

DIRECTOR'S DUTY

A director's duty is owed first and foremost to the corporation. A director, including an ex-officio director, must act in the best interests of the corporation, with honesty, good faith and avoiding conflicts of interest. For the Ontario Wine Appellation Authority (the Appellation Authority), the standard of care is variable in nature; each director's liability will reflect his or her own personal knowledge and expertise.

DIRECTOR'S CONDUCT

The director shall:

- Uphold the purpose of the VQA Act and the vision, mission and goals of the Appellation Authority
- Maintain independence and objectivity
- Conduct him or herself with a sense of fairness, ethics and personal integrity and hold the public interest paramount at all times
- Maintain autonomy from the administration of the rules and regulations under the Vintners Quality Alliance Act, 1999
- Be honest about and disclose any real or perceived conflicts of interest to the Board in a timely fashion
- Dedicate sufficient time to the Director's role and make all reasonable efforts to be properly informed about the business of the Appellation Authority
- Participate in Board deliberations and respect and support decisions made by the Board

CONFLICTS OF INTEREST

General

A director must act scrupulously to avoid actual, perceived and potential conflicts of interest. Conflicts may arise where a director's personal, professional or business interests conflict with that of the corporation. Conflicts may also arise where the director may be in a position to obtain confidential information that could be used for personal or professional gain or to further the interest of another organization.

Disclosure

If a director is aware of, or believes that an actual, perceived or potential conflict may exist, the director must immediately disclose the conflict and the nature of the conflict to the Chair of

the Board. Every director who is in any way directly or indirectly interested in a matter of policy, regulation, proposed contract or other similar instrument shall declare his or her interest at a meeting of directors.

Abstention from Meetings/Voting

Following the disclosure of a conflict of interest, and when the Board agrees it is appropriate, the director with the declared conflict shall not attend or be involved in any Board discussion giving rise to the conflict and the director with the declared conflict must abstain from any vote of the directors on the issue.

Determination of Conflict

If a director is unsure of whether he or she has a conflict of interest on an issue, he or she may wish to obtain independent legal advice on the matter or he or she may wish to put the matter before the Board for its consideration. If the majority of the Board believes that the director has an actual, perceived or potential conflict of interest, the Board will declare a conflict of interest on behalf of the Director and guide his or her participation accordingly.

CONFIDENTIALITY

In carrying out his/her duties and responsibilities, the director will become knowledgeable to sensitive information of a private, confidential or proprietary nature relating to the Appellation Authority's current and planned activities. No director will disclose any information of a confidential or proprietary nature outside the corporation, either during or after their tenure as a board member.

Except where noted, all materials provided to directors to support Board decision-making are confidential. Any information related to winery members that is not considered to be within the public domain is confidential and shall not be disclosed.

DIRECTORS WITH AFFILIATIONS WITHIN THE WINE INDUSTRY

A director on the board by virtue of a winery affiliation shall be suspended if that winery is charged with an offence under the VQA Act and shall resign if the winery is convicted of such an offence, or if the winery membership in the Appellation Authority is revoked for any reason. Winery directors should make their best efforts not to become directly involved in ongoing enforcement actions involving a winery they are employed with.

Directors shall uphold the spirit and intent of the VQA Act and Regulations and shall not knowingly participate in any activity or business transaction that contradicts the intent and purpose of the legislation or brings the Appellation Authority into disrepute.

Directors that have fiduciary duties to another organization, such as a trade organization, shall ensure that confidentiality of information is maintained between the organizations and must declare any conflict of duty that may arise due to their affiliation with another organization.

SEPARATION FROM REGULATORY OPERATIONS

Directors shall not become involved in any way with the administration of regulatory operations such as membership, inspections, investigations, audits or wine evaluation and testing. Directors should not comment on the interpretation of the regulations or provide advice as to compliance. Under no circumstances should directors interfere with or attempt to influence specific regulatory decisions made by staff.

GENERAL CONDUCT

Duty to Public

Directors should remind themselves frequently that the Appellation Authority is a public authority rooted in a consumer protection statute. Decisions must be made with consideration of the public interest and benefit and with a high standard of transparency and fairness to the wine industry.

Attendance at Meetings

Directors are expected to make every effort to attend Board meetings and other meetings related to their duties on the Board. Directors should not miss more than 2 meetings in any given year.

Public Representation

Directors must not act as public spokespersons for the Board unless formally designated by the Board to do so. Directors shall uphold the decisions of the Board and the policies of the corporation in all public forums, Directors shall not engage in behavior which undermines the reputation, effectiveness or financial viability of the corporation.