



## OBA POLICY

### RE. BOARD OF DIRECTORS CONDUCT

#### Director's Duties

The duty of a director, whether elected or appointed, is to Ontario Baseball Association, Inc. ("OBA") and its members. As such, directors must act honestly and in good faith with the best interests of OBA in mind when exercising powers and discharging duties. Directors must avoid conflicts of interest. Directors must comply with *the Ontario Not for Profit Corporations Act (ONCA)*, the Articles the By-laws, policies and procedures of OBA.

Directors owe OBA a duty of diligence. They need to attend and be prepared for meetings. Materials circulated in advance of a meeting need to be read. The duty of diligence involves participating in decision making. Directors should not merely rely on the opinions of others, but should ask their own questions and be certain in their own minds and on reasonable grounds that a proper decision is being made in the circumstances. Directors should ask for clarification where they find a matter confusing or unclear.

OBA's By-Laws spell out that management of OBA shall be handled by OBA's Board of Directors ("BOD").

There is no clear legal articulation of what is meant by the ONCA statement that directors are "to manage or supervise the management of the activities and affairs of the corporation." What is required will differ depending upon the issue and the circumstances. There are certain decisions which are so fundamental to the affairs of OBA that only the BOD should make the decision. In other situations, only oversight is required and day-to-day decisions can be made by an individual.

#### Standard of Care

"Standard of care" refers to what level of prudence a director will be held to with respect to decisions made or actions taken as a director. Directors are expected to exercise a standard of care that "may reasonably be expected from a person of his/her knowledge and experience." As such, someone with a background in a particular area may be held to a higher standard regarding decisions relating to that area than other directors. Nevertheless, each director is supposed to exercise diligence and prudence in accordance with their own expertise and experience.

#### Conflicts of Interest

Where a director is an employee or owner of or has a material interest in a business with which OBA is doing or is contemplating doing business, the director should declare a conflict of interest and abstain from all discussions and decisions relating to such matters. Compliance will be made with all applicable provisions of ONCA.



## Legal Liabilities of Directors

Directors of OBA are jointly and severally liable to the employees of OBA for debts (i.e., amounts not paid) not exceeding 6 months' wages and up to 12 months' vacation pay. As such, they should ensure that OBA remains current in its payment of wages to its employees.

## Confidentiality

Directors owe OBA a duty of confidentiality. Sensitive and confidential information should not be discussed outside of board meetings unless specifically authorized by the board.

## Respect

It goes without saying that board members should treat each other with courtesy and respect. BOD meetings should be occasions for board members to speak their minds and ask their questions without fear of reprisal. While meetings are frequently conducted in an informal manner to facilitate discussion and achieve consensus, members should maintain an appropriate decorum. Only one person should speak at a time. Others should listen to what is being said. Directors should avoid undue repetition of the same arguments. Ideally, a person should only speak once on a matter, although at the discretion of the chair a person may answer questions or speak a second time in rebuttal to arguments raised. Out of consideration to others, directors should not speak longer than is necessary to make their point, although they should feel free to make a complete statement. Where informal discussion is being abused, any member has the right at any time to require the Chair to enforce the rules of order. Except where the BOD, Rep Council or Select Council has adopted specific provisions to the contrary, Robert's Rules of Order shall apply.

## Conflict

From time to time, discussion may get heated as board members disagree passionately about a subject. All directors have a responsibility for ensuring that proceedings do not get out of hand. In particular, the Chair needs to maintain decorum, but all directors can assist. Where two directors have a strong disagreement on a matter and tempers flare, the two directors should not meet alone with each other in an attempt to resolve the matter. A minimum of three other, neutral persons must be in the room at all times with them, should a meeting be desired to resolve the issue. One director must never point a finger, get in the face of, or touch another director in any manner (without the express prior consent of the other director) at any time.

## Removal of Directors

Section 1.04 u) of OBA By-Laws provides:

A Director may be removed by Ordinary Resolution of the Members at a Special Meeting of the Members provided the Director has been given reasonable written notice of, and the opportunity to be present and to be heard at, such a meeting. If a Director is elected by a class or group of members, only those members will vote on the removal of the Director.



## ACKNOWLEDGEMENT AND CONFIRMATION

The undersigned hereby acknowledges receiving the attached OBA Policy Statement Re: Board of Directors Conduct and understands that OBA will expect the undersigned to conduct themselves in accordance with the policy. The undersigned consents to serving on the Board of Directors until their term on the Board expires or is terminated.