

13.

Conflict of Interest **Policy**

Definitions

Purpose

The Ontario Truck and Tractor Pulling Association (hereinafter 'OTTPA') is committed to conducting business in a manner that ensures the Board members' business judgment and decision making is not influenced by undue personal interests.

When a Board Member's personal interests either influence, have the potential to influence, or are perceived to influence their decision making at OTTPA, a conflict-of-interest situation result.

This Policy explains the relevant principles and rules for preventing or managing conflicts of interest and how such principles and rules are to be implemented.

Scope and Applicability

This Policy applies to all Board Members, including but not limited to Past President, President, 1st Vice-President, 2nd Vice-President and Promotor Representative, as well as all Class Representative who sit as members of the Board of Directors..

This Policy contains OTTPA standards.

Board Members should understand when a Conflict of Interest may arise.

Principles and Rules

Conflicts of interest may arise where a Board Member places his or her personal interests before the interests of OTTPA and where such personal interests unduly influence that Board Member's business judgments, decisions, or actions. These situations may include both closely related persons defined below and friends. Making judgments, taking decisions, or pursuing actions when facing a conflict of interest may make it difficult to perform work for OTTPA objectively and effectively and may have legal and regulatory consequences.

OTTPA defines conflicts of interest broadly: actual conflicts of interest (the Board Member faces a real, existing conflict); potential conflicts of interest (the Board Member is in or could be in a situation that may result in a conflict); and perceived conflicts of interest (the Board Member is in or could be in a situation that may appear to be a conflict, even if this is not the case).

Common examples of conflict of interest situations include personal workplace relationships (e.g., hiring or supervising a closely related person), external mandates (e.g., serving on the board of directors of an OTTPA competitor), outside employment (e.g., having a second job with an OTTPA customer, supplier, or competitor), promoting personal financial interests (e.g., owning a substantial share of an OTTPA supplier while in a position to steer OTTPA business towards it), and receiving fees, commissions, discounts, gifts, entertainment, or services (e.g., receiving cash from an OTTPA business partner).

Board Members are expected to recognize when they have, potentially have, or could be perceived as having, a conflict of interest. Board Members Associates should consult the Upper Executive (Past President, President, First Vice President and 2nd Vice President) if in doubt about what circumstances might create a conflict of interest.

Definitions

"Closely related persons" are the Board Member's family members, someone with whom the Board Member has an intimate relationship, and those living in the same household as the Associate.

Definitions

Board Members should avoid Conflicts of Interest wherever possible.

Principles and Rules

As a consequence of being on the Board of OTTPA, Board Members owe a FIDUCIARY DUTY to the OTTPA. Accordingly, Board Members should avoid conflicts of interest with OTTPA. Some conflicts of interest, however, represent an especially high risk to the reputation or business interests of OTTPA and Board Members must avoid these.

OTTPA respects Board Members' rights and choices and does not wish to interfere with their personal lives. However, Board Members' avoidance of conflicts of interest is an important part of maintaining the integrity and sustainability of our business and builds trust and support amongst colleagues and our key stakeholders.

"Avoiding" a conflict of interest means Board Members take decisions or actions to ensure a conflict of interest does not occur, or does not have the potential to occur, in the first place.

Board Members must disclose Conflicts of Interest

Principles and Rules

OTTPA understands that avoiding a conflict of interest may not always be possible or practical. The required action for a Board Member who does not or cannot avoid a conflict of interest is to disclose it.

Having a conflict of interest is not necessarily wrong. However, it can become a problem or a legal matter if a Board Member tries to influence the outcome of business dealings for direct or indirect personal benefit. This is why transparency, in the form of disclosure, is critical and helps to protect the integrity and reputation of OTTPA and the Associate.

Board Members must disclose to the Upper Executive any conflicts of interest.

Disclosure must take place as soon as the Board Member identifies that there may be a conflict of interest and, whenever possible, before the associate engages in the conduct in question.

A discussion with the Upper Executive should be the starting point when it comes to disclosing a conflict of interest. However, Board Members must also submit the standard Conflict of Interest Disclosure Form to the Upper Executive to ensure a record of each disclosure.

Business is dynamic and when circumstances change, existing disclosures may no longer be accurate or complete. When this happens, the Board Member must freshly disclose the conflict of interest.

Definitions

"Disclosure" means sharing the existence, nature, and all relevant facts of a conflict of interest with the Upper Executive.

"Upper Executive" refers to the Past President, President, 1st Vice President and 2nd Vice-President.

Implementation

Principles and Rules

Disclosure provides transparency to actual, potential, or perceived conflict of interest risks to OTTPA. It is a necessary part of mitigating these risks, but disclosure alone is not sufficient. This Policy also requires addressing a conflict of interest.

Addressing a conflict of interest is the responsibility of the Upper Executive. Specifically, OTTPA expects the Upper Executive to:

- Treat the information disclosed by the Board Member with appropriate confidentiality and without bias.
- Fairly evaluate the conflict of interest situation disclosed by the Board Member, including the risks to the business interests and reputation of OTTPA
- Make a pragmatic decision to address the conflict of interest so that risks to OTTPA are minimized and the personal interests of the Board Member are protected as far as possible
- Communicate the decision and its reasoning to the Board Member and follow up to ensure the Board Member understands and complies with it
- Retain documentation of the decision using the standard Conflict of Interest Disclosure Form and provide a copy to the Board Member

When a conflict of interest is relevant to a matter requiring action by the Board, the interested person(s) shall call it to the attention of the Board and said person(s) shall not vote on the matter or act on the matter in any manner, except with the explicit instruction of the Board. In addition, the person(s) shall not participate in the final decision or related deliberation regarding the matter under consideration. When there is a doubt as to whether a conflict exists, the matter shall be resolved by vote of the Board, excluding the person(s) concerning whose situation the doubt has arisen.

Many conflict of interest situations can be addressed in a simple and mutually acceptable manner; pro-active, open dialogue between the Upper Executive and the Board Member is essential to support this outcome.

Training and Awareness

Board Members must familiarize themselves with this Policy. The Upper Executive should additionally be trained on their specific responsibility to evaluate and effectively address conflicts of interest.

Reporting Potential Misconduct/Non-Retaliation

Any Board Member who learns of a potential violation of applicable laws or this Policy is required to report his or her suspicion promptly.

Breach of this Policy

Breaches of this Policy will not be tolerated and can lead to disciplinary and other actions up to and including termination of the Board Member's position on the Board of Directors of OTTPA.

Responsibilities and Implementation

Implementation

The owner of this Conflicts of Interest Policy is Group Integrity & Compliance.

Annex

High Risk Conflicts of Interest that Associates Must Avoid or that Must be Removed

Type of conflict	What must be avoided or removed
Personal workplace relationships	Board Members must not <ul style="list-style-type: none">• Be in a supervisory, subordinate, or control relationship (e.g., having influence over conditions of employment) with closely related persons.• Be involved in any hiring decision regarding closely related persons (including internal/external hiring and internal transfers)
Outside engagements, including employment	Board Members must not have any kind of paid or unpaid engagement with <ul style="list-style-type: none">• An OTTPA business partner or competitor, unless it meets an OTTPA business purpose or does not influence (and cannot be perceived as influencing) the Board Member's business judgment.• Any other person or company if this impacts their performance at OTTPA
Personal financial interests	Board Members must not <ul style="list-style-type: none">• Conduct OTTPA business with any entity in which they have a substantial interest or with which they have a substantial affiliation
Relationships with business partners and competitors	
Gifts, meals, travel, entertainment *	Board Members must not directly or indirectly solicit or accept from any OTTPA business partner or competitor. <ul style="list-style-type: none">• Cash or cash equivalents (e.g., stocks, gift certificates, discounts not based on a collective agreement, etc.); this includes actual and potential business partners or competitors• Gifts; if a gift is received nonetheless, it must be returned if it influences or could be perceived as influencing the Associate's business judgment• Meals, travel, or entertainment, unless it predominantly meets an OTTPA business purpose, is accompanied by a representative of the business providing it, and does not influence (and cannot be perceived as influencing) the Associate's business judgment. Accepting entertainment of a non-ordinary, exceptional nature requires Manager approval
Fees, commissions, services, other favors	Board Members must not directly or indirectly <ul style="list-style-type: none">• Solicit or receive a fee, commission, service, or other favor from any actual or potential OTTPA business partner or competitor

Contacts for guidance

Type of conflict	Contact for additional guidance
Personal workplace relationships External mandates Outside engagements, including employment	Upper Executive
Personal financial interests Relationships with business partners and competitors Gifts, meals, travel, entertainment Fees, commissions, services, other favors	Upper Executive
Other situations	Upper Executive