

## 2.1.i Guidelines

# STATUTORY RULES OF CONDUCT

Trust Council: June 11, 1994

Amended: March 9, 1996; September 19, 1997;

December 5, 2003; September 9, 2014

### PURPOSE

To acknowledge and facilitate compliance with the ethical conduct rules in accordance with the *Community Charter* and *Islands Trust Act*. The applicable statutory provisions are attached as Appendix A.

### DETAILS

#### Interpretation

1. In these guidelines

"**Executive Committee**" means the committee referred to in section 20(1) of the *Islands Trust Act*,

"**Local Trust Committee**" means the committee referred to in section 23(2) of the *Islands Trust Act*,

"**Meeting**" includes a meeting of the Trust Council, a Local Trust Committee, the Trust Fund Board, or a committee of any of them, or a resolution without meeting under sections 13 and 26 of the *Islands Trust Act*,

"**Trust Council**" means the Islands Trust Council referred to in section 5 of the *Islands Trust Act*,

"**Trust Fund Board**" means the board referred to in section 40(1) of the *Islands Trust Act*,

"**Trustee**" means under section 1 of the *Islands Trust Act* a local trustee, municipal trustee and a trustee of the Trust Fund, or any of them, as the context requires.

#### Conflict of Interest

2. a. Subject to Section 104 of the *Community Charter*, a trustee must not participate in the discussion of, or vote on, a resolution or bylaw in respect of which the trustee has a direct or indirect financial or monetary interest.
- b. In addition to the disqualification for the financial or monetary interest, having a direct or indirect financial or monetary interest in the decision could result in the trustee's vote on the decision being invalid. In some cases, the decision itself will be invalid where the vote is invalid.

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## Declarations

3. a. If a trustee believes he or she is not entitled to participate in a decision, he or she must declare this under Section 100(2) of the *Community Charter*, subject to Sections 100(4) and (5).
- b. Having made such a declaration, if a trustee determines on the basis of legal advice that they in fact may participate and vote, the trustee may do so after making a further declaration stating in general terms the basis on which they have determined that they may participate and vote.

## Recording Declaration

4. a. If a trustee makes a declaration under Section 100 of the *Community Charter*, the person recording the minutes of the meeting must record the member's declaration, the reasons given for it, and the times of the member's departure from the meeting room and, if applicable, of the member's return.
- b. In the case of a resolution without meeting vote, if a trustee makes a declaration under Section 100 of the *Community Charter*, the trustee, or the person recording a resolution without meeting vote must complete a Declaration Form (Appendix "B") to record the member's declaration, the reasons given for it, and the time of the member's declaration.
- c. A Declaration form must be completed for each resolution without meeting relating to a matter in which a trustee makes a declaration under Section 100 of the *Community Charter*.
- d. The completed Declaration Form must be filed with the Secretary, and a copy of the completed form must be affixed to the Resolution Without Meeting Call for the Vote/Calling for a Resolution and Conducting the Vote forms.

## Insider Information

5. A trustee must not use information that is gained in the execution of his or her office, and is not available to the general public, to further or seek to further the trustee's financial, monetary, personal, or private interest.

## Influence

6. Subject to Section 104 of the *Community Charter*, a trustee must not use his or her office to seek to influence a decision to be made by another person, to further the trustee's financial, monetary, personal or private interest.

## Gifts

7. A trustee must not accept a gift or personal benefit, except compensation authorized by the *Islands Trust Act* and the Islands Trust Regulation 119/90, as amended, that is connected directly or indirectly with the performance of his or her duties of office.

## Exceptions and Disclosure of Gifts

8.
  - a. As an exception, a trustee may accept a gift or personal benefit having a value of less than \$250.00 that is received as an incident of the protocol or social obligations that normally accompany the responsibilities of office.
  - b. If the value of a gift accepted under this exception equals or exceeds \$250, or the value of such gifts from any single source exceeds that amount in any 12-month period, the trustee must file a disclosure statement in accordance with Section 106 of the *Community Charter*.

## Contracts with the Islands Trust

9. A trustee, or person who was a trustee within the previous six months, must report to the Islands Trust Secretary any contract with the Islands Trust in which the trustee or former trustee has a direct or indirect financial or monetary interest, in accordance with Section 107 of the *Community Charter*.

## Confidentiality

10. A trustee must keep in confidence any record held in confidence by the Trust Council, Trust Fund Board or a local trust committee, until the record is released to the public, and must keep in confidence any information considered in any part of a Trust Council, Trust Fund Board, Executive Committee or Local Trust Committee meeting that was lawfully closed to the public, until the information is discussed at a meeting that is open to the public or released to the public.

## Review Process

11. Trustees and staff may, at the cost of the Trust Council, communicate directly with the Trust's Legal Counsel to discuss matters pertaining to statutory standards of conduct.

## Disqualification

12. Trustees violating statutory rules of conduct in relation to conflict of interest, use of insider information, inside or outside influence, receipt of gifts, disclosure of gifts, and disclosure of contracts are subject to disqualification from office under s.110 of the *Community Charter*.

**APPENDIX "B"**

**ISLANDS TRUST**

SECTION 100(2) COMMUNITY CHARTER DECLARATION FORM  
(Disclosure of direct or indirect pecuniary interest, or another interest in the matter that  
constitutes conflict of interest or perceived conflict of interest)  
FOR A SECTION 26 RESOLUTION WITHOUT MEETING

Note:

- This form must be completed when a trustee declares that he or she is not entitled to vote on a matter being considered by Resolution Without Meeting, or having made such a declaration subsequently determines on the basis of legal advice that they may in fact vote;
- This form complies with the requirements of Section 100 of the *Community Charter*, and applies to Local Trust Committee, Trust Fund Board, Trust Council, and Executive Committee Resolutions Without Meeting.

Under Section 100(2) of the *Community Charter*, I declare that I will not participate or vote on the matter contained in the draft resolution as shown in the attached Resolution Without Meeting form for the following reason(s):

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OR

Under Section 100(4) of the *Community Charter*, I declare that I have obtained legal advice and have determined that I am entitled to participate and vote on the matter that was the subject of my declaration of conflict of interest dated \_\_\_\_\_ for the following reason(s):

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\_\_\_\_\_  
Name of Corporate Entity

\_\_\_\_\_  
Trustee's/Trust Fund Board Member's Name

\_\_\_\_\_  
Trustee's/Trust Fund Board Member's Signature,  
Email (attach copy) OR Telephone No.

\_\_\_\_\_  
Date and Time of Declaration

\_\_\_\_\_  
Name of Recorder (if applicable)

(Staff to complete the section below)

Received by the Islands Trust Secretary this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
SECRETARY'S Signature

\_\_\_\_\_  
RWM No.

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