



## C&WJ Co-operative Credit Union Limited

### Policy Information

<b>Policy #</b>	
<b>Policy Title</b>	<b>ETHICS AND CONFLICT OF INTEREST</b>
<b>Review Requirement</b>	Annually
<b>Date of Board Approval</b>	February 2019
<b>Date of Policy Implementation</b>	December 2014
<b>Date of Previous Review</b>	December 2014
<b>Date of Next Review</b>	February 2020
<b>Officer Responsible for Policy Review</b>	<b>Chief Executive Officer</b>
<b>Approving Authority:</b>	 _____ <b>President – BOD</b>   _____ <b>Secretary - BOD</b>

#### Comments:

Approved by the Board of Directors at its meeting held on February 9, 2019

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

## **BACKGROUND**

The C&WJCCUL recognised that traditionally credit unions are member-owned, non-profit cooperative institutions formed for the purpose of encouraging savings by offering a good return, using collective monies to make loans at competitively low interest rates to members and providing other member services on a cooperative basis. Accordingly, directors, committee members and employees of C&WJCCUL hold positions of trust and respect within the organization. C&WJCCUL requires that each director, committee member and employee maintain the highest standards of dealings with respect to the interest of the Credit Union. These persons have the fiduciary, legal and moral responsibilities to conduct the affairs of C&WJCCUL in the best interest of its members.

The board of C&WJCCUL recognises that from time to time situations arise that can lead to conflict of interest violations by the directors, committee members and employees of the C&WJCCUL in their dealings with vendors or others doing business or associated with C&WJCCUL. The directors, committee members, and employees of C&WJCCUL are not permitted to take advantage of their position directly or indirectly, for private gain, or to advance personal interests, or to obtain favours or benefits for themselves, their immediate family members, or any other individual. For these purposes, immediate family members shall mean spouse, parents and children.

## **RATIONALE**

The purpose of this policy is to define the minimum standards of conduct required of directors, committee members and employees. Each director, committee member and employee will receive and be required to comply with this policy at all times. Where the policy refers to employees, it shall also apply to temporary employees, and contract workers of the Credit Union.

New directors, committee members and employees will be provided with a copy of this policy upon employment or appointment. On an annual basis each person is required to confirm compliance with this policy, indicate any exceptions and also confirm that any breaches or potential breaches of which the person is aware have been reported.

The ethical principles listed below constitute the basis upon which C&WJCCUL will conduct Credit Union business and upon which the membership will be served:

- Business and personal conduct shall be performed with the highest standards and integrity while conducting Credit Union business.
- Uphold and exercise sound judgement in the compliance and application of laws, regulations, by laws, policies and procedures applicable to duties performed.
- Prevent the use, or perceived use, of position for personal or financial advantage or special privilege and avoid conflicts of interest with policies and operations.
- Carry out duties and responsibilities to the best of one's abilities
- Decisions shall be made with the interest of the member's financial well-being.

## **CONDUCT EXPECTED OF C&WJCCUL DIRECTORS, COMMITTEE MEMBERS AND EMPLOYEES**

C&WJCCUL directors, committee members and employees are required to:

1. Act fairly and reasonably at all times. To be truthful and not to intentionally mislead directly or indirectly in words or deeds.
2. Conduct the business of the organization in full compliance with both the letter and spirit of the law and all applicable regulations and within the requirements of this and all other policies of the organization.
3. Maintain, preserve and protect the privacy and confidentiality of C&WJCCUL, members and employee information, including personal information, financial records and transactions unless required to do so by law or with the written approval of the member or other due legal process.
4. Recognize and avoid conflicts of interest.
5. Properly manage personal finances so that they do not interfere with their duties and responsibilities.
6. Avoid the acceptance of fees (including special discounts of any direct or indirect payment of money or property) and other items of value in return for service C&WJCCUL renders or is purchasing are generally prohibited. The following exceptions are allowable:
  - Payments of bona fide salary, wages and fees or other compensation when these are made in the usual course of business
  - There is no suggestion whether implied or expressed that the giver of the gift or benefit is trying to improperly influence the director, committee member or employee subject to the dollar value limitations below
  - Acceptance of meals, refreshments or entertainment not to exceed US\$100.00 per individual in the course of a meeting or occasion provided that these expenses are otherwise reimbursable by C&WJCCUL as a justifiable business expense
  - Acceptance of unsolicited promotional materials and inexpensive advertising items of nominal value limited to US\$100.00 per item per person
  - Acceptance of discounts or rebates on merchandise or services, provided they do not exceed those that are available to other persons or to the general public
  - Acceptance of gifts limited to US\$100.00 per item per person
  - Acceptance of civic, charitable, educational, or religious awards in recognition of a service performed or an accomplishment
  - Other activities not identified may be acceptable on a case-by-case basis with prior written approval from the board.
  - All gifts exceeding gifts exceeding US\$100.00 should be disclosed by the recipient, in case of Director and Chief Executive Officer, disclosure should be made to the Board and C&WJCCUL employees to the Chief Executive Officer.

7. Board members, committee members and employees are prohibited from soliciting, offering, promising, or accepting anything of value in connection with any transaction or business conducted by C&WJCCUL if that person expects to be rewarded for performing the transaction. The following are always considered unacceptable:

- No director, committee member or employee of C&WJCCUL will solicit or accept anything of value including but not limited to gifts, gratuities, fees, amenities, travel or related expenses in connection with any transaction or business of C&WJCCUL.
- C&WJCCUL directors, committee members and employees are prohibited from having expenses paid for trips or other elaborate entertainment by members or suppliers or potential suppliers of goods and services to C&WJCCUL.
- No director, committee member or employee may accept a personal fee or monetary consideration for arranging a loan with, deposit or investment from C&WJCCUL.
- No director, committee member or employee or immediate family may receive a loan or place a deposit or investment with C&WJCCUL that is made with preferential rates, terms or conditions. Where preferential loan terms are offered to employees these must be a part of the overall compensation package offered to staff.
- No director, committee member or employee may be delinquent on a credit obligation to this Credit Union.
- Confidential information regarding any member or employee of the credit union or any transaction or business with C&WJCCUL obtained in the course of business must not be used for personal gain nor must it be revealed to any person outside C&WJCCUL without the consent of the Chief Executive Officer or as otherwise permitted by law and where disclosed within C&WJCCUL must be in accordance with C&WJCCUL's policies and for official Credit Union business.

A gift or benefit to a director's, committee member's or employee's spouse, child or parent immediate family member may be considered inappropriate and may under the circumstances be treated as if the gift was to the director, committee member or employee for the purpose of this policy.

#### 8. Relationships-

- No Director or Supervisory Committee member may be related to an employee of C&WJCCUL. There is a duty on the Director, Supervisory Committee member or employee to immediately advise the Chief Executive Officer of any such relationships.

- No other committee member may be related to any employee of C&WJCCUL unless the employee performs a function that is separate from the activities of the committee.
- Persons appointed as auditors of C&WJCCUL must not be a director, committee member, employee or family member of any of these persons or be financially associated with C&WJCCUL.
- C&WJCCUL will not use the professional services of companies or partnerships that have any financial association with a director, committee member, employee or immediate family member of any of these persons. Approval may be given in exceptional cases where the conflict is not considered to be significant or where it is considered in the best interest of C&WJCCUL. Prior approval must however be sought from the Board of Directors and where granted any conditions associated with such approval must be strictly complied with.
- C&WJCCUL will not invest in a company that is known to be financially associated with any of its directors, committee members, employees or immediate family members of any of these persons. Financially associated means has a major financial stake or interest in the company, occupies a position of influence in the company, and has the ability to control or influence the actions of the company.

### **CONFLICT OF INTEREST**

Directors, committee members and employees must avoid conflicts of interest. Conflicts of interest are defined as a distraction, an obligation or interest that would interfere with or even appear to interfere with the independent exercise of judgment in C&WJCCUL's best interest.

For the purposes of conflict of interest the activities and actions of immediate family members are considered to be actions of the director, committee member or employee.

1. Employees must obtain prior approval from the Chief Executive Officer before acceptance of a directorship or other committee position in any credit union, cooperative or other company.
2. Employees owe their primary business loyalty to C&WJCCUL. They must avoid situations in which any interest that is private would or could conflict with their duties and responsibilities to the organization.
3. Employees must avoid acquiring or participating in any business interest or activity outside the organization, which would place an excessive demand on their time and attention that would deprive C&WJCCUL of the employee's best efforts on the job.

Employees must seek prior approval from the Chief Executive Officer before making any commitment towards possible part-time employment or involvement in any outside business interest.

4. A director or employee of C&WJCCUL may not serve as a director or retain outside employment with an organisation that provides financial services such as lending money, investing money, or any other services that C&WJCCUL provides to its members. Exceptions may only be made in writing by the Board of Directors.
5. Every director, committee member or employee is required to declare his interest directly or indirectly in any contract or transaction to which C&WJCCUL is a party to. The nature and the extent of any benefit or consideration he will derive, directly or indirectly because of such contract or transaction must be disclosed.
6. C&WJCCUL requires that any potential or recognised conflict of interest be revealed at the earliest possible time possible and that where applicable, any director, committee member or employee, refrain from voting or making a decision in respect of that contract or transaction.
7. All the details of a conflict of interest disclosure relating to a director or committee member must be recorded in the relevant meeting minutes as well as the record of the concerned person absenting himself from the discussion and from voting on the transaction or contract.
8. Where an employee is concerned, the conflict must be reported to the Chief Executive Officer and documented as well as the employee's non-participation in the discussion or decision relating to the transaction or contract.
9. A failure to declare a conflict is sufficient grounds for removal from office or dismissal.
10. If the relevant party fails to disclose a conflict of interest the contract or transaction may be void by C&WJCCUL. This clause to be stipulated in all contracts negotiated by C&WJCCUL.
11. The extent and materiality of a conflict of interest and required remedial action shall be determined as follows:
  - For the Chief Executive Officer by the Board of Directors
  - For other employees by the Chief Executive Officer

- For a director or committee member other than the Supervisory Committee, by the Supervisory Committee.
- For the Supervisory Committee by the Registrar of the Department of Co-operatives and Friendly Societies or the Jamaica Co-operative Credit Union League.

### **REPORTING OF BREACHES AND WHISTLE BLOWING**

Employees at the commencement of employment with C&WJCCUL are required to disclose any business interest to the HRD manager which they have outside C&WJCCUL which may conflict with the business of the Credit Union and to update this promptly as necessary to the Chief Executive Officer so that any conflicts or potential conflicts may be determined and the appropriate action taken.

Directors and committee members are required to disclose to the President and their committee chairman respectively any other directorships, business or other interests or associations including other credit unions, or other co-operative bodies and their subsidiaries, which may be or appear to be in conflict with his or her position as a director or committee member. If anyone believes that they may have breached this policy or if anyone has observed a breach by another employee, director or committee member or if anyone has observed a serious weakness or deficiency in this policy which might enable breaches to occur or go undetected then they have a responsibility to report this immediately.

C&WJCCUL is committed to affording employees, directors and committee members a reliable process through which breaches, irregularities or concerns over any wrong doing may be reported without fear of reprisal or loss of job provided that this satisfies the provisions under the Credit Union's Whistle Blowing Policy.

### **REQUIRED STANDARDS OF BUSINESS AND PERSONAL CONDUCT**

All persons associated with the governance and operation of C&WJCCUL must conduct themselves with the highest standards of integrity, honesty and fair dealings to preclude conflict between the interest of the Credit Union and their personal interests. Such persons shall avoid any actions or relationships that could adversely affect, or have the appearance of adversely affecting, their judgement or actions in performing their duties. Any breach of this policy is considered a serious matter and may result in disciplinary action up to and including termination of employment, removal from office and where applicable, criminal prosecution.

Acts that are illegal or unethical are prohibited under this policy and shall include, but are not limited to, dishonesty such as theft, fraud, borrowing or otherwise removing cash, negotiable instruments, equipment, furniture, or other C&WJCCUL property without permission;

Unauthorized possession, distribution or use of any illegal drug or controlled substance; making any threat to a member, fellow employee, that includes harassment or discriminatory conduct based on age, race, colour, creed, religion, gender, disability, sexual orientation or socio-economic status; wilful destruction or waste of property belonging to C&WJCCUL; making or accepting bribes, kickbacks, or other illegal payments by or on behalf of C&WJCCUL, directly or indirectly.

## **PRIVACY & PROTECTION OF CONFIDENTIAL INFORMATION**

Persons covered by this policy may be privy to, or even create, non-public information about C&WJCCUL's members, employees and corporate governance data that is considered confidential. Confidential information must be protected and kept private while working or volunteering with C&WJCCUL and continuing thereafter. Confidential information may not be disclosed to anyone who is not authorised to receive it. The only exceptions are when disclosure is authorised by the person or entity to whom the information relates, or as required by law. The following restrictions apply to C&WJCCUL confidential information:

- Accessing and/or releasing confidential information for non-business and/or unauthorised purposes.
- Corruptly altering, destroying, mutilating, or concealing confidential information, or attempting to do so, with the intent to impair the integrity or availability of such information.
- Using confidential information for one's own or anyone else's personal benefit and/or for illegal or improper use.
- Releasing financial or other C&WJCCUL activity information that could reasonably be expected to affect its position in the general community except as authorised or required by law.

## **REVIEW AND DISCLOSURE**

This policy is to be reviewed and reaffirmed annually by the Board of Directors. Such review and reaffirmation will be recorded in the board minutes. In addition each board member, committee member and employee will annually be required to execute a disclosure statement. The Chief Executive Officer's office is responsible for the completion and filing of these disclosure statements and shall as far as reasonably practicable, ensure the confidential treatment and safekeeping of these disclosure statements and any other disclosures that arise pursuant to the administration of this policy.



**CONFLICT OF INTEREST DISCLOSURE STATEMENT**

All new directors, committee members and employees shall, upon commencement of their term, sign the Disclosure Statement below. Such statements shall be renewed annually by each director, committee member and employee of C&WJCCUL.

**CONFLICT OF INTEREST DISCLOSURE STATEMENT**

I \_\_\_\_\_ hereby acknowledge that I have received a copy of the *Ethics and Conflict of Interest Policy* and I have fully read and understood this policy. I agree to comply with the requirements of this policy. I agree to make a full and complete disclosure of any conflict of interest, which I have or may have in the future.

Dated \_\_\_\_\_ Signed \_\_\_\_\_

Name (Print) \_\_\_\_\_

Title/Position \_\_\_\_\_

