) **Confidentiality:** All persons involved in a breach review shall maintain confidentiality throughout the process. The privacy and reputation of the director involved shall be protected to the extent consistent with the Board's duty to act in the best interests of HGH.
- h) **Annual review:** The Governance & Community Engagement Committee shall review this breach procedure annually as part of its review of Board governance policies to ensure it remains current and effective.

Definitions

Annual Declaration of Undertaking: The written declaration completed and signed annually by each Board member, confirming their understanding of and commitment to their fiduciary duties, this Code of Conduct, conflict of interest requirements, and the duty of confidentiality.

Breach: A failure by a Board member to comply with the expectations, duties, or obligations set out in this Code of Conduct, whether through action or omission.

Conflict of Interest: A situation in which a director's personal interests, business relationships, or affiliations — whether actual, potential, or perceived — may interfere, or may reasonably be seen to interfere, with the director's ability to act in the best interests of HGH. This includes conflicts arising from the interests of persons connected to the director, as defined in the HGH By-laws and applicable legislation.

Connected Person: As defined in Ontario Regulation 4/01 under the Charities Accounting Act, includes family members (spouse, child, parent, grandparent, sibling), the employer of the director or of a family member, and corporations or partnerships in which the director or a family member has a material ownership, control, or directorship interest.

Fiduciary Duty: The legal obligation of directors to act honestly, in good faith, and in the best interests of HGH, and to exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.

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References

- ❖ **Guide to Good Governance (OHA), 4th Edition** — Chapter 6: Duties and Obligations of Individual Directors
- ❖ **HGH Corporate By-laws (June 26, 2024)** — Article 5: Conflict of Interest Disclosure
- ❖ **Not-for-Profit Corporations Act, 2010 (Ontario)** — Section 41 (Conflict of Interest)
- ❖ **Ten Tips for Hospital Governance Compliance, OHA** — Tip 8: Ensure Conflicts of Interest are Appropriately Managed
- ❖ **Accreditation Canada – Governance Standards (HSO A1001:2022)** — Standards 2.1.3, 2.2.5
- ❖ **Form OHA 6.2 – General Principles Regarding Conflict of Interest**
- ❖ **Form OHA 6.3 – Sample Board Policy on Conflict of Interest**
- ❖ **Form OHA 6.4 – Sample Board Code of Conduct**
- ❖ **Form OHA 6.7 – Annual Director Declaration and Consent**
- ❖ **Policy 1.6 – Board Meeting Management and Transparency (Section 1.6.9)**

Supporting Resources

- ❖ *Payments to Directors and Connected Persons — Guidance of the Public Guardian and Trustee (OPGT, August 2021)*
- ❖ *Ontario Regulation 4/01 under the Charities Accounting Act*
- ❖ *BLG Legal Memorandum — Potential Conflict of Interest — Director Candidate (April 1, 2026)*
- ❖ *Truth and Reconciliation Commission of Canada — Calls to Action (2015), in particular Calls to Action 18–24 (Health)*
- ❖ *Accreditation Canada – Governance Standards (HSO A1001:2022) — Standards 5.1 (Systemic Racism) and 6.1 (Indigenous-Specific Systemic Racism)*
- ❖ *United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)*

Appendix A – Accountability for Reasonableness (A4R Framework)

Accountability for Reasonableness (A4R) Framework	
Condition	Accountability for Reasonableness
<u>R</u> elevance	Decisions should be made upon the basis of reasons (evidence, principles, and arguments) that “fair-minded” people agree are relevant under the circumstances. Only participation by the full range of stakeholders can ensure that the full range of relevant reasons are brought to the deliberations.
<u>E</u> mpowerment/ <u>I</u> nclusiveness	Decisions should be made explicitly with stakeholder views in mind and there should be opportunities for stakeholders to be engaged in the decision-making process.
<u>P</u> ublicity	The process, decisions, and their rationales should be transparent and accessible to relevant stakeholders.
<u>R</u> evision and Appeals	There should be opportunities to revisit and revise decisions in light of further evidence or arguments. There should be a mechanism for challenge and dispute resolution.
<u>E</u> nforcement	Leaders in each context are responsible for ensuring that the first three conditions are met in their context.
Please see the Ethics page on Mimi for Ethicist contact information.	
Adapted from: Daniels N. Accountability for Reasonableness. BMJ 2000; 321: 1300-1301	
 	