



THREE LINKS CARE SOCIETY

Board of Directors Code of Conduct, Confidentiality and Conflict of Interest Guidelines

1. INTRODUCTION

The fundamental relationship between each Director and Three Links must be one of trust; essential to trust is a commitment to honesty and integrity. Ethical conduct within this relationship imposes certain obligations.

2. COMPLIANCE WITH THE LAW

- (a) In his/her relationship with Three Links, no Director shall commit or condone an unethical or illegal act or instruct another Director, employee, or supplier to do so.
- (b) Directors 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, Directors are expected to ask for clarification.
- (c) Falsifying the record of transactions is unacceptable.
- (d) Three Links Directors must not only comply fully with the law, but must also avoid any situation which could be perceived as improper or indicate a casual attitude towards compliance.

3. CONFLICTS OF INTEREST

- (a) In general, a conflict of interest exists for Directors who use their positions at Three Links to benefit themselves, friends or families.
- (b) A Director must not use his or her position with Three Links to pursue or advance the Director's personal interests, the interests of a related person¹, Director's business associate, corporation, union or partnership, or the interests of a person to whom the Director owes an obligation.

¹ related person means a spouse, child, parent or sibling of a director who resides with that director

Reference: Vancouver Coastal Health Board Manual: Code of Conduct & Conflict of Interest Guidelines August 2002.

- (c) A Director must not directly or indirectly benefit from a transaction with Three Links over which a Director can influence decisions made by Three Links.
- (d) A Director must not take personal advantage of an opportunity available to Three Links unless Three Links has clearly and irrevocably decided against pursuing the opportunity, and the opportunity is also available to the public.
- (e) A Director must not use his or her position with Three Links to solicit clients for the Director's business, or a business operated by a close friend, family, business associate, corporation, union or partnership of the Director, or a person to whom the Director owes an obligation.
- (f) Every Director must avoid any situation in which there is, or may appear to be, potential conflict which could appear to interfere with the Director's judgment in making decisions in Three Links' best interest.
- (g) There are several situations that 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 using privileged information inappropriately.
- (h) Three Links requires full disclosure of all circumstances that could conceivably be construed as conflict of interest.

4. DISCLOSURE

- a) Full disclosure enables Directors to resolve unclear situations and gives an opportunity to dispose of conflicting interests before any difficulty can arise.
- b) A Director must, immediately upon becoming aware of a potential conflict of interest situation, disclose the conflict in writing to the Board Chair. This requirement exists even if the Director does not become aware of the conflict until after a transaction is complete.
- c) If a Director is in doubt whether a situation involves a conflict, the Director must immediately seek the advice of the Board Chair. It may also be appropriate to seek legal advice.
- d) Unless a Director is otherwise directed, a Director must immediately take steps to resolve the conflict or remove the appearance that it exists.
- e) If a Director is concerned that another Director is in a conflict of interest situation, the Director must immediately bring his or her concern to the other Directors attention and request that the conflict be declared. If the other Director refuses to declare the conflict, the Director must immediately bring his or her concerns to the attention of the Board Chair. If there is a concern with the Board Chair, the issue should be referred to the Governance Committee.

- f) A Director is required to 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 Directors attention. After disclosing the conflict to the Director: :
 - (i) must not take part in the discussion of the matter or vote on any questions in respect of the matter. However, the Director may be counted in the quorum present at the Board meeting.
 - (ii) must 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.

5. OUTSIDE BUSINESS INTERESTS

- (a) Directors must declare possible conflicting outside business activities at the time of appointment. Notwithstanding any outside activities, Directors are required to act in the best interest of Three Links.
- (b) No Director may hold a significant financial interest, either directly or through a relative or associate, or hold or accept a position as an officer or Director in an organization in a relationship with Three Links, where by virtue of his or her position in Three Links, the Director could in any way benefit the other organization by influencing the purchasing, selling or other decisions of Three Links, unless that interest has been fully disclosed in writing to Three Links.
- (c) A “significant financial interest” in this context is any interest substantial enough that decisions of Three Links could result in a personal gain for the Director.
- (d) These restrictions apply equally to interests in companies that may compete with Three Links in all of its areas of activity.

6. CONFIDENTIAL INFORMATION

- (a) “Confidential information” includes proprietary, technical, business, financial, legal, resident, client or Director information which Three Links treats as confidential.
- (b) Directors may not disclose confidential information to any outside person unless authorized.
- (c) Similarly, Directors may never disclose or use confidential information gained by virtue of their association with Three Links for personal gain, or to benefit friends, relatives or associates.
- (d) Directors are advised to seek guidance from the Board Chair or the CEO with respect to what is considered confidential.

7. INVESTMENT ACTIVITY

Directors may 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 Three Links which could reasonably affect the value of such securities.

8. OUTSIDE EMPLOYMENT OR ASSOCIATION

A Director who accepts a position with any organization that could lead to a conflict of interest or situation prejudicial to Three Links interests, shall discuss the implications of accepting such a position with the Board Chair recognizing that acceptance of such a position may require the Director's resignation from the Three Links Board.

9. ENTERTAINMENT, GIFTS AND FAVOURS

- (a) It is essential to efficient business practices that all those who associate with Three Links, as suppliers, contractors or Directors, have access to Three Links on equal terms.
- (b) Directors 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 Three Links. Any firm offering such inducement shall be asked to cease; a sustained business relationship will be conditional on compliance with this Code.
- (c) Similarly, no Director may offer or solicit gifts or favours in order to secure preferential treatment for themselves or Three Links.
- (d) Under no circumstances may Directors offer or receive cash, preferred loans, securities, or secret commissions in exchange for preferential treatment. Any Director experiencing or witnessing such an offer must report the incident to the Board Chair immediately.
- (e) Gifts and entertainment may only be accepted or offered by a Director in the normal exchanges common to established business relationships. An exchange of such gifts shall create no sense of obligation.
- (f) Inappropriate gifts received by a Director should be returned to the donor and may be accompanied by a copy of this Code.
- (g) Full and immediate disclosure to the Board Chair of borderline cases will always be taken as good-faith compliance with this Code.

10. USE OF THE THREE LINKS' PROPERTY

- (a) A Director requires Three Links' approval to use property owned by Three Links for personal purposes, or to purchase property from Three Links unless the purchase is made through the usual channels also available to the public.
- (b) Even then, a Director must not purchase property owned by Three Links if that Director is involved in an official capacity in some aspect of the sale or purchase.
- (c) Directors may be entrusted with the care, management and cost-effective use of Three Links property and should not make significant use of these resources for their own personal benefit or purposes. Clarification on this issue should be sought from the Board Chair.
- (d) Directors should ensure all Three Links property which may be assigned to them is maintained in good condition and should be able to account for such property.
- (e) Directors may not dispose of Three Links property except in accordance with the guidelines established by Three Links.

11. RESPONSIBILITY

- (a) Three Links is determined to behave, and to be perceived, as an ethical organization.
- (b) Each Director must adhere to the standards described in this Code of Conduct, and to the standards set out in applicable policies, guidelines or legislation.
- (c) Integrity, honesty, and trust are essential elements of Three Links' success. Any Director who knows or suspects a breach of the Code of Conduct, Confidentiality and Conflict of Interest Guidelines has a responsibility to report it to the Board Chair.
- (d) To demonstrate determination and commitment, Three Links requires each Director to review and sign the Code annually. The willingness and ability to sign the Code is a required of all Directors.

12. BREACH OF CODE

A Director found to have breached his/her duty by violating the Code of Conduct will be liable to censure or a recommendation for dismissal.

13. WHERE TO SEEK CLARIFICATION

The Board Chair or the Governance Committee Chair will provide guidance on any item in the Code of Conduct, Confidentiality and Conflict of Interest Guidelines. The Board Chair may at his/her discretion or at the request of a Director, seek the advice of outside legal counsel or other expert advisor.

I ACKNOWLEDGE that I have read and considered the Code of Conduct, Confidentiality and Conflict of Interest Guidelines for Directors of Three Links and agree to conduct myself in accordance with the Code of Conduct, Confidentiality and Conflict of Interest Guidelines for Directors.

Signature

Print Name

Date