

# The Gairdner Foundation Corporate Plan 2015

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## **THE GAIRDNER FOUNDATION CORPORATE PLAN EXECUTIVE SUMMARY**

### **HISTORY**

The Gairdner Foundation was created by James A. Gairdner to recognize and reward the achievements of medical researchers whose work “contributes significantly to improving the quality of human life”. The Foundation is a Canadian organization that has never lost sight of its primary mission – the recognition of scientists it deemed to have made the most important breakthrough discoveries in biomedical science. It’s recipients are responsible for the discovery of the structure of DNA, the eradication of smallpox, CT scans, MRI machines, the human genome, the cure for ulcers, and the vaccine against HPV, to name a few.

Since the first awards were granted in 1959, the Canada Gairdner Awards have become Canada's foremost international award- and one of the most prestigious awards in medical science. Our track record of consistent high quality adjudication and selection by the independent adjudication committees have resulted in global recognition and esteem.

The Gairdner was incorporated in December 1957 as a charitable corporation under the laws of the Province of Ontario, Canada. During 2013, the Foundation was continued as a federal corporation under the Canada Not-For-Profit Corporations Act. Its funds originally derived from the personal gifts of the founder and members of his family. This inspired and farsighted decision and the faithful stewardship by those who carried on the activities of the Foundation have ensured that the awards continue to inspire the very best health research and contribute to strengthening Canada’s international reputation.

In 2008, the Federal government, through the Canadian Institutes of Health Research, provided an endowment to the Foundation to ensure that the Awards continue to grow in international stature, and a new Canada Gairdner Global Health Award was established. At the time, the name of the Awards was changed to the Canada Gairdner Awards.

### **GOVERNANCE**

The Foundation is governed by a 15 member Board of Directors which is comprised of individuals who bring their expertise from the academic, private and public sectors. Board members are nominated and appointed for a maximum term of 3 years, renewable 3 times. Directors are not compensated for their regular Board and Committee duties.

The Board is responsible for overseeing the management of the organization, and through committees, conducts detailed examinations of issues and opportunities. The Directors provide strategic insight and leadership, as well as effective governance and work diligently to maintain and extend the capacity for the Foundation to achieve its purpose and goals.

The Board has established a number of committees to help it discharge its duties, including Executive, Audit, Investment, Governance/Nominating and Fundraising Committee.

The Investment Committee is a standing Committee of the Board responsible for overseeing the investments and management of funds according to a Board-approved Investment Policy Statement that outlines guidelines, standards and procedures for the prudent investment and management of funds. Investment decisions are made with the principal objective being the preservation of the capital amount over the long-term.

The Audit Committee is a standing Committee of the Board responsible for overseeing the Gairdner Foundation's policies, processes and activities in the areas of accounting and internal controls, risk management, auditing and financial reporting.

Both the Investment and Audit Committees meet quarterly and report to the Board on the outcome of their deliberations.

The Board of Directors has appointed a President and Scientific Director, who has the responsibility for 4 adjudication panels that provide expertise on the nomination and selection of the annual Awards:

- Medical Review Panel (MRP) is composed of a group of leading scientists from across Canada with specialties in various fields of medicine, who provide a "first screening" of the nominations for the Canada Gairdner International Awards, submitting their long and short list to the Medical Advisory Board.
- Medical Advisory Board (MAB) is composed of eminent Canadian and International scientists. The MAB reviews the nominations submitted by the Medical Review Panel. After an in-depth study and lengthy discussion of each nominee, comparing their work with others in their respective field, secret ballots are cast and the annual awardees are chosen.
- Global Health Advisory Committee is composed of international experts in the field of global health with a clear understanding of the basic, clinical, population and social science issues in developing countries.
- Gairdner Wightman Committee is composed of highly experienced adjudicators from Canada and the international medical scientific community who are scientists/researchers in a significant leadership role and who are familiar with Canadian medical leadership.

The President and Scientific Director reports to the Board of Directors. The Gairdner Foundation has the equivalent of 5.5 full-time employees in addition to consultants who provide expertise in the delivery of specialized services on an as-needed basis.

The Gairdner Foundation's mandate, governance, operations, and performance requirements are as determined by the Board of Directors. The Foundation has full independence from Canadian Institutes of Health Research, (CIHR) and other parties in its governance and operations, as well as the nomination and selection process for the scientists on whom it confers its awards.

In addition to encouraging and rewarding individuals who have made contributions in the conquest of disease and the relief of human suffering, the Foundation presents the Canada Gairdner Awards to focus public, professional and scientific attention on significant achievements in the field of health sciences. It is also intended that the Awards foster improved communication of ideas among scientists, students and the public.

## MISSION

- To reward and inspire the highest standards of international excellence by recognizing and rewarding those who have achieved the most important breakthrough discoveries in the field of health research.
- To bring to the attention of Canadian scientists and the public, the most important scientific developments globally in the field of health research.
- To inspire young Canadian scientists to aspire to the highest levels of scientific excellence and encourage the next generation's interest in health science research.
- To foster the improved communication of ideas among scientists and to facilitate linkages between leading international scientists and Canadian scientists/research institutions.
- To enhance Canada's stature in the global health research community.

## OUR VISION

1. The Canada Gairdner Awards are internationally recognized as preeminent awards for the most significant international scientific achievements in health research.
2. The Canada Gairdner Awards and programs provide inspiration to Canadian researchers, including the next generation, to achieve world-class levels of scientific excellence.
3. The Canada Gairdner Awards are a source of national pride and contribute to the understanding of the value of medical research to our nation and its future.

## OUR VALUES

- *International Scientific Excellence*
- *Integrity*
- *Independence*
- *Global perspective*

## OUR GOALS

Our core mandate is to select the annual Canada Gairdner International recipients. Over the past 55 years, Gairdner has gained a superb international reputation for its early recognition of medical breakthroughs that have changed the way medicine is practiced.

Biomedical research is fundamentally an international endeavour. Biomedical discoveries bring hope for the future. Breakthroughs lead to new – often revolutionary – paths for diagnosis, treatment and cure.

The Canada Gairdner International Awards recognize and celebrate the work of the world's best biomedical researchers. The international stature of the awards conveys to the rest of the world that scientific research is both recognized and respected in Canada. The Gairdner Foundation recognizes,

encourages and celebrates basic research and in so doing helps to foster a culture of research and innovation.

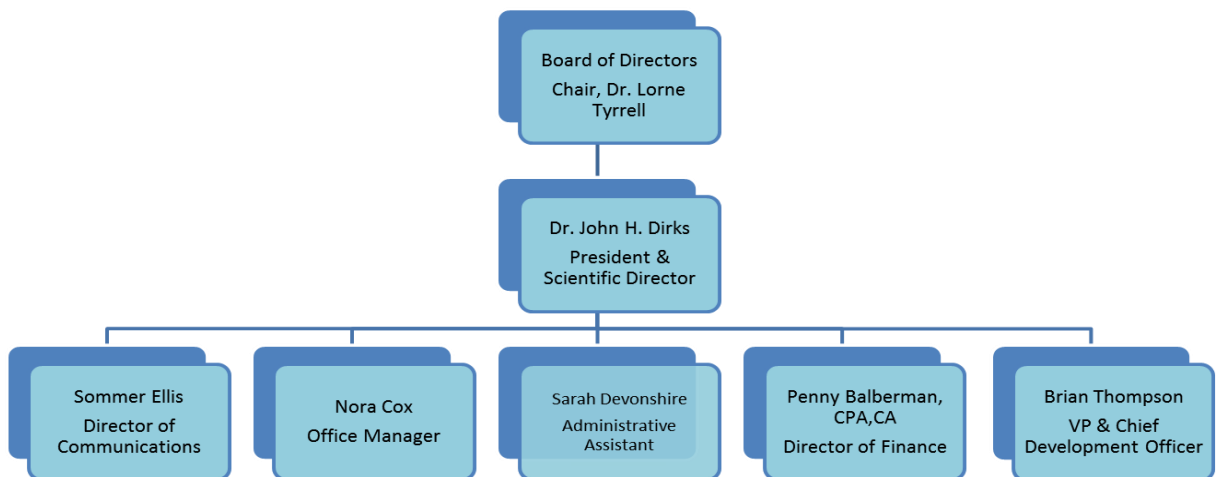
Our annual National Program is unique among major scientific prizes. Each October, the Gairdner sends current and past winners to over 20 universities across Canada, where they present lectures on their work to scientists, trainees, and high school students. Through this educational program, we aim to inspire young people to consider a career in the health sciences, and to increase public awareness of the value of scientific research and discovery.

Our aim is not only to enhance Canada's stature in the international scientific community, but to facilitate linkages between leading international scientists and Canadian research institutions and to inspire young Canadians to aspire to the highest levels of scientific excellence.

## OUR OBJECTIVES

1. Maintain the highest standards in selecting recipients of the Awards by appointing eminent international and Canadian scientists to the highly respected jury system.
2. Inspire Canadian scientists through public celebrations showing the value of research.
3. Foster collaboration between Canadian and international scientists by bringing them from abroad to meet with Canadian scientists through lectures, small group discussions, grand rounds, and social interactions.
4. Enhance and encourage a culture of science in Canada by emphasizing excellence and the value of research to senior scientists, postgraduate, graduate and medical students, high school students and the public at large.

## ORGANIZATION CHART NOVEMBER 2014



## PERFORMANCE EXPECTATIONS AND ACTION PLANS

### EVALUATION

Our four primary goals are derived from The Gairdner Foundation's Mission and Objectives.

The following principles guide our activities:

1. Inspire Canadians to perform at world-class levels of scientific excellence
2. Encourage and celebrate international excellence in health research
3. Cultivate international relationships
4. Foster collaborative relationships with government, private sector and other non-governmental parties to further expand and augment the Canada Gairdner Awards

### ACHIEVEMENTS TO DATE

The stature of the awards within the international scientific community has grown significantly over 55 years based on the highly respected two-stage jury system for selection of the International awardees and the track record of the Canada Gairdner Awards in recognizing internationally outstanding science; breakthroughs at the leading edge. A measure of this standard of excellence is reflected in the results.

Of the 321 individuals from 15 countries, including 42 Canadians, who have won the Canada Gairdner International Award, 82 have gone on to win a Nobel Prize in Medicine or Chemistry.

In the last 10 years, 17 of 25 Nobel prizes in Medicine have gone to Gairdner Laureates. The International Awards draw the best in the world to Canada. Today, the Canada Gairdner International Awards, by virtue of their reputation, have put this country on the map as a jurisdiction that recognizes true excellence in medical scientific research.

In addition to the International Awards, the Canada Gairdner Wightman Award is presented to a Canadian scientist who has demonstrated outstanding leadership in medicine or medical research, and the Canada Gairdner Global Health Award for significant scientific advances in health in developing countries.

### BENEFITS

The impact of past Gairdner recipients has been significant, and many economic spin-offs have resulted from the discoveries of former Gairdner Laureates. Two California-based biotech companies and their multibillion-dollar enterprises were built on the foundation of discoveries of Gairdner awardees.

"Gairdner recipients" achievements have dramatically impacted the health of people around the world. A few recent examples include:

1. Discovery of anti-TNF therapy which has provided new and effective treatment for millions of patients suffering from resistant rheumatoid arthritis and other inflammatory diseases helping reduce their pain and disability while improving their quality of life immensely.  
Marc Feldmann and Ravinder Maini (2014 Gairdner)
2. Development of Herceptin, the most effective therapy for Her2-positive breast cancer, which affects about 20-25% of all breast cancer patients. Dennis Slamon (2007 Gairdner)
3. The HPV vaccine against cervical cancer grew directly from the discoveries of 2008 Gairdner awardee. Harald zur Hausen (2008 Gairdner)

4. Discovery that adult human cells can be reprogrammed to pluripotent cells (iPS cells), enhancing the possibility of treating intractable diseases. Shinya Yamanaka (2009 Gairdner)
  
5. Discovery of Vascular Endothelial Growth Factor (VEGF) which led to the development of effective therapy that helps slow vision loss for patients with wet age-related macular degeneration (AMD) who, before this discovery, were faced with very limited treatment options. Harold Dvorak and Napoleone Ferrara (2014 Gairdner)

More important than their significant economic impact, the discoveries such as those listed above have given physicians the tools to improve the health and save the lives of millions of people.

## **PERFORMANCE RESULTS for 2014**

### **1. Participation in National Program**

The National Program of Faculty lectures take place in 22 centres during the year. Approximately 3,600 university students, faculty, researchers and scientists participated in the National Program.

#### **What are the Benefits?**

The National Program provides 22 universities with an opportunity to share ideas with some of the world's leading scientists.

Through the development of key partnerships and collaborations, we help to create a sense of community in diverse research institutions and promote the importance of scientific excellence.

### **2. Student Outreach**

The program took place at 17 universities in 2014, including 4 in Atlantic Canada, 3 in Quebec, 5 in Ontario and 5 in the western provinces. The number of students participating at each university varied between 50 and 450 depending on the approach taken by the individual institution. Over 3,300 high school students from 100 high schools across Canada now participate each year.

Information packages were sent to all participating high schools so that teachers and students could prepare for the topics to be discussed at their event. Feedback is being collected and compiled currently.

#### **What are the Benefits?**

The Student Outreach Program provides a unique opportunity for high school students to interact with leading scientists from around the world talk about their discoveries and how they became interested in biomedical research. The lectures are aimed at students who are about to enter university, and one goal is to encourage them to consider a career in the health sciences.

### **3. Expand the profile of the Foundation**

The Gairdner Foundation partnered with Canadian High Commission in the UK, and the consulate in New York City as well as the winners in Houston, San Diego and Boston to celebrate 2014 recipients in their home locations. Attendance at all 5 events was excellent.



In October a reception was held at the Canadian embassy in Tokyo, Japan for the winner of the Canada Gairdner Global Health award, Dr. Satoshi Omura. The Consortium of Universities for Global Health (CUGM) is an organization consisting of over 110 American and Canadian Universities. They invited Dr. Omura to address their annual meeting in May in Washington, DC.

#### **What are the Benefits?**

By hosting events with Gairdner, Canada's international representatives are able to attract leading scientists and institute leaders in each country to our embassies to familiarize them with Canadian research initiatives and the Canada Gairdner Awards. Gairdner can open the door for further dialogue.

#### **4. Increase the number and quality of the Nominations**

The new nominations for the International Awards and the Global Health Award continue to be of the highest quality. In 2014, nominations for the International Awards increased by 18% from 2013 (134 up from 113), with 37 totally new nominations. Active nominations for Global Health and Wightman have remained relatively constant.

#### **What are the Benefits?**

Participation on the adjudication committees provides Canadian scientists with close connections to leading-edge research in their fields. Many have commented on the incredibly high level of scientific discussion that goes on during the adjudication process. The Medical Advisory Board and Global Health Advisory Committee also familiarize the best world's scientists with Canada's research strengths.

### **DETAILED PERFORMANCE EVALUATION 2014**

#### **1. Shedding Light on Monoaminergic Signaling & Neuropsychiatric Disorders**

This 2 day symposium was held on May 29-30 in Edmonton, Alberta led by Dr. William Colmers, with opening day lecture by Canadian Scientist, Mark Caron at Duke University on his contributions to dopamine receptors, which relate to neurological diseases and mental health disorders. The second day opened with Anthony Grace from the University of Pittsburgh, on Dopamine Neuron Regulation in Schizophrenia and Depression. The plenary session featured Susan Amara from NIH. Other speakers included Mark Wightman, Bruno Giros, Sara Jones, Jay Gingrich, Stephanie Borgland, Raul Gainetdinov, Manju Kurian, Randy Blakely, Remi Quirion, Susan George, Stephen Ferguson, Martin Beaulieu, Laura Bohn, Emiliana Borrelli, Gerald Zamponi, and Karl Deisseroth. A poster competition was also held for younger scientists.

Attendance- 80

#### **2. The Future of Neuroscience**

This symposium was held in Calgary on October 9-10 on the occasion of the 10<sup>th</sup> Anniversary of prestigious Hotchkiss Brain Institute, and was led by Gairdner Laureate, Sam Weiss. The public lecture which kicked off the symposium was totally oversubscribed and was offered on a first come, first seated basis. It featured Baroness Susan Greenfield from University of Oxford whose lecture "The second 50 years of your life", discussed the importance of 'plasticity' to ensure that the individual mind is protected from the ravages of neurodegenerative diseases.

Other speakers included: Daniel Wolpert (Cambridge, UK), Catherine Dulac (Harvard), Chris McBain, (NIH), Arthur Toga (USC), David Holzman (Washington), Karl Kiebertz (Rochester) and Helen Mayberg, (Emory University).

Attendance at both public lecture and symposium capacity audience of 350 each

### **3. Genomics: The Power and the Promise**

The Second Gairdner/Genome Canada Genome Symposium takes place November 24-26 in Ottawa in collaboration with the 6 regional Genome Centres. This will feature the health and environmental aspects of genomics. It is also an opportunity to arrange meetings with leaders in government, His Excellency and the public service as well as the public at large.

The line-up of world renowned speakers will provide their vision of how genomics will transform our lives, not only in terms of our own personal role in maintaining good health.

To complement the symposium, the Gairdner Foundation and Genome Canada are organizing a breakfast event to allow approximately 20 key senior government officials and senior leaders from research organizations hear from leaders in the genomics field. Speakers will include Dr. Eric Green and Dr. Terry Hazen and there will also be time for questions and networking.

It includes a poster session for young Canadian scientists that resulted in 140 submissions from Canadian trainees in diverse areas of genomics. Posters will be displayed throughout the conference with prizes presented at the Gala dinner.

Attendance – preregistration of over 375 attendees

### **4. The 2014 National Program**

The Foundation carried out its National Program of University Lectures at 21 universities across Canada: UBC, Lethbridge, Calgary, Edmonton, Saskatoon, Winnipeg, Western, Waterloo, Guelph, McMaster, York, Toronto, Queen's, Ottawa, McGill, Montréal, Laval, Dalhousie, UPEI, UNB and Memorial. A program is planned for Lakehead in early February 2015, bringing the total to 22.

Speakers included all of the 2014 Canada Gairdner winners as well as King Holmes (2013), Jeffrey Ravetch (2012), Steve Elledge (2013), Nubia Munoz (2009), Joan Steitz (2006) and Arthur Horwich (2004).

Attendance- 3,660

### **5. Student Outreach**

Programs took place at 18 Universities across Canada. Thunder Bay holds its program early every year and the numbers for Lakehead were for March 2014.

<b>Location</b>	<b>Attendance</b>
University of British Columbia	205
Calgary	325
Edmonton	400
Lakehead	230

Saskatchewan	180
Western	70
Winnipeg	100
Waterloo	110
University of Toronto-note (capacity audience however smaller venue than previous years)	300
York	340
Carleton	295
Dalhousie-low attendance due to conflict with other events	17
McGill	135
Queens	100
Montreal	100
Memorial	- no audience numbers provided yet
Sherbrooke	90
UPEI	205
UNB	30
<b>TOTAL</b>	<b>3,233</b>

All of the Gairdner Foundation events are free of charge and open to anyone with an interest in scientific research and its implications. Speakers included all of the 2014 Canada Gairdner winners as well as King Holmes (2013), Jeffrey Ravetch (2012), Steve Elledge (2013), Nubia Munoz (2009), Arthur Horwich (2004) and Joan Steitz (2006).

## 2. Toronto Events

This year the events took place from Oct 28-31. Activities included:

- Global health symposium “*A New Dawn for Tropical Disease: Recent Successes, Future Risks*” was held at MaRS on October 28.

Attendance – 75 plus 115 online via webcast
- Reception held for recipients, sponsors, academics, media, students and Gairdner recipients at Massey College on Oct 28.

Attendance - 75
- Minds That Matter* recipients’ lectures on Oct. 30 at the MacLeod Auditorium, University of Toronto.

Attendance – 450
- New Advances in Biology & Treatment of Cancer* Symposium with an outstanding list of speakers on Oct.31 at the MacLeod Auditorium, University of Toronto. There was considerable emphasis on cancer immunotherapy, which is a major addition to cancer treatment.

Overflow Attendance – 500 plus hundreds via online webcast
- Arthritis Unmasked: Genetics, Treatments and Partnerships* Symposium on October 31 at the Toronto Marriott Downtown, Eaton Centre. Held in partnership with Arthritis Alliance of Canada.

Attendance -220
- 2014 winner Harold Dvorak spoke at a breakfast meeting to 20 volunteers (graduate and masters students) from *Let’s Talk Science* at a breakfast at Massey College on October 31.

- The Canada Gairdner Awards dinner, on October 30, at the ROM in Toronto was sold out.  
Attendance – 600

## 6. Increase profile of the Canada Gairdner Awards

Coverage for 2014 included:

- Coverage resulted in more than **31 million media impressions in more than 215 outlets.**
  - 100 per cent of coverage included a mention of either the Canada Gairdner Awards or Gairdner Foundation and all are **positive coverage** highlighting our winners and Gairdner's prestige
- **Front page mention in the Globe and Mail** along with one print article and two online articles
- Top tier coverage in Toronto Star, CTV, CBC As it Happens, Calgary Herald, Ottawa Citizen, etc.
- Three articles in the **Canadian Medical Association Journal (CMAJ)**
- Increased Twitter conversation around the announcement
- Coverage from winner institutions – Rockefeller University, Harvard Medical School, University of Oxford, McMaster University, University of California San Diego, The University of Texas MD Anderson Cancer Center
- Extensive coverage about Professor Satoshi Omura throughout **Japan** in dozens of major media outlets
- Support and coverage from various organizations such as the World Health Organization (WHO), Arthritis Alliance, Canadian Institute for Health Research (CIHR), Neurological Health Charities Canada and the Cancer Research Institute
- Good coverage in *The Lancet: Global Health* about Canada Gairdner Global Health Award
- Creation of 7 short videos of the recipients for the announcement, website and also be shown at the awards dinner on October 30<sup>th</sup>
- Full page ads were placed in *Science*, *Nature*, *CMAJ* and *The Globe and Mail*; McMaster University also placed a half-page ad in *The Globe and Mail* based on our recommendation in March and then ads were placed in the Medical Post, CMAJ and Globe and Mail in October
- Coverage on the October events will appear in the CMAJ and Globe and Mail and other locations in the Fall of 2014
- Gairdner engaged in the use of a designated hashtag on Twitter (#Gairdner) and saw more than 200 tweets and a 2,000% increase in our followers

All of the Toronto events were webcast and videotaped. These are being edited and will be used on our website, shared with universities, students, faculty and awardees to help increase our exposure and also promote future events.

## **PLANNED ACTIVITIES AND EXPECTED RESULTS FOR 2015**

The Awards and the National and Student Outreach Programs are now mature and stable programs that contribute to Canada's culture of science by presenting the world's best scientific research across the country.

Our next major goal is to increase the international profile and reach for the Canada Gairdner Awards. To this end, we will continue to hold events in the home country of each winner shortly after the announcement of the winners in late March.

### **PERFORMANCE OBJECTIVES FOR 2015**

#### **Participation in National Program**

We expect participation in the National Program to remain at 20-22 universities. Dr. Ron Pearlman, Professor Emeritus, York University and a past member of the MAB, is our Associate Scientific Director.

##### **1. Student Outreach**

We gather student responses to each event, and use the results to ensure that the lectures remain relevant and interesting to the students invited to the events. Social media will be incorporated into student events in 2015 to help increase interaction.

##### **2. International profile of the Canada Gairdner Awards**

We continue our efforts to raise Gairdner's profile through international events and better international marketing and communications that share the story of our awardees and our history.

##### **3. Increase the number and quality of the nominations**

The Foundation proactively seeks new nominations for all three awards. The Foundation has hired a part time person to assist in identifying research and educational institutions from around the world and encourage nominations.

##### **4. Partner in two special high quality symposia in various parts of Canada each year**

Planning is underway for two symposia in Alberta in 2015.

## **LONGER TERM PRIORITIES FOR 2015 AND BEYOND**

Increase the international profile of the Canada Gairdner Awards by improving our marketing and communications.

1. Seek ways to raise our profile with high school and undergraduate students through Facebook and making high school lectures available on YouTube.
2. Increase social media presence, i.e. Twitter and Facebook.
3. Bring the adjudication committees to the highest possible level. All meetings held in-person using secret ballots.
4. Increase advertising in selected publications.
5. Succession of the President & Scientific Director.
6. Look for new Board members to enhance geographic representation.
7. Increased emphasis on fundraising, with new initiatives directed at government, institutions and individuals.

## FINANCIAL SUMMARY

The Gairdner Foundation maintains proper financial controls and sound management practices to ensure the best use of its public and private funds.

The 'Funding Agreement' executed on 23 March 2008 between CIHR and the Gairdner Foundation outlines the terms of the grant of \$20M received in 2008. The proceeds have been used to establish an endowment in order to support and enhance the Awards. This grant has been capitalized for the term of the agreement, and only income from the Fund, including interest, dividends and realized capital gains may be utilized until the funding agreement terminates in 2028. The Foundation is able to draw upon the capital to a maximum of \$2 million over the term of the Agreement, provided it uses best efforts to restore any capital withdrawn. The agreement also defines obligations for the term of the agreement, ending March 31, 2028. A mid-term review date of March 31, 2018 will take place to assess whether the objectives are being met and whether the Canada Gairdner International Awards remain competitive internationally.

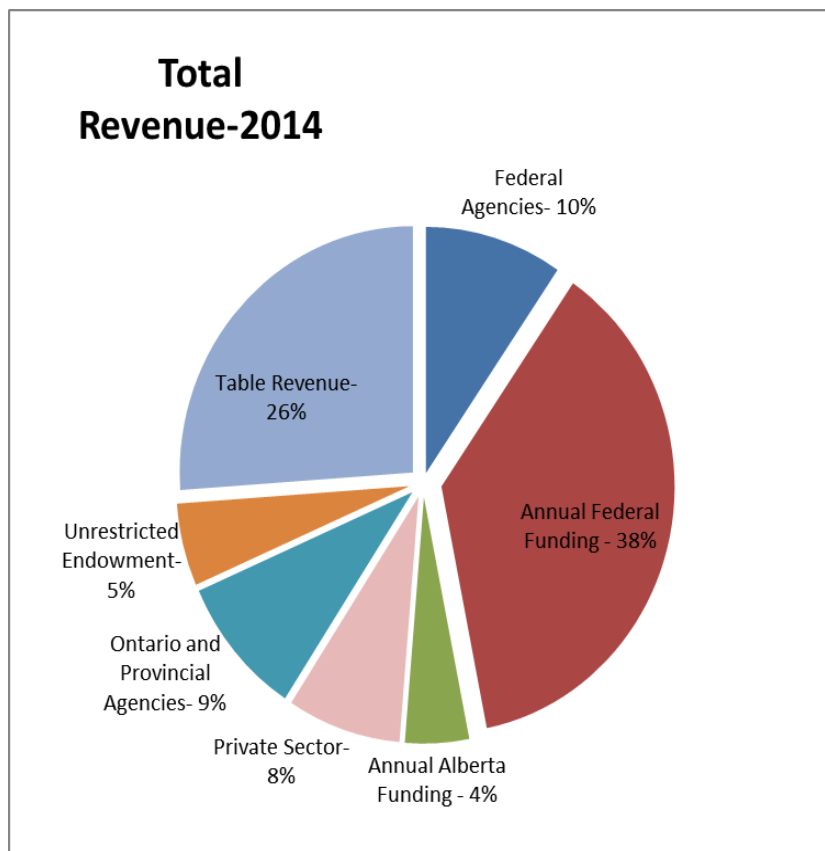
A grant of \$2 million was received from the Alberta government in 2008, for the purpose of expanding the Gairdner program in Alberta. This grant is also to be capitalized during the term of the agreement, and only the income from the Fund, including interest, dividends and realized capital gains may be used. This grant has an indeterminate term; however the Agreement is to be reviewed at least every 5 years. The Foundation is able to draw upon the capital to a maximum of \$250,000 over the term of the Agreement, provided it uses best efforts to restore any capital withdrawn. Commitments made by the Foundation for the support of the Alberta Gairdner Outreach Program must not exceed the "Available Earnings", and earnings from this fund are to be used to support the Alberta Gairdner Outreach Program.

These funds have been invested together with the original family endowment under the guidance of the Investment Committee, and in accordance with the terms of these agreements and prudent governance. The primary objectives of the investment policy are to preserve the capital, to generate sufficient income to pay for the administrative and award costs and to provide inflation protection to the fund.

Given the current low interest rate environment, the portfolio has not earned sufficient returns to cover costs and offset inflation. The Foundation requires a sufficiently large endowment in combination with multi-year sustainable funding commitments in order to ensure continued success and to stabilize our infrastructure. This would also allow us to reduce our reliance on annual sponsorships, which represent the current primary revenue source in addition to the portfolio income.

Every year the Gairdner Foundation seeks sponsors from both the public and private sector to support our annual programs. In 2014, estimated revenue of approximately \$2.5 million was allocated as follows:

### 2014 FUNDING SOURCES FOR THE GAIRDNER



### PLANNED RECEIPTS AND DISBURSEMENTS FOR 2015

The approved budget for 2015 calls for revenue of \$2.7 million and operating expenditures of \$2.7 million, resulting in a breakeven Budget. Budget expenditures include \$0.7 million for Awards, \$1.5 million for Program expenses, and \$1.3 million for Administrative and Marketing costs and \$0.2 million for adjudication costs.

Revenue includes a prorated share of the new Federal grant of \$2 million over 5 years. These funds are allocated to International Outreach and Branding.

We expect total Investment income of approximately \$0.7 million in 2014, as interest rates remain at historic lows. Investment income will be allocated proportionately to the Federal, Alberta and Foundation's funds.

We must ensure our asset allocation strategy provides the appropriate balance between risk and return. However, given the volatility in the market for the past 2 years and the ongoing low interest rate environment, the portfolio will not earn sufficient returns to pay for the awards (\$700,000), and certainly

not enough to pay for any other expenditures related to the program. We must also be able to offset inflation over the long-term and that is not possible in this market environment.

As of September 30, 2014, the portfolio asset mix included 46% allocation to cash and fixed income, 46% equities, and 8% alternative strategies relative to our long-term target of 45/45/10.

The following table provides the budgeted revenues and expenditures for the fiscal year 2015. The budget for 2015 was presented and approved by the Board of Directors at its November 19, 2014 meeting.

**THE GAIRDNER FOUNDATION  
BUDGET 2015  
in \$000's**

	<b>ACTUAL</b>	<b>REV</b>	<b>BUDGET</b>	<b>\$ INC(DEC)</b>	<b>% INC(DEC)</b>
	<b>2013</b>	<b>FCST</b>	<b>2015</b>	<b>OVER 2014</b>	<b>OVER 2014</b>
		<b>2014</b>			
<b><u>REVENUES</u></b>					
Sponsorship	707	460	550	140	30%
Sponsorship new CIHR	74	203	379	177	87%
Table Sales	628	680	625	0	0%
Donations	51	37	50	13	35%
Government Grant Funding	891	1,081	987	(94)	-9%
Portfolio Revenue	133	141	139	(2)	-1%
Realized Gains/(Loss)	194	-	-	-	-
Unrealized Gains/(Loss)	287	-	-	-	-
<b>TOTAL</b>	<b>2,965</b>	<b>2,601</b>	<b>2,730</b>	<b>234</b>	<b>9.0%</b>
<b><u>EXPENDITURES</u></b>					
Board	41	54	36	(8)	-14%
Administration	696	795	1,017	224	28%
Events	550	566	536	47	8%
Scientific Advisory Boards	122	128	129	1	1%
Other Scientific Boards	13	33	82	50	153%
Awards	600	800	700	(100)	-13%
President's Office	80	98	95	7	7%
Fundraising & Communications	78	83	135	57	68%
<b>TOTAL</b>	<b>2,181</b>	<b>2,557</b>	<b>2,730</b>	<b>278</b>	<b>10.9%</b>
<b>NET SURPLUS (LOSS)</b>	<b>784</b>	<b>44</b>	<b>0</b>	<b>(44)</b>	<b>-99.9%</b>



## MANAGING RISK AND CHALLENGES

Managing risk is the ongoing responsibility of management and the Board of Directors. It is the responsibility of management to ensure that an updated assessment of risk is raised and discussed at every Board meeting.

The Gairdner Foundation monitors risks and events that have the potential to undermine achievement of its strategic objectives and priorities and management has developed and implemented appropriate systems, policies and procedures to manage these risks. The Board and its' committees are aware of risk management responsibilities and exercise appropriate governance practices with respect to policy approval and oversight.

The commitment to excellence, foresight and personal drive of the individuals responsible have resulted in the growth and success of the Foundation. The Foundations' programs at Canadian universities have matured over the past several years, leaving little room for expansion of the programs. The Student Outreach Program continues at 17 universities attracting students from 100 high schools across the country.

The past decade has seen major shifts in the world economy take place at a pace that would never have been imagined. Canada has responded with the development of strategies to support and provide incentives for innovation, to build Canada's science capacity, to ensure the development of the next generation of leading scientists and to enhance Canada's profile on the world stage.

At the selection level, risk is managed and mitigated by a rigorous adjudication process/ peer review and a 2 tier jury system with votes being cast by a secure, secret ballot. The ongoing success in the selection process is also due to a rigorous recruitment process for new committee members.

Our Investment Policy has been structured to maximize revenue and preserve capital over the long term. However, the Foundation still needs to raise substantial funding to support its' programs and to stabilize its' infrastructure and operations.

For 2015, we are projecting a conservative 3.0% return on investment. The 2015 return on investment is based on the strategic asset mix of 45/45/10. The Investment Policy amended in September 2013, calls for a long term Asset Mix target allocation of 45% Bonds/Fixed Income, 45% Equities and 10% Alternative Strategies.

**RISK MANAGEMENT  
GAIRDNER FOUNDATION RISK PROFILE**

<b>RISK</b>	<b>LIKELIHOOD OF OCCURENCE</b>	<b>IMPACT</b>	<b>MITIGATING STRATEGY</b>
Profile of the Canada Gairdner Awards is not increased	Low	Medium	<ul style="list-style-type: none"> <li>• Increase communications to all stakeholders (including research communities) and the public</li> <li>• Ongoing public awareness and engagement programs</li> <li>• Ongoing monitoring of media coverage, engaging new media partnerships to spread the Gairdner story</li> </ul>
Compliance Audit reveals deficiencies	Low	Medium	<ul style="list-style-type: none"> <li>• Continuous review of the terms of the funding agreement to ensure compliance</li> <li>• Take appropriate actions as necessary</li> </ul>
Decreased success rate in choosing globally recognized medical advancements	Low	High	<ul style="list-style-type: none"> <li>• Rigorous assessment of peer review process, and 2 tier jury system</li> <li>• Continued rigorous assessment and recruitment of MAB members</li> <li>• Appointment of strong Scientific Director</li> </ul>
Succession Planning proves to be difficult or delayed implementation	Medium	High	<ul style="list-style-type: none"> <li>• Focus on high quality leadership on the Board and management team</li> <li>• Transition must ensure sufficient cross-over period between senior leaders</li> </ul>
Sponsorship/fundraising revenue is not secured	Medium	High	<ul style="list-style-type: none"> <li>• Continuous monitoring of fundraising efforts</li> <li>• Reduce risk of funding shortfall by closely monitoring and controlling expenditure commitments</li> <li>• Continue to build the case for continued federal and provincial government funding</li> </ul>
Failure to achieve long-term fundraising goals	Medium	High	<ul style="list-style-type: none"> <li>• Prolonged downturn could affect ability to fundraise- the strategy must continuously focus on new funding</li> </ul>

**PERFORMANCE MONITORING**

**AUDIT, EVALUATION AND ANNUAL REPORTS**

As a not-for-profit charitable organization, the Gairdner selects external auditors to undertake an annual audit of its financial statements; the external auditors for 2014 are Ernst & Young. The audit is undertaken on an annual basis, in accordance with generally accepted Canadian accounting principles. The objective is to express an opinion on whether the Gairdner Foundation’s financial statements present fairly, the financial position, results of operations, and cash flows of the corporation. Upon completion of the audit, the financial statements and a summary of audit findings are presented to the Audit Committee and the Board of Directors for approval.

Within 150 days of the end of each fiscal year, an Annual Report is produced. This Report includes audited financial statements, an overview of activities undertaken by the Gairdner for the previous fiscal year, and a brief synopsis of projected activities for the upcoming fiscal year. As well, the Annual Report

includes the results of any performance or evaluation audits undertaken during the year, disclosure of the range of remuneration of its senior managers and officers, and an overview of the significant expected results to be achieved in the upcoming financial year.

By November 30 every year, the Gairdner Foundation is required to prepare an Annual Summary Corporate Plan, outlining our objectives, outcomes, details of the Fund management, planned activities and anticipated results of those activities, annual forecasted cash flow requirements, proposed expenditures as well as an assessment of risks and risk mitigation strategies.

These reports are posted on the Gairdner Foundation website.

## **ADDITIONAL AUDIT REQUIREMENTS**

The Gairdner Foundation is required to establish systems to monitor performance and report on achievement of results. These include:

- Independent compliance audit to verify whether the Foundation is in compliance with the terms and conditions of the Funding Agreement
- Performance ( value-for-money) audits as considered necessary to verify the representations of the Foundation as to its performance
- Independent Evaluation according to a framework and time to be approved by the Board but no less frequently than once every five (5) years, in order to measure the Foundation's overall performance in achieving the outcomes as set out in the Funding Agreement

The Funding Agreement will be reviewed before March 31st, 2018 to assess whether its objectives are being met and whether the Canada Gairdner International Awards remain competitive internationally. The Funding Agreement will be renegotiated and renewed as soon as possible after April 1, 2026.

The Foundation is in compliance with all reporting requirements.