



131 Sheldon Drive, Unit 3
Cambridge, ON, N1R 6S2
(519) 740-3900, Fax: (519) 740-6311

www.baseballontario.com
baseball@baseballontario.com

BASEBALL ONTARIO POLICY RE. BOARD OF MANAGEMENT CONDUCT

Director's Duties

The duty of a director, whether elected or appointed, is to Ontario Baseball Association, Inc. ("Baseball Ontario") and its members. As such, directors must act honestly and in good faith with the best interests of Baseball Ontario in mind when exercising powers and discharging duties. Directors must avoid conflicts of interest. Directors must comply with the *Corporations Act*, the letters patent and the Constitution and By-laws of Baseball Ontario.

Directors owe Baseball Ontario 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.

Baseball Ontario's Constitution and By-Laws spell out that management of Baseball Ontario shall be handled by Baseball Ontario's Board of Management ("BOM").

There is no clear legal articulation of what is meant by the *Corporations Act's* statement that directors are "to manage the 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 Baseball Ontario that only the BOM 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 a business with which Baseball Ontario 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 the *Corporations Act*.

Legal Liabilities of Directors

Directors of Baseball Ontario are jointly and severally liable to the employees of Baseball Ontario 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 Baseball Ontario remains current in its payment of wages to its employees.

Confidentiality

Directors owe Baseball Ontario 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. Board of Management (“BOM”) 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 BOM, 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 f) of the OBA Constitution and By-Laws provides:

Any member of the OBA Board of Management may be removed from office for conduct detrimental to the OBA at a meeting of the OBA Board of Management upon a resolution approved by $\frac{3}{4}$ of the votes cast in respect of such resolution. Notice must be given at least 7 calendar days prior to the meeting to all members of the OBA Board of Management of the intention to bring such a resolution before the meeting.

The following steps should be taken in connection with this procedure. First, before proposing to bring such a resolution to a BOM meeting, the person who is alleging that another member of the BOM has been conducting himself/herself in a manner detrimental to the OBA should notify the President (or where the President is the person accused of detrimental conduct, the 1st Vice President). The President (or Vice President) should convene a panel of three members of the BOM, which may include the President (or Vice President) to meet with the affected parties either in person or by conference call to determine whether or not a resolution to the issues may be mediated. If (i) a resolution cannot be agreed upon or (ii) a resolution is agreed upon and is not implemented within 30 days, then the person alleging the detrimental conduct may give notice of intention to bring a resolution to remove the member of the BOM. The notice should specify: (a) the name of the member of the BOM who is alleged to have conducted themselves in a manner detrimental to Baseball Ontario; (b) a brief summary of the alleged activities which could be considered as being detrimental to Baseball Ontario; and (c) details as to the place and time of the BOM meeting at which the matter will be considered. A person alleged to have conducted themselves in a manner detrimental to Baseball Ontario shall have the right to attend the BOM meeting at which the matter is to be considered and to be represented thereat by legal counsel. The portion of the BOM meeting which considers the issue shall be conducted in the following manner:

1. The person alleging the detrimental conduct shall present whatever information (including information from other persons who may or may not be in attendance) which the person believes is relevant for the BOM's consideration. The BOM shall determine what information is admissible and shall not be bound by the rules of evidence.
2. The person accused of detrimental conduct or his/her legal representative may ask questions of the person(s) presenting information to the BOM.
3. Other members of the BOM may ask questions of the person(s) presenting information to the BOM.
4. The person accused of detrimental conduct or his/her legal representative may present whatever information (including information from other persons who may or may not be in attendance) which the person believes is relevant for the BOM's consideration. The BOM shall determine what information is admissible and shall not be bound by the rules of evidence.
5. The person alleging detrimental conduct may ask questions of the person(s) presenting information to the BOM.

6. Other members of the BOM may ask questions of the person(s) presenting information to the BOM.
7. Once all information has been presented and all questions have been asked, the person accused of detrimental conduct and/or his/her legal representative may make a closing address to the BOM. The person alleging detrimental conduct may make a closing address to the BOM.
8. Following the closing addresses, if any, the BOM will vote by ballot as to whether or not the person should be removed from office. If at least $\frac{3}{4}$ of the ballots cast are in favour of removal, then the person shall be removed from office. Spoiled ballots shall count as ballots cast.

Detrimental conduct is more than just taking a position on an issue with respect to which another person disagrees. While no attempt will be made in this Position Statement to define it, a breach of the duties of directors outlined in this Position Statement may warrant such a determination.

ACKNOWLEDGEMENT AND CONFIRMATION

The undersigned hereby acknowledges receiving the attached Baseball Ontario Policy Statement Re. Board of Management Conduct and understands that Baseball Ontario will expect the undersigned to conduct themselves in accordance with the policy.

Dated the _____ day of _____, 20____

Print Name:

Sign Name:

Document Revision History:

Date	Name	Role	Comments
24-Oct-16	Board of Management		Approved
10-Dec-17	Board of Management		Approved
07-Dec-19	Board of Management		Approved

[Type here]