

Public conduct, conflicts of interest in the executive suite: Lessons from the 'Coldplay incident'

By **Frank Portman**

Law360 Canada (July 28, 2025, 12:35 PM EDT) -- A recent viral incident, colloquially dubbed the "Coldplay incident," involving a CEO and a VP of human resources at the company Astronomer, whose affair was exposed in spectacular fashion when they appeared on the big screen at a Coldplay concert, has prompted renewed scrutiny of the fallout when the private conduct of high-ranking employees becomes public fodder.

After seeing the pair try to hide from the "kiss cam," Coldplay lead singer Chris Martin said to the crowd, "Either they're having an affair, or they're just very shy." As an executive employment lawyer, I felt the collective sigh of relief of all executives who are in a similar situation but did not get caught on the "kiss cam."

In Ontario, the law provides guidance on what executives and corporations can expect when they become embroiled in such



Frank Portman



WarNick: ISTOCKPHOTO.COM

scandals, but the precise legal rights and obligations of each party can be much more nuanced than the simple narrative that such viral moments often invoke.

Two significant concerns arise when a personal relationship or affair becomes public knowledge: the impact on the corporate brand, and the concerns over whether the personal affair has created a conflict of interest that may have impacted operations.

How executive conduct affects the corporate brand

The law has shown an increasing recognition of the right of an employer to take disciplinary action

with respect to off-duty conduct that affects the workplace. This is true even where the impact is entirely reputational (i.e., the off-duty conduct is not related to the ability or competence of the executive to do the specific functions of their role). One notable example was the 2015 termination and subsequent reinstatement of a Hydro One employee who yelled a vulgar phrase at a reporter at a Toronto sporting event.

For executives, who serve as the "face" of the company in many respects, this sensitivity is particularly acute. The reputational harm resulting from a public misstep by an executive will often resonate orders of magnitude greater than that same act by a more junior employee, in large part because of the added visibility associated with those positions. As an executive employment lawyer, my best advice to clients is always: "In your role as a C-level executive, you're always 'on' and always under scrutiny."

When an executive has an affair, is that 'just cause' for dismissal?

The immediate question is whether such off-duty conduct can constitute just cause for dismissal. Public conduct that has the effect of tarnishing the employer's brand or reputation may, in certain circumstances, constitute just cause for dismissal, particularly where the executive's actions call into question their judgment, integrity or ability to lead.

The critical question, says this executive employment lawyer, is whether the conduct amounts to a fundamental breach of the executive's duties.

Courts in Ontario have recognized that senior leaders are held to a higher standard of conduct, given their position as stewards of the brand and culture. Where public scandal undermines stakeholder confidence, disrupts business operations or causes demonstrable reputational harm, employers may be entitled to take decisive action, including termination for cause, without the obligation to provide notice or severance.

In the specific case of the Coldplay incident, however, a finding of just cause might be nuanced. This is because it was very apparent that there was no intention that the affair in question would be exposed publicly, and certainly not in such a viral way — indeed the (extremely unsuccessful) attempt to avoid identification was a fundamental reason that the incident did go viral.

Since the just cause analysis focuses on the executive's behaviour and how it reveals their character, the fact that the revelation goes "viral" is of limited assistance in establishing just cause.

In that case, the question is whether the actual conduct of engaging in a workplace affair would be sufficient to establish just cause for termination. There, again, the answer is nuanced.

Conflicts of interest: Navigating the grey zones

There are two primary concerns that animate employers' wariness of personal relationships between employees:

The first: Where there is a difference in organizational level between the two participants, there is the possibility of a later assertion that the relationship was exploitative or the result of an imbalance of power.

The second: The existence of a personal relationship runs the risk of creating a conflict of interest, whereby decision-making may be influenced by a desire to help a partner, rather than in the best interests of the company.

It is worth mentioning that, in the Coldplay incident, there is no suggestion of any sort of exploitative angle to the relationship. In general, in personal relationships that are entirely within the C-suite, this concern is somewhat more muted, as both parties would have the capital and the resources to be able to leverage their positions to prevent such exploitation. Nonetheless, any relationship involving reporting is, to some degree, subject to this concern. If you find yourself in this situation, there is wisdom in proactively speaking to an executive employment lawyer.

The greater concern for many employers is the concern of a conflict of interest, where decisions by

top decision-makers are influenced by something other than the good of the company. This was the case, for example, in the RBC scandal that led to the dismissal of its CFO, in which the whistleblower called into question whether the promotion of an alleged partner was based on something other than merit.

The potential for the workplace environment to become poisoned by perceptions — or realities — of favouritism is a significant concern. When two members of the C-suite are involved in a relationship, it can undermine trust throughout the organization. Even the suspicion of bias, regardless of whether any actual preferential treatment occurs, can erode morale, diminish confidence in leadership and destabilize the company culture.

The RBC scandal is a good example of where the suspicion caused by an alleged interpersonal relationship can delegitimize personnel decisions, even in circumstances where there is a strong case that the decisions are made on merit.

The most common way to avoid such a perception of conflict is to establish an alternative reporting relationship, so that the participants in the relationship do not participate in decisions involving each other. However, this may not be possible in relationships involving the highest levels of the organization.

Unlike situations involving more junior employees, where reporting relationships can often be easily adjusted, the hierarchical and interdependent nature of executive roles means that alternative arrangements are either impractical or impossible. This structural rigidity amplifies the risk: there may be no viable way to mitigate the conflict, leaving the organization exposed to ongoing governance and reputational threats.

That said, these relationships can be managed, but only with transparency and creative solutions. Moreover, as the Coldplay incident suggests, "the cover-up may be worse than the crime." From an employment perspective, that is likely true — the discovery of the affair internally might have led to consequences, but it would have not played out in the public, devastating manner in which it did. An executive who engages in a personal relationship with a coworker without transparency runs a serious risk that will often attract significant employer rebuke.

Given these risks, employers will have policies that require disclosure of any personal relationships with coworkers, at the risk of discipline. It is the failure to disclose that is often at the root of significant disciplinary action in my experience as an executive employment lawyer.

Lessons learned

For employers: In an era when personal indiscretions can become public spectacles overnight, employers must proactively manage the risks posed by executive relationships — both to protect the integrity of their brand and to ensure compliance with legal obligations. Likewise, executives need to understand that their role as an extension of the employer can never truly be "off the clock," and their personal lives can become public and impact their careers in an immediate and devastating way not known to prior generations.

For executives: Executives need to be aware of these concerns and proactively manage any relationships with coworkers. In particular, strategically managing disclosure to attempt to maintain significant confidentiality while still addressing legitimate concerns will be at the heart of any proactive strategy. Employers, likewise, would be well advised to implement clear, reasonable and flexible policies to deal with the inevitable workplace relationship that can arise.

Frank Portman is an employment lawyer at Massey LLP. His specialty is executive employment law where he assists presidents, vice-presidents and other C-level executives and the organization seeking to hire their talents to complete the deal through effective executive employment contracts.

The opinions expressed are those of the author(s) and do not necessarily reflect the views of the author's firm, its clients, LexisNexis Canada, Law360 Canada or any of its or their respective affiliates. This article is for general information purposes and is not intended to be and should not be taken as legal advice.

Interested in writing for us? To learn more about how you can add your voice to Law360 Canada, contact Analysis Editor Peter Carter at peter.carter@lexisnexis.ca or call 647-776-6740.

All Content © 2003-2025, Law360 Canada