
Policy Type: Core Governance Procedure

Policy Title: Bankruptcy and Financial Eligibility

Bankruptcy and Financial Eligibility Policy

1. Purpose

This section outlines the organization's policy on the eligibility of board members in relation to bankruptcy or insolvency, in compliance with the Business Corporations Act or Companies Act of New Brunswick, and in keeping with the organization's commitment to sound financial stewardship and public confidence.

2. Definitions

- Undischarged Bankrupt – A person who has been declared bankrupt and has not yet received a discharge order under the Bankruptcy and Insolvency Act (Canada).
- Discharged Bankrupt – A person who has completed their bankruptcy process and has been formally discharged.
- Consumer Proposal – A formal debt repayment arrangement filed under the Bankruptcy and Insolvency Act (Canada).
- Active Consumer Proposal – A consumer proposal that is still in effect and not fully completed.
- Completed Consumer Proposal – A consumer proposal that has been fully performed and accepted by the creditors.
- Date of Discharge – The date on which the bankruptcy discharge order is granted.

3. Policy Statement

- In accordance with New Brunswick law, no person who is an undischarged bankrupt may serve as a member of the Board of Directors.
- Any person who has been discharged from bankruptcy is ineligible to serve on the Board until one (1) year has elapsed from the date of discharge, unless an exception is granted as outlined in Section 5.
- All nominees must disclose active consumer proposals and any completed consumer proposals within the past five (5) years

4. Disclosure Requirement

All nominees for election or appointment to the Board must disclose:

1. Any current bankruptcy or insolvency proceedings;
2. The date of any bankruptcy discharge within the past one (1) year;
3. Any active consumer proposals;
4. Any completed consumer proposals within the past five (5) years.

Failure to disclose this information may result in removal from the Board.

5. Waiver / Board Discretion

- The Board may, at its discretion, allow a nominee with an active consumer proposal to serve if the Board is satisfied that the individual can perform their duties responsibly and that the appointment will not adversely affect the organization's financial integrity or reputation.

- The Board may also waive the one-year post-discharge restriction for discharged bankrupts by a two-thirds (2/3) vote of all directors then in office, if the candidate provides evidence of financial rehabilitation and suitability for the role.

6. Verification

- The Nominating Committee or Governance Committee will request a written declaration from nominees regarding bankruptcy status and consumer proposals.
- The Board may request supporting documents, such as a bankruptcy discharge certificate or consumer proposal documentation.
- Information will be treated as confidential and used solely for eligibility determination.

Amendment

The *Bankruptcy and Financial Eligibility Policy* shall be reviewed annually by the Board Governance Advisory Committee (BGAC) and recommended changes will be presented to the Board for approval.

Approved by Board of Directors:

Reviewed by Board of Directors: