

FIDUCIARY DUTY SUMMARY

Trustees of Peace River School Division (a statutory corporation) have responsibilities similar to those of directors of any other corporation, including a common law “fiduciary duty” or “fiduciary responsibility”.

1. Fiduciary duty of trustees may be described as:
 - 1.1 A duty of loyalty.
 - 1.2 An obligation to act in a manner that puts the Division’s interest ahead of all other interests.
 - 1.3 A duty to act honestly and in good faith with a view to the best interests of the Division.
2. Fiduciary duty to whom?
 - 2.1 The fiduciary duty is owed to the corporate body (the Division).
 - 2.2 This means to act in the best interest of the Division as a whole, as opposed to in the interest of any particular stakeholder or group of stakeholders.
3. Multiple fiduciary duties
 - 3.1 Multiple fiduciary duties may be held. These fiduciary duties operate in different spheres and at different times – one does not trump any others.
 - 3.1.1 When voting on a matter within the jurisdiction of the Division, as a member of the Board of Trustees, a trustee must make a decision in the best interests of the Division.
 - 3.1.2 When voting on a matter within the jurisdiction of another body, an individual must make a decision in the best interests of that body.
4. Elements of fiduciary duty
 - 4.1 To use best judgment – sometimes called a duty of diligence, to pay diligent attention to the duties of a trustee by, for example:
 - 4.1.1 Coming to Board meetings having read the materials and being ready to discuss the matters on the agenda;
 - 4.1.2 Listening to the discussion and rationales for various positions, being prepared to make the best decision possible; and
 - 4.1.3 Voting in a manner that is consistent with the purpose and objects of the Division and is in the best interest of the Division.
 - 4.2 To act in the utmost good faith – to act honestly and in good faith with respect to the Division, and to serve the Division selflessly, honestly and loyally.

- 4.3 To protect the interests of the Division – to respect the trust and confidence that has been placed in the trustee to manage the assets of the Division and in pursuit of the realization of the objects of the Division.
- 4.4 To put the beneficiary’s interest first – to put the Division’s interest before the trustee’s personal interest, or to avoid abusing the position as trustee to gain personal benefit.
- 4.5 To avoid or disclose conflicts of interest (pecuniary and non-pecuniary).
- 4.6 To maintain the confidentiality of all matters discussed in camera or all matters which are disclosed in confidence.
 - 4.6.1 A trustee shall not disclose matters discussed in confidence or during an in camera session of the Board of Trustees (this includes that such matters may not be disclosed to a stakeholder or third party entity or Board – even during in camera session of that entity or Board).
- 4.7 To obey the Division’s governing documents and all corporate decisions:
 - 4.7.1 Trustees must comply with all applicable legislation and policies of the Division;
 - 4.7.2 Trustees must implement all corporate decisions; and
 - 4.7.3 A public expression of disagreement by a dissenting trustee may result in an accusation of breach of fiduciary duty.

5. Summary

- 5.1 A trustee’s perspective when entering debate on an issue may be informed by various means.
- 5.2 During debate, a trustee both offers and listens to discussion and rationale for various perspectives.
- 5.3 At the time of decision, a trustee must vote in a manner consistent with that which is in the best interest of Division.

Adopted/Revised: JUNE 2016/AUG 2018/NOV 2019

Legal Reference: Section 51, 52, 53, 77, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96 Education Act