

CANADIAN ORGANIC GROWERS: CONFLICT OF INTEREST POLICY

Policy

It is expected that the Board of Directors will arrange their official duties for Canadian Organic Growers and their private affairs in such a manner that confidence and trust in the integrity, objectivity and impartiality of Canadian Organic Growers is conserved and enhanced. Any conflict between the private interests of a Director or member of a Chapter Steering Committee (both positions are hereafter referred to as *Director*) and their official duties and responsibilities to the Organization shall be resolved in favour of the Canadian Organic Growers.

It must be kept in mind that while a Director must disclose the nature and extent of any interest, there is no precise formula that will determine the extent of detail that is called for when a Director declares their interest.

1. CONFLICT OF INTEREST DEFINED

1. Conflict of interest arises when a Director's interests, whether personal, business or professional, conflict with their obligations to Canadian Organic Growers. A conflict of interest may be apparent, potential or real and can arise in a personal or professional context, and may be financial or otherwise. For example, conflicts of interest include the receipt of financial remuneration and the receipt of services or other non-pecuniary benefits by a Director, and members of their family, relatives and close friends, where the party providing the remuneration or benefits will be transacting business with the Organization. For this purpose:
 - a) Apparent Conflict of Interest exists when there is reasonable apprehension, which reasonably well informed persons could properly have, that a real conflict of interest or potential conflict of interest exists on the part of a Director.
 - b) Potential Conflict of Interest occurs when there exists some private, personal or pecuniary interest that could influence the performance of a Director's duty, decisions, functions or the exercise of power provided that the Director has not yet exercised that duty or function or made that decision.
 - c) Real Conflict of Interest occurs when a Director exercises an official power, makes an official decision or performs an official duty or function and at the same time knows that in the performance of this duty or function or in the exercise of power there is a furtherance of a private, personal or pecuniary interest.

2. CONFLICT OF INTEREST GUIDELINES

1. Directors of Canadian Organic Growers shall not solicit or accept transfers of economic benefit, other than incidental gifts, customary hospitality, or other benefits of nominal value except in the case of compensation for out of pocket expenses incurred on behalf of the organization, provided that that expense have been approved by the Executive Director or Chair of a chapter Steering Committee.
2. Notwithstanding, acceptance of offers of incidental gifts, hospitality or other benefits arising out of activities associated with the performance of any official duties, and responsibilities relating to Canadian Organic Growers is not prohibited if such gifts, hospitality or other benefits:
 - a) are a normal expression of courtesy or within the normal standards of hospitality;
 - b) are not such as to bring suspicion on the Director's objectivity and impartiality; and
 - c) do not compromise the integrity of the Organization.
3. Directors shall not step out of their Organizational roles to assist entities or persons in their dealing with Canadian Organic Growers where this would result in preferential treatment to any person. Preferential treatment in relation to any matter of the Organization must not be accorded to family members or friends, or to organizations in which the Director, family members or friends have an interest. Care must be taken by Directors to avoid actual or apparent special consideration being given to any individual or organization.
4. Directors shall not directly or indirectly use, or allow the use of, Canadian Organic Growers' property of any kind, including property leased to the Organization, for anything other than officially approved activities.
5. Directors shall not knowingly take advantage of, or benefit from, information that is obtained in the course of their duties and responsibilities and that is not generally available to the public.
6. Directors must not, offer assistance in dealing with Canadian Organic Growers to any individual or entity where such assistance is outside the official role of the directors.
7. Directors must avoid engaging in any private or personal business interest that may conflict with the duties and responsibilities to Canadian Organic Growers.
8. Where there is evidence of Conflict of Interest, this should be reported to the President when such evidence involves a member of the Board of Directors.

3. AVOIDING CONFLICTS OF INTEREST

1. Directors of Canadian Organic Growers have an obligation to act in a manner that will avoid real, potential or apparent conflict of interests and bear the closest public scrutiny. This is an obligation that is not fully discharged by simply acting within the law.
2. The nature of the work of Canadian Organic Growers, and the role of Directors as representatives from a variety of interested and affected populations, may lead to an appearance of a conflict of interest. In order for Directors to be effective, a balance must be struck between their respective community interests, and the disclosure of any real, potential or apparent conflict of interest.

4. POLITICAL ACTIVITIES

1. A Director must avoid any political, business or interest outside of the Organization which creates a conflict of interest which would interfere with the Director's independent exercise of judgement and efforts in Canadian Organic Growers' best interests.

5. CONFIDENTIALITY GUIDELINES

1. Directors must observe the confidential nature of the affairs of Canadian Organic Growers including the confidentiality of correspondence.
2. On occasion, it may be necessary for a Director to divulge information in the course of their duties. In such instances, prior approval from the President should be obtained. When a Director is in doubt as to whether the information is confidential, no disclosure should be made without first seeking direction from the President.
3. At no time will confidential information be shared with the public.
4. Directors may not speak to the press without prior approval from the President or Executive Director.
5. Personnel information shall not be disclosed without prior written consent from the person. Personnel information may be disclosed for the purposes of providing personnel services.
6. Business information can be disclosed with the consent of the President or Executive Director.
7. Confidential information obtained by a Director as a result of their role with the Organization is not to be used by the Director for the purpose of furthering any private interest, or as a means of making personal gains.

6. COMPLAINT PROCEDURES

1. Complaints regarding conflict of interest should be reported to the President in writing.
2. Where a situation would involve the Chair, the written complaint should be reported to the Vice-President.
3. The President should oversee the investigation of the complaint and should bring the matter to the attention of the Board of Directors.
4. The Board of Directors may delegate handling of the complaint to a sub Committee of the Board.
5. Action resulting from a complaint will be recorded at the next official Board of Directors meeting or teleconference.

ETHICS AND BUSINESS CONDUCT

1. POLICY

- 1.01 Every director shall act with honesty and integrity and to ensure that all actions taken by the company meet the highest ethical standards.
- 1.02 Every director shall act in accordance with all laws and regulations: federal, provincial, municipal, or pertaining to any foreign jurisdiction in which the company operates.
- 1.03 Directors operating in a foreign jurisdiction shall not behave in any way contrary to Canadian law or standards of ethics in that jurisdiction regardless of local practice.
- 1.04 Canadian Organic Growers will contribute to the communities in which it operates as a good corporate citizen and will participate in the good works of the community in a non-partisan way.

2. PURPOSE

- 2.01 The purpose of this Statement of Policy and Procedure is to set out the principles of business conduct and ethics expected from all employees.

3. SCOPE

- 3.01 This policy applies to the Board of Directors and members of Chapter Steering Committees.
- 3.02 It is Canadian Organic Growers' intention to apply the principles outlined in this policy to all contracts and other working arrangements with consultants, contractors, or others providing services to the company. Compliance with the principles outlined in this policy shall be treated as essential for contract compliance.

4. RESPONSIBILITY

- 4.01 Every Director is responsible for compliance with this Statement of Policy and Procedure.
- 4.02 All Directors are responsible for applying good ethical judgment in day-to-day activities.
- 4.03 It is the responsibility of the President to ensure that all employees are aware of this policy and adhere to it.

5. DEFINITIONS

- 5.01 “Intellectual Property” means patents, trademarks, copyrights, product and marketing research and any other information or right that the company has acquired, or which is of value to the company.
- 5.02 “Goodwill” means the intangible value attributed to the good name and reputation of the company.
- 5.03 “Token Value” means a value that is negligible, and in any case not exceeding [\$20].

6. PROCEDURES

6.01 Principles

- a) Directors shall behave at all times in an ethical manner that reflects well upon Canadian Organic Growers. Directors are reminded that every action may add to or reduce the goodwill of the company.
 - b) Directors shall protect the good name of the company, the privacy of their customers and colleagues and the value of the company’s intellectual and physical property at all times.
 - c) Canadian Organic Growers will participate in the good works of the community in a non-partisan way.
- 7.01 Directors will deal with others professionally and honestly. This applies to dealings with any individual or group of individuals or organization within or outside the company.
- 7.02 Directors will protect the good name of the company, and the value of the company’s goodwill, intellectual and physical property at all times.

7.03 Specific Guidelines

- a) Canadian Organic Growers and its Directors will avoid conflicts of interest.
 - b) Canadian Organic Growers and its Directors will avoid any situation in which conflict of interest could exist, or appear to exist, between their personal interest and the interests of the company.
 - c) Directors should avoid acquiring or maintaining a financial interest in a competitor, supplier or any organization, that could create the perception of, or an actual, conflict of interest.
 - d) Directors should avoid outside work activities that could interfere with regular work duties, adversely affect the quality of the work, or damage the company's reputation.
 - e) No Directors may pay or receive, or cause another person to pay or receive, a bribe, kickback, or any improper payment.
 - f) No Directors shall accept business gifts of more than a token value from any supplier or customer of the company.
 - g) Where a conflict exists and cannot be easily avoided, it must be declared to the company in writing. Exceptions to this policy may be approved by the President, in writing.
 - h) Where a Director has a conflict of interest, he/she shall declare the conflict in writing to the President of the Board; in circumstances where the Board is considering decisions which are touched upon by the conflict, the Director shall excuse himself/herself from the Board's deliberations and the minutes shall reflect the Director has abstained and withdrawn on this subject.
- 7.04 Employees are prohibited from benefiting or attempting to benefit personally from opportunities discovered through the use corporate property, information, or office or employment.
- 7.05 Employees may not compete directly with Canadian Organic Growers.
- 7.06 No Director may share confidential information about the company without appropriate authorization.
- 7.07 Directors are expected to advance the company's legitimate interests when an opportunity to do so presents itself.

Code of Ethics

Canadian Organic Growers has established a business culture built upon the following ethical principles:

INTEGRITY – We are honest and trustworthy in our dealings with customers, suppliers, co-workers, competitors, investors and shareholders, and the community. We comply with laws and regulations. Our actions are based upon the highest ethical standards.

PEOPLE – We respect each other and provide equal opportunity to succeed.

ACCOUNTABILITY – We are accountable for our behaviours, actions, and results.

CUSTOMERS – We support our customers' success by creating exceptional value by providing high quality products and services at a fair price.

Code of Conduct

1. Canadian Organic Growers and its employees will comply with all laws and regulations: federal, provincial, municipal, or pertaining to any foreign jurisdiction in which the company operates.
2. Directors will deal with others professionally and honestly. This applies to dealings with any individual or group of individuals or organization within or without the company.
3. Directors will avoid conflicts of interest. The company and its employees will avoid any situation in which conflict of interest could exist, or appear to exist, between their personal interest and the interests of the company. Employees should avoid acquiring or maintaining a financial interest in a competitor, supplier, or any organization that could create the perception of, or an actual, conflict of interest. Employees should avoid outside work activities that could interfere with regular work duties, adversely affect the quality of the work, or damage the company's reputation.

Exceptions to this policy may be approved by the President, in writing only. Material exceptions must be approved by the Board of Directors.

No Director may pay or receive, or cause another person to pay or receive, a bribe, kickback, or any improper payment.

4. Directors are prohibited from benefiting or attempting to benefit personally from opportunities discovered through the use corporate property, information, or office or employment. Directors may not compete directly with the company. Directors are required to advance the company's legitimate interests when an opportunity to do so presents itself.

COG Director Statement of Conflict

I, _____, a member of Canadian Organic Growers' [national board of directors, _____ or steering committee member of _____ (chapter name) have read COG's Conflict of Interest Policy.

I _____ hereby testify that I have no apparent, potential or real conflict of interest with Canadian Organic Growers and that throughout my term of office I will abide by these conflict of interest rules.

Signatory Date

Witness Date