

**DAIRY FARMERS OF NEW BRUNSWICK
DIRECTORS' CODE OF CONDUCT POLICY**

1. GENERAL

- a. This Directors' Code of Conduct and Policy on Conflicts of Interest (the "Code") has been approved by the board of directors (the "Board") of DFNB. The Code is intended to govern the conduct of Directors of DFNB. It also sets out guidelines for avoiding and disclosing conflicts of interest.
- b. Unless otherwise specified, the words and expressions used in this Code shall have the same meaning as in By-law No. 1 of DFNB.
- c. The provisions of this Code are intended to complement and enhance in a consistent manner, the requirements that arise at law and in the By-laws of DFNB.
- d. This Code shall be, unless the context otherwise requires, construed and interpreted in accordance with the interpretation provisions of DFNB's By-laws.

2. DUTIES AND RESPONSIBILITIES OF INDIVIDUAL DIRECTORS

- a. Each Director is expected to become an active participant in a board that functions effectively as a whole. A Director is responsible to:
 - i. Be informed of the documents and legislation under which DFNB exists, its By-laws, mission, values, codes of conduct, and policies as they pertain to the duties of a Director;
 - ii. Keep generally informed about the activities of DFNB and general trends in the sector(s) in which it operates;
 - iii. Attend Board meetings regularly, serve on committees of the Board and contribute from personal, professional and life experience to the work of the Board;
 - iv. Exercise, in the performance of their duties, the degree of care, diligence and skill required of a Director pursuant to the laws under which DFNB is incorporated;
 - v. Be independent and impartial;
 - vi. Not be influenced by self-interest, outside pressure, expectation of reward or fear of criticism;
 - vii. Act with honesty and integrity
- viii. Offer personal perspectives and opinions on issues that are the subject of Board discussion and decision;
- ix. Voice, clearly and explicitly at the time a decision is being taken, any opposition to a decision being considered by the Board;
- x. Maintain solidarity with fellow Directors in support of a decision that has been made in good faith in a legally constituted meeting, by Directors in reasonably full possession of the facts;
- xi. Ask the Directors to review a decision, if there are reasonable grounds to believe that the Board has acted without full information or in a manner inconsistent with its fiduciary obligations, and, if still not satisfied after such review, ask that the matter be placed before the membership;
- xii. Work with the staff of DFNB on committees or task forces of the Board;
- xiii. Know and respect the distinction in the roles of Board and staff consistent with the principles underlying these governance policies;
- xiv. Exercise vigilance for and declare any apparent or real personal conflict of interest in accordance with DFNB's By-laws and policies, and in particular with this Code; and
- xv. Comply with all other codes and policies approved by the Board from time to time.

**DAIRY FARMERS OF NEW BRUNSWICK
DIRECTORS' CODE OF CONDUCT POLICY**

- b. A Director will at all times conduct themselves in a manner that:
 - i. Supports the objectives of DFNB;
 - ii. Serves the overall best interests of DFNB;
 - iii. Subordinates their personal interests, and those of any particular constituency, to the best interests of DFNB;
 - iv. Brings credibility and goodwill to DFNB;
 - v. Respects principles of fair play and due process;
 - vi. Demonstrates respect for individuals and human rights;
 - vii. Respects and gives fair consideration to diverse and opposing viewpoints;
 - viii. Demonstrates due diligence and dedication in preparation for, and attendance at, meetings, special events and in all other activities on behalf of DFNB;
 - ix. Demonstrates good faith, prudent judgment, honesty, transparency and openness in her activities on behalf of DFNB;
 - x. Ensures that the financial affairs of DFNB are conducted in a responsible and transparent manner with due regard for the fiduciary responsibilities and public trusteeship;
 - xi. Avoids real or perceived conflicts of interest;
 - xii. Conforms with the By-laws and policies approved by the Board, in particular this Code and the Oath of Office and Confidentiality Agreement.

3. CONFLICT OF INTEREST GUIDELINES

- a. These Conflict of Interest Guidelines are intended to ensure the highest standards and maintenance of the integrity of the Board. Directors shall act at all times in the best interests of DFNB rather than in the interests of particular constituencies. This means putting the interests of DFNB ahead of any personal interest or the interest of any other person or entity. It also means performing their duties and transacting the affairs of DFNB in such a manner that promotes public confidence and trust in the integrity, objectivity and impartiality of the Board.
- b. No Director shall directly or indirectly receive any profit from their position
- c. The pecuniary interests of immediate family members (including the immediate family members of a Director's partner) or close personal or business associates of a Director are considered to also be the pecuniary interests of the Director.
- d. A conflict of interest refers to situations in which personal, occupational or financial considerations may affect, or appear to affect, a Director's objectivity, judgment or ability to act in the best interests of DFNB and includes conflicts as described in subsection 3(e) hereof.
 - i. A conflict of interest may be real, potential or perceived in nature.
 - ii. A real conflict of interest arises where a Director has a private or personal interest, for example, a close family connection or financial interest.
 - iii. A potential conflict of interest may arise when a Director has a private or personal interest such as an identified future commitment.
 - iv. A perceived or apparent conflict of interest may exist when a reasonable, well informed person has a reasonable belief that a Director has a conflict of interest, even if there is no real conflict.
 - v. Full disclosure, in itself, does not remove a conflict of interest.

**DAIRY FARMERS OF NEW BRUNSWICK
DIRECTORS' CODE OF CONDUCT POLICY**

- e. The following examples constitute Conflicts of Interest under this Code:
 - i. Any circumstance that may result in a personal or financial benefit to a Director or his family, business associate or friend. This includes, but is not limited to, accepting any payment for services rendered to DFNB other than payment for services of a Director as permitted in this Code, including contracted work or honoraria; or accessing financial or other resources for personal use, i.e. transportation, training costs, supplies, equipment, etc.
 - ii. Personal interests which conflict with the interests of Members of DFNB or are otherwise adverse to the interests of DFNB.
 - iii. Seeking, accepting or receiving any personal benefit from a supplier, vendor or any individual or organization doing or seeking business with DFNB.
 - iv. Being a member of the board or staff of another Person which might have material interests that conflict with the interests of DFNB or its Members; and, dealing with matters on one board which might materially affect the other board.
 - v. Any involvement in the hiring, supervision, grievance, evaluation, promotion, remuneration or firing of a family member, business associate, or friend of the Director.

- f. Principles for Dealing with Conflict of Interest.
 - i. Both prior to serving on the Board and during their term of office, Directors must openly disclose a potential, real or perceived conflict of interest as soon as the issue arises and before the Board or its committees dealing with the matter at issue.
 - ii. If the Director is not certain whether she is in a conflict of interest position, the matter may be brought before the Chair of the Board, the Executive Committee or the Board for advice and guidance.
 - iii. If there is any question or doubt about the existence of a real or perceived conflict, the Board will determine by majority vote if a conflict exists. The Director potentially in conflict of interest shall be absent from the discussion and shall not vote on the issue.
 - iv. It is the responsibility of other Directors who are aware of a real, potential or perceived conflict of interest on the part of a fellow Director to raise the issue for clarification, first with the Director in question and, if still unresolved, with the Chair of the Board.
 - v. The Director must abstain from participation in any discussion on the matter, shall not attempt to personally influence the outcome, shall refrain from voting on the matter and, unless otherwise decided by the Board, must leave the meeting room for the duration of any such discussion or vote.
 - vi. The disclosure and decision as to whether a conflict exists shall be duly recorded in the minutes of the meeting. The time the Director left and returned to the meeting shall also be recorded.

- g. Gifts and Hospitality. Directors shall not directly or indirectly offer or accept cash payments, gifts, gratuities, privileges or other personal rewards, which are intended to influence the activities or affairs of DFNB. Directors may, however, give or receive modest gifts or hospitality as a matter of general and accepted business practice, provided the foregoing does not include cash or other negotiable instruments and provided further proper accounting of any such expenses is made.

- h. Complaints and Disputes Involving Directors. The Executive Committee, in a meeting duly called for the purpose, shall review any complaints that a Director has violated any provision of DFNB's

**DAIRY FARMERS OF NEW BRUNSWICK
DIRECTORS' CODE OF CONDUCT POLICY**

Bylaws, or policies approved by the Board, in particular, this Code and its Oath of Office and Confidentiality Agreement. The Executive Committee shall similarly review disputes between Directors that interfere with the ability of the Board to carry on its affairs. Complaints of a grave nature may be referred to an independent arbiter.

- i. Allegations of illegal activity shall be immediately referred to appropriate authorities for investigation. Any Director against whom such allegations are made shall take a leave of absence from the Board pending completion of the investigation. The review of such complaints or disputes shall include an opportunity for the Director concerned to present her position. Executive Committee members who originate or are the subject of such complaints or disputes must declare their conflict and recuse themselves from such meetings (but shall nonetheless be counted as part of the quorum). Every attempt should be made to resolve such matters expeditiously and fairly. The recommendations regarding resolution of such matters shall be brought to the Board for approval. The ruling of the Board shall be final. If the Director refuses to abide by the ruling, the Board may table the matter pending determination of disciplinary action. Such action may include formal or informal censure by the Chair or the Board, suspension, a request for the Director's resignation or a resolution removing the person as a Director.

4. CONFIDENTIALITY

- a. Confidential Information. It is the responsibility of Directors to know what information is confidential and to obtain clarification when in doubt. Except as they may be compelled by applicable legal process, a Director must, both while having and after ceasing to have that status, treat as confidential all information regarding the policies, internal operations, systems, business or affairs of DFNB obtained by reason of their status as a Director and not generally available to the public. A Director shall not use information obtained as a result of their involvement on the Board for their personal benefit. Each Director shall avoid activities which may create appearances that they have benefited from confidential information received during the course of their duties as a Director.
- b. Review of Code. Each Director, forthwith after being elected, shall meet with DFNB's legal counsel or, in his absence, with the Chairman and General Manager, to review this Code and such other policies of DFNB that apply to Directors.
- c. Oath of Office and Confidentiality Agreement. Each Director is required to sign and agree to comply with the *Oath of Office and Confidentiality Agreement*, in the form attached hereto as Schedule "A".

**DAIRY FARMERS OF NEW BRUNSWICK
DIRECTORS' CODE OF CONDUCT POLICY**

Schedule "A"

Oath of Office and Confidentiality Agreement

I, _____, a Director of **DAIRY FARMERS OF NEW BRUNSWICK**, declare that I have read, understood and agree to comply with DFNB's Code of Conduct, Policy on Conflicts of Interest and other applicable policies, and that in carrying out my duties as a Director, I will:

1. Exercise the powers of my office and fulfill my responsibilities honestly, in good faith and in the best interests of DFNB.
2. Exercise these responsibilities, at all times, with due diligence, care and skill in a reasonable and prudent manner.
3. Respect and support DFNB's By-laws, policies, Code of Conduct, Policy on Conflicts of Interest and decisions of the Board of Directors and Membership.
4. Keep confidential all information unless the Board of Directors determines that such information is public. This shall include, but not be limited to, information about personnel, trade-secrets, any personal information, and matters dealt with during *in camera* meetings of the Board of Directors.
5. Conduct myself in a spirit of collegiality and respect for the collective decisions of the Board of Directors and subordinate my personal interests to the best interests of DFNB.
6. Immediately declare any personal conflict of interest that may come to my attention.
7. Immediately resign my position as a Director of DFNB in the event that I, or my colleagues on the Board of Directors, have concluded that I have breached this *Oath of Office*.

Signature: _____ Date: _____

Witness: _____ Date: _____