

# AGCO Conflict of Interest Policy

## Purpose

The Alcohol and Gaming Commission of Ontario occupies a unique place in the regulation of alcohol, gaming and horse racing related activities in Ontario. The public has the right to the assurance that all employees, regardless of the position occupied, and Board members, are acting with integrity, objectivity, impartiality and in the public interest. The AGCO must set standards to ensure that the trust and confidence of the public in the effective functioning of the AGCO is maintained and promoted.

This Policy is intended to assist AGCO employees and Board members to avoid conflicts of interest or to resolve any conflicts that exist or develop, and to assist employees and Board members in identifying when their activities and interests may be, or may be perceived to be, in conflict with their obligations as employees.

Effective August 20, 2007, all AGCO employees and Board members are considered public servants and as such, are subject to the provisions of the Public Service of Ontario Act, 2006 (“the PSOA”). The PSOA establishes conflict of interest rules and ethical standards in Ontario Regulation 381/07, which apply to all AGCO employees and Board members. The provisions of the Regulation have been incorporated in their entirety into this policy, and are complemented by provisions that address the AGCO’s specific regulatory mandate.

## Conflict Between Provisions

If a provision in this Policy is inconsistent with a provision of Ontario Regulation 381/07, the provision of the Regulation shall prevail.

A provision of the Policy is inconsistent with a provision of the Regulation where a provision in the Policy establishes a degree of ethical conduct that is lower than is established by the Regulation. An inconsistency does not arise where a provision in this Policy exceeds the degree of ethical conduct established by the Regulation.

## Definitions

For the purposes of the Policy:

**“confidential information”** means information that is not available to the public and that, if disclosed, could result in harm to the AGCO or the Crown or could give the person to whom it is disclosed an advantage;

**“conflict of interest”** means a conflict between an AGCO employee’s personal or business interests and activities and his or her duties, obligations and responsibilities as an AGCO employee, and includes actual, perceived or potential conflicts;

**“employee”** means every employee of the AGCO, but does not include members of the Board;

**“ethics executive”** means, for employees of the AGCO, the Chief Executive Officer of the AGCO; for members of the Board, “ethics executive” means the Chair of the Board; for the Chair of the Board and the Chief Executive Officer of the AGCO, “ethics executive” means the Conflict of Interest Commissioner;

**“immediate family member”** means a spouse, child, father, mother, brother, sister, father-in-law, mother-in-law, son, daughter, stepson, stepdaughter, son-in-law, daughter-in-law, sister-in-law, brother-in-law, grandparent, grandchild, ward or guardian;

**“perceived conflict of interest”** means a situation that could appear to a reasonable person to be a conflict of interest

**“potential conflict of interest”** means that there is a potential that a situation may become an actual or perceived conflict;

**“gift”** includes a benefit of any kind;

**“spouse”** means a spouse as defined in section 1 of the Family Law Act, and for greater certainty, means either of two persons who,

are married to each other,

have together entered into a marriage that is voidable or void, in good faith on the part of a person relying on this clause to assert any right, or

live together in a conjugal relationship outside marriage.

In the definition of “spouse”, a reference to marriage includes a marriage that is actually or potentially polygamous, if it was celebrated in a jurisdiction whose system of law recognizes it as valid.

## **PART A: RULES THAT APPLY TO CURRENT EMPLOYEES AND BOARD MEMBERS**

### **Prohibited Gaming Activities**

AGCO employees and Board members are prohibited from participating in any games of chance/lottery schemes licensed by municipalities, First Nations in Ontario or by the Registrar, or conducted, managed or operated by the Ontario Lottery and Gaming Corporation. Details can be found in Appendix B and Appendix C.

With the coming into force of the Horse Racing Licence Act, 2015 Board members and AGCO employees are also prohibited from placing bets on horse races in Ontario as described in Appendix B.

### **Benefiting self, spouse or children**

An AGCO employee or Board member shall not use or attempt to use his or her employment by the AGCO or appointment to the Board to directly or indirectly benefit himself or herself or his or her spouse or children.

An AGCO employee or Board member shall not allow the prospect of his or her future employment by a person or entity to detrimentally affect the performance of his or her duties to the AGCO and the Crown.

### **Accepting gifts**

An AGCO employee or Board member shall not accept a gift from any of the following persons or entities if a reasonable person might conclude that the gift could influence the public servant when performing his or her duties to the AGCO and the Crown:

A person, group or entity that has dealings with the AGCO.

A person, group or entity to whom the public servant provides services in the course of his or her duties to the AGCO.

A person, group or entity that seeks to do business with the AGCO.

This rule shall not operate to prevent an AGCO employee or Board member from accepting a gift of nominal value given as an expression of courtesy or hospitality if doing so is reasonable in the circumstances.

An AGCO employee or Board member who receives a gift in the circumstances described in this rule shall notify his or her ethics executive.

### **Disclosing confidential information**

An AGCO employee or Board member shall not disclose confidential information obtained during the course of his or her appointment to the Board or employment by the AGCO, to a person or entity unless the Board member or employee is authorized to do so by law or by the AGCO or by the Crown.

An AGCO employee or Board member shall not use confidential information in a business or undertaking outside his or her work for the AGCO.

An AGCO employee or Board member shall not accept a gift directly or indirectly in exchange for disclosing confidential information.

## **Giving preferential treatment**

When performing his or her duties to the AGCO and the Crown, an AGCO employee or Board member shall not give preferential treatment to any person or entity, including a person or entity in which the AGCO employee or a member of his or her family or a friend has an interest. When performing his or her duties to the AGCO, an AGCO employee or Board member shall endeavour to avoid creating the appearance that preferential treatment is being given to a person or entity that could benefit from it.

An AGCO employee or Board member shall not offer assistance to a person or entity in dealing with the AGCO other than assistance given in the ordinary course of his or her employment or appointment.

## **Hiring family members**

An AGCO employee or Board member shall not, on behalf of the AGCO, hire his or her spouse, child, parent or sibling.

An AGCO employee or Board member shall not, on behalf of the AGCO, enter into a contract with his or her spouse, child, parent or sibling or with a person or entity in which any of them has a substantial interest.

An AGCO employee or Board member who hires a person on behalf of the AGCO shall ensure that the person does not report to, or supervise the work of, the person's spouse, child, parent or sibling.

An AGCO employee or Board member who reports to, or supervises the work of, his or her spouse, child, parent or sibling shall notify his or her ethics executive.

## **Engaging in business, etc.**

An AGCO employee or Board member shall not become employed by or engage in a business or undertaking outside his or her employment or appointment in any of the following circumstances:

If the employee's or Board member's private interests in connection with the employment or undertaking could conflict with his or her duties to the AGCO and the Crown.

If the employment or undertaking would interfere with the employee's or Board member's ability to perform his or her duties to the AGCO and the Crown.

If the employment is in a professional capacity and is likely to influence or detrimentally affect the employee's or Board member's ability to perform his or her duties to the AGCO and the Crown.

If the employment would constitute full-time employment for another person. However, this paragraph does not apply with respect to an employee who is employed part-time by the AGCO or to a Board member appointed part-time to the Board. This paragraph also does not apply with respect to an employee who is on an authorized leave of absence from his or her position, but only if the employment is not contrary to or inconsistent with the terms of the leave of absence.

If, in connection with the employment or undertaking, any person would derive an advantage from the employee's employment with the AGCO or the Board member's appointment to the AGCO Board.

If AGCO or government premises, equipment or supplies are used in the employment or undertaking.

## **Participating in decision-making**

An AGCO employee or Board member shall not participate in decision-making by the AGCO with respect to a matter that the employee or Board member is able to influence in the course of his or her duties if the employee or Board member could benefit from the decision.

This rule does not apply if the employee or Board member obtains the prior approval of his or her ethics executive to participate in decision-making by the AGCO with respect to the matter.

An AGCO employee or Board member who, in the course of his or her employment or appointment, is a member of a body or group shall not participate in, or attempt to influence, decision-making by the body or group with respect to a matter if the employee or Board member could benefit from the decision or if, as a result of the decision, the interests of the body or group could conflict with the interests of the AGCO.

An AGCO employee or Board member described in the previous paragraph shall inform the body or group if the circumstances described in that paragraph exist.

## **Matters That Might Involve the Private Sector (also see Appendix D)**

### **Financial Declarations**

When an AGCO employee or Board member begins work on a matter that might involve the private sector, as defined in section 10 of Ontario Regulation 381/07, he or she must make a financial declaration to the Conflict of Interest Commissioner in accordance with section 11 of Ontario Regulation 381/07. He or she is also subject to the restrictions on certain purchases as set out in section 12 of Ontario Regulation 381/07.

### **Reporting Requirements**

Where there is a conflict of interest (including actual, perceived or potential conflicts), the employee or Board member must identify and disclose, in writing, the nature of the conflict to the ethics executive through his or her immediate supervisor. An employee or Board member must report:

- the names and work locations of any immediate family member who is known by the employee or Board member to work in any of the industries regulated by the AGCO;
- the names and work locations of any other relative or friend of the employee or Board member who resides with the employee or Board member and who is known by the employee or Board member to work in any of the industries regulated by the AGCO;
- any information related to a violation or potential violation of this Policy, even though its significance may be thought to be marginal;
- any situation where a personal benefit might be derived from a matter which the employee or Board member is in a position to influence in the course of performing his or her duties;
- any situation where the employee or Board member would be unable to remain impartial;
- any conflict of interest with the AGCO arising from any outside activities; and
- any gifts or other benefits received by the employee or Board member in the course of his or her duties.

## **Disciplinary Action**

Any violation of these rules, including any failure to obtain a specific prior and written consent to depart from the rules where such departure would be permitted, may result in disciplinary action up to and including termination of employment.

## **Examples of Conflict of Interest Situations**

See Appendix A

## **PART B: RULES THAT APPLY TO FORMER AGCO EMPLOYEES AND BOARD MEMBERS**

This Part applies with respect to every former AGCO employee, except that this Part does not apply to former AGCO employees who ceased to be employees prior to August 20, 2007.

In this Part,

**“designated senior position”** means the positions of Chair, Board member, Chief Executive Officer, Chief Operating Officer, Chief Corporate Relations Officer and Corporate Secretary, Chief Administrative Officer, Chief Strategy Officer, General Counsel and Legal Director; and

**“public servant”** shall be understood to include AGCO employees and Board members.

### **Seeking preferential treatment, etc.**

A former AGCO employee or Board member shall not seek preferential treatment by, or privileged access to, public servants who work in a minister’s office, a ministry or a public body.

### **Disclosing confidential information**

A former AGCO employee or Board member shall not disclose confidential information obtained during the course of his or her employment or appointment to a person or entity unless he or she is authorized to do so by law or by the AGCO or the Crown.

A former AGCO employee or Board member shall not use confidential information in a business or undertaking.

### **Restriction on lobbying**

This section applies to a former public servant who, immediately before ceasing to be a public servant, was employed in or appointed to a designated senior position.

For 12 months after ceasing to be a public servant, the former public servant shall not lobby any of the following persons on behalf of a public body or another person or entity:

A public servant who works in a ministry or public body in which the former public servant worked or was a Board member of at any time during the 12 months before he or she ceased to be a public servant.

The minister of any ministry in which the former public servant worked at any time during the 12 months before he or she ceased to be a public servant.

A public servant who works in the office of a minister described in paragraph 2.

## **Restriction on employment, etc.**

This section applies to a former public servant who, immediately before ceasing to be a public servant, was employed in or appointed to a designated senior position and who, at any time during the 12 months before he or she ceased to be employed or appointed as a public servant, in the course of his or her employment as a public servant,

had substantial involvement with a public body or another person or entity; and

had access to confidential information that, if it were to be disclosed to the public body, person or entity, could result in harm to the Crown or could give the public body, person or entity an unfair advantage in relation to one or more third parties.

For 12 months after ceasing to be a public servant, the former public servant shall not accept employment with the public body, person or entity or serve as a member of the board of directors or other governing body of the public body, person or entity, except Board members may be reappointed.

## **Restriction re certain transactions**

This section applies to a former AGCO employee or Board member who, when he or she was an AGCO employee or appointee, advised the AGCO about a particular proceeding, negotiation or other transaction.

The former AGCO employee or Board member shall not advise or otherwise assist any public body or any other person or entity in connection with the particular proceeding, negotiation or other transaction until the AGCO ceases to be involved in it.

Despite the preceding paragraph, the former public servant may continue to advise or otherwise assist the AGCO in connection with the particular proceeding, negotiation or other transaction.

## Appendix A

### Examples of Conflict of Interest Situations

Where an employee or Board member may influence the decisions of the AGCO in dealing with a business in which he or she or an immediate family member has an interest.

Where an employee or Board member may influence the decisions of the AGCO in respect of the issuance of a loan, grant, licence, permit or other advantage, when the employee or Board member has a significant responsibility in the affairs of the applicant.

Where an employee or Board member owns land or other property, the value of which may be influenced by the employee or Board member acting in his or her official capacity.

Where an employee or Board member accepts favours from an individual, organization or corporation, which deals or may deal with the AGCO.

Where an employee or Board member uses his or her position with the AGCO or uses confidential information received in the course of his or her employment or appointment in order to obtain a financial gain (e.g. to obtain a lower price for a good or service purchased for personal purposes).

Where an employee or Board member uses his or her position to influence the action of other AGCO staff for personal gain.

Where an employee or Board member is paid to teach, teaches during work hours (whether paid or not) or uses AGCO information in the classes.

**If you have benefited under any of these circumstances, you are required to report an apparent “Conflict of Interest”**

## **Appendix B**

### **CONFLICT OF INTEREST POLICY AND PROHIBITED GAMING ACTIVITIES FOR AGCO EMPLOYEES AND BOARD MEMBERS**

AGCO employees and Board members must not play games of chance or lottery schemes licensed in Ontario including pari-mutuel wagering at Ontario racetracks, subject to the exceptions in Appendix C. The reason for this prohibition is that if an AGCO employee or Board member wins a lottery scheme or a wager on a horse race regulated or licensed by the AGCO, there is potential for the general public to perceive that the AGCO employee or Board member was able to influence the outcome of the lottery scheme or horse race, had some type of personal advantage deriving from his or her position or derived some type of personal advantage from his or her position. Furthermore, the AGCO would be in a position in its role as Regulator to potentially oversee the investigation its own employees or Board members, which creates the further potential for the public perception of a conflict of interest. It is the potential for public perception of conflict of interest that our policy addresses.

#### **PROHIBITED GAMBLING**

All lottery schemes licensed by Municipalities, and First Nations in Ontario;

All lottery schemes licensed by the Registrar of Alcohol and Gaming Commission;

All games of chance and lottery schemes managed, conducted or operated by the Ontario Lottery and Gaming Corporation.

Placing bets in Ontario on horse racing, whether through a pari-mutuel system or otherwise. This includes betting on horse racing at racing tracks in Ontario or through teletheatres, telephone betting, online betting or any other method of betting on horse racing. This prohibition also includes bets placed while the Board member or AGCO employee is in Ontario on horse racing occurring outside of Ontario.

#### **PERMITTED GAMBLING**

The restrictions on gambling apply only to AGCO employees and Board members and not to spouses or other family members. It is not permitted to give a family member or any other person money to purchase a ticket or participate in a game of chance on your behalf.

**If you have any questions about participating in a game of chance, please ask your supervisor.**

## Appendix C

In accordance with the decision of Arbitrator Kevin Burkett released on April 23, 2013, and notwithstanding Appendix B, AGCO employees who are members of Local 565 of the Ontario Public Service Employees Union and who occupy positions\* where they have no meaningful role in the regulation or oversight of the games of chance or lottery schemes licensed in Ontario which are described below may play the games of chance or lottery schemes described below and redeem a prize where:

The purchase consists of a raffle ticket, a break open ticket or bingo paper, and:

- the purchase is from and redemption is by a charitable organization licensed by a municipal council or First Nation council with authority under an Order In Council to issue lottery licences;
- the purchase or redemption is not made from any person registered under the Gaming Control Act, 1992, such as a lottery retailer or operator in a gaming site; and
- the individual otherwise complies with this Conflict of Interest Policy

\*The list of positions whose incumbents are eligible to play the games of chance or lottery schemes described herein shall be determined by the AGCO in consultation with Local 565 of the Ontario Public Service Employees Union and may be amended from time to time. A current list of eligible positions is available from the AGCO.

## **Appendix D: Matters that might involve the Private Sector**

This Appendix applies to every AGCO employee and Board member, who routinely works on one or more matters that might involve the private sector and who has access to confidential information about the matter obtained during the course of his or her employment by the AGCO.

In this section, “matter that might involve the private sector” means a matter,

(a) that relates to services currently provided under a program of the Crown or by a public body, an agency of the Crown or a corporation controlled by the Crown with respect to which it is possible that a private sector entity will provide all or part of the financing for the services or will provide some or all of the services, and

(b) that has been referred to a ministry, a public body or an agency of the Crown by the Executive Council or a member of the Executive Council for review or implementation.

### **Duty to declare certain financial interests**

When an AGCO employee or Board member described in this section begins work on a matter that might involve the private sector, he or she shall make a declaration to the Conflict of Interest Commissioner in which the employee or Board member discloses the following matters respecting his or her financial interests:

A legal or beneficial interest of the public servant in securities or derivatives of corporations or governments, other than the Government of Ontario.

A legal or beneficial interest of the public servant in a business entity or a commercial operation or in the assets of such an entity or operation.

A legal or beneficial interest of the public servant in real property.

A legal or beneficial interest of the public servant in a mutual fund that is operated as an investment club where,

(i) its shares or units are held by not more than 50 persons and its indebtedness has never been offered to the public,

(ii) it does not pay or give any remuneration for investment advice or in respect of trades in securities, except normal brokerage fees, and

(iii) all of its members are required to make contributions in proportion to the shares or units each holds for the purpose of financing its operations.

Despite the foregoing, the employee or Board member is not required to disclose his or her legal or beneficial interest in any of the following:

A mutual fund within the meaning of subsection 1 (1) of the Securities Act other than a mutual fund described in subparagraph 4, immediately above.

Fixed-value securities issued or guaranteed by a government or a government agency.

A guaranteed investment certificate or similar financial instrument issued by a financial institution entitled by law to issue such instruments.

A registered pension plan, an employee benefit plan, an annuity or life insurance policy or a deferred profit sharing plan.

Real property that the public servant, or a member of his or her family, uses primarily as a residence or for recreational purposes.

The AGCO employee or Board member shall also disclose the information required by this section, with necessary modifications, in respect of his or her spouse and dependent children, but only to the extent that the legal or beneficial interests of the spouse or a child could create a conflict of interest. For this purpose, the employee shall make reasonable efforts to obtain information about the relevant financial interests of his or her spouse and dependent children.

The AGCO employee or Board member shall give the Conflict of Interest Commissioner a revised declaration whenever there is a change in any of the information required to be disclosed under this section.

#### **Prohibition on certain purchases**

An AGCO employee or Board member described in this section shall not purchase, or cause another person to purchase on his or her behalf, a legal or beneficial interest in an entity that is carrying on, or proposes to carry on, an activity relating to a matter that might involve the private sector.

Despite the preceding paragraph, an AGCO employee or Board member may purchase an interest in a mutual fund (within the meaning of subsection 1 (1) of the Securities Act) that includes securities of a person or entity described in the preceding paragraph, but not an interest in a mutual fund described above that would require disclosure under this section.

The prohibition described in this subsection ceases to have effect with respect to the matter,

    six months after the date on which the action in respect of the matter is completed; or

    six months after the date the Crown ceases to work on the matter.

#### **List of positions**

The Public Service Commission shall maintain a current list of positions in which public servants work in a ministry and routinely work on one or more matters that might involve the private sector.

The Commission shall ensure that public servants employed by the Crown in the positions described the list are advised of the duties and restrictions imposed upon them under this section.

Every ethics executive shall notify the Commission of changes to be made to the list with respect to those persons for whom he or she is the ethics executive.

**[The Following Acknowledgements do not form part of the Conflict of Interest Policy]**

**AGCO CONFLICT OF INTEREST POLICY**

## EMPLOYEE ACKNOWLEDGEMENT

### I ACKNOWLEDGE THAT:

I have received a copy of the AGCO "Conflict of Interest Policy".

I am responsible for reading the Conflict of Interest Policy and directing any questions to my manager or supervisor for resolution.

### I UNDERSTAND THAT:

I am responsible to advise my immediate supervisor, in writing, of the names and locations of any immediate family member whom I know to work in any of the industries regulated by the AGCO.

I am responsible to advise my immediate supervisor, in writing, of the names and work locations of any other of my relatives or friends who reside with me and whom I know to work in any of the industries regulated by the AGCO.

I am responsible for avoiding conflict of interest situations and for the resolution of any conflicts of interest or perceived conflicts that exist or develop.

If a conflict of interest or perceived conflict of interest does exist or develop, I am required to:

disclose the conflict of interest or perceived conflict of interest to my ethics executive (the Chief Executive Officer of the AGCO);

assist in any investigation arising from the conflict of interest; and

abide by the advice of the ethics executive with respect to the conflict of interest and its resolution.

**Failure to comply with the Conflict of Interest Policy may lead to disciplinary action, up to and including dismissal.**

NAME:

POSITION:

DEPARTMENT:

DATE:

EMPLOYEE'S SIGNATURE:

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**Note: To be signed in duplicate. Please retain one copy of this acknowledgement and forward one copy to Human Resources within five (5) working days of receipt.**

AGCO CONFLICT OF INTEREST POLICY

## **BOARD MEMBER ACKNOWLEDGEMENT**

### **I ACKNOWLEDGE THAT:**

I have received a copy of the AGCO "Conflict of Interest Policy".

I am responsible for reading the Conflict of Interest Policy and directing any questions to the Chair for resolution.

### **I UNDERSTAND THAT:**

I am responsible to advise the Chair, in writing, of the names and locations of any immediate family member whom I know to work in any of the industries regulated by the AGCO.

I am responsible to advise the Chair, in writing, of the names and work locations of any other of my relatives or friends who reside with me and whom I know to work in any of the industries regulated by the AGCO.

I am responsible for avoiding conflict of interest situations and for the resolution of any conflicts of interest or perceived conflicts that exist or develop.

If a conflict of interest or perceived conflict of interest does exist or develop, I am required to:

disclose the conflict of interest or perceived conflict of interest to my ethics executive;

assist in any investigation arising from the conflict of interest; and

abide by the advice of the ethics executive with respect to the conflict of interest and its resolution.

**Failure to comply with the Conflict of Interest Policy may lead to disciplinary action.**

NAME:

POSITION:

DATE:

SIGNATURE:

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**Note: To be signed in duplicate. Please retain one copy of this acknowledgement and forward one copy to the Chair within five (5) working days of receipt.**