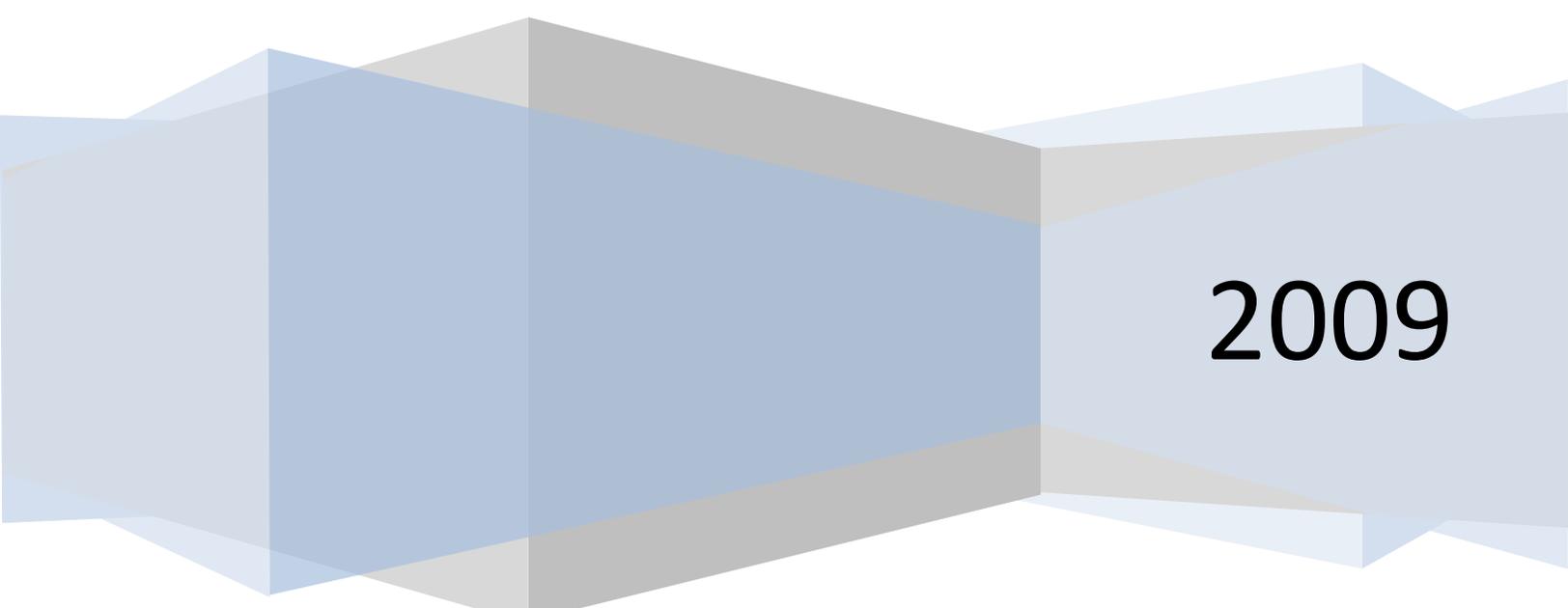


The Gairdner Foundation

Annual Summary Corporate Plan 2009

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2009

Corporate Plan 2009

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President's Message

Over the past 50 years the Canada Gairdner Awards have established themselves as one of the three most important biomedical awards in the world. In 2008, the Federal Government made a \$20 million allocation to the Gairdner Foundation for three purposes: to enable the Foundation to raise the value its prizes to a level befitting its international stature; to introduce a new Canada Global Health Award, and to grow its National Program. Together, they will contribute to branding this country as an important centre for health science research.

The Canada Gairdner Awards are Canada's only globally known and respected international prizes, and Gairdner is the only national organization that consistently brings the world's best biomedical researchers to Canada to share their ideas and work with scientists across the country. In so doing, it enlarges networks and enhances Canada's international reputation while providing a realistic and unbiased benchmark for Canada's leading scientists. The Canada Gairdner Awards are a program that will inspire Canadians to perform at world-class levels of research and innovation.

Biomedical research is international. Canada's position in this critical global enterprise will be further strengthened during the 50th Anniversary celebrations in 2009 through the largest international celebration of science ever held in Canada. It will take place throughout the year and across the country. We will bring 50 Gairdner Laureates, including 20 Nobel Laureates, to Canada to participate in a series of special international symposia featuring the best international and Canadian scientists.

Gairdner has accomplished much in the last half century, but much more remains to be done. Increasing the scope and the profile of the awards and the programs will enhance the culture of science in Canada. Because Gairdner is a partnership organization, it will continue to leverage its national and international relationships to reach across provinces, universities, and health institutions to encourage and contribute to the quest for scientific discovery and innovation.

President and Scientific Director

Dr. John Dirks

“The Gairdner awards have moved to a position of prestige and importance at an international level, identifying creative scientists early. It is seen as Canada's international prize of stature.”

Gairdner (1986) and Nobel Laureate Philip Sharp, MIT

THE GAIRDNER FOUNDATION

CORPORATE PLAN EXECUTIVE SUMMARY

HISTORY

The Gairdner Foundation was created in 1957 by James Arthur Gairdner to recognize and reward the achievements of medical researchers whose work contributes significantly to improving the quality of human life. Since the first awards were made in 1959, the Gairdner Awards have become Canada's foremost international award. The Gairdner International Awards are one of the three most prestigious awards in medical science, along with the Swedish Nobel Prize in Medicine and the American Albert Lasker Medical Research Awards. They hold up the pinnacle of achievement as a mirror to Canadians, and in so doing, play a role in helping Canada achieve its goals of excellence.

The Gairdner was incorporated in December 1957 as a charitable corporation under the laws of the Province of Ontario, Canada. 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 have contributed to strengthening Canada's scientific research capacity and international reputation.

Our track record of consistently high quality adjudication and selection by the independent adjudication committees, have resulted in global recognition and esteem of the Gairdner Awards.

In 2009, the Gairdner Foundation will celebrate its 50th anniversary, and will inaugurate the Canada Gairdner International Awards. To celebrate the 50th anniversary and promote exceptional achievement in health research, the Budget Implementation Act 2008 provided the Foundation with a \$20 million endowment in order to enhance the awards and expand its outreach activities.

THE BOARD

Since the inception of the Foundation in 1957, the Members and Directors have been comprised primarily of members of the Gairdner Foundation Founder. In 2007, the Directors and Members endorsed a transition process to seek stronger alliances and support from distinguished leaders within corporate, academic and civic communities. The Board is comprised of 12 individuals charged with carrying out the mission of the Foundation as conceived by the Founder.

The Board of Directors has overall responsibility for the stewardship of the business activities of the Foundation. The Board has established a number of committees to help it discharge its duties, including an Executive Committee, Audit Committee, Investment Committee, and Governance and Nominating Committee.

The Board of Directors has appointed a President and Scientific Director, who has the responsibility for 2 advisory panels that provide expertise on the nomination and selection of the annual Awards:

- The Medical Review Panel (MRP) is composed of a group of leading mid-career scientists from across Canada who provide a "first screening" of the nominations for the Gairdner Awards, submitting their long and short list to the Medical Advisory Board.
- The Medical Advisory Board (MAB) is composed of a renowned group of scientists (11 Canadians and 11 international). Every year, the MAB meets in Toronto to review 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 winners chosen.

The Investment Committee is a standing Committee of the Board responsible for overseeing the investment and management of funds received from CIHR 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 principal 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 committees meet quarterly and report to the Board on the outcome of their deliberations.

The President and Scientific Director reports to the Board of Directors. Three senior staff (Manager Finance, Manager External Relations and Office Manager) report directly to the President and CEO. These three individuals represent professional team players with solid track records and specialized areas of expertise who are comfortable working and collaborating with colleagues and associates at provincial, national and international levels. In total, the Gairdner Foundation has 5 full-time employees in addition to a complement of consultants who provide expertise in the delivery of specialized services, such as Marketing, Fundraising and Outreach, 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 shall continue to have full independence from CIHR and other parties in its governance and operations, and in 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 will continue to present the Canada Gairdner Awards in order to focus public, professional and scientific attention on significant achievements in the field of health sciences. It is also intended that the Awards will foster improved communication of ideas among scientists, students and the public.

MISSION

The mission of the Gairdner Foundation is to recognize and celebrate the work of the world's best health researchers through the Canada Gairdner International Awards, the Wightman Award and the Canada Gairdner Global Health Award.

Inherent in our mission statement is the intent for the Foundation to bring to the attention of Canadian scientists and the public, the most important scientific developments globally in the field of health sciences.

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 VISION

The vision of the Foundation is:

1. To be Canada's pre-eminent awards for the most significant international scientific achievements in health research

2. To be identified internationally with the highest standard of research excellence in the field of health sciences
3. To provide inspiration to Canadian researchers, including the next generation, to achieve world-class levels of scientific excellence
4. To promote a science culture in Canada by increasing public awareness of its importance to our modern society

OUR VALUES

International Scientific Excellence
Integrity
Independence
Global perspective

OBJECTIVES

1. Inspire Canadian scientists to seek excellence by profiling Canada as a place where science is important, and recognized globally through the internationally respected Canada Gairdner Awards.
2. Foster collaboration between Canadian and international scientists by bringing scientists from abroad to meet with Canadian scientists through lectures, small group discussions, grand rounds, and social interactions.
3. 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.

OUR GOALS

The goal of the Foundation is to maintain and expand the profile of the Gairdner Awards program, guided by the Board, with a commitment to encouraging excellence and recognizing and rewarding those who achieve such excellence in the field of health sciences.

The Gairdner Foundation has received \$20M from CIHR in order to consolidate its position in the interest of strengthening health research, improving the health of Canadians and to ensure that the Canada Gairdner International Awards continue to grow in stature on the international stage.

The Gairdner Foundation has been working with the other governmental and non-governmental organizations for complementary funding to support the Awards.

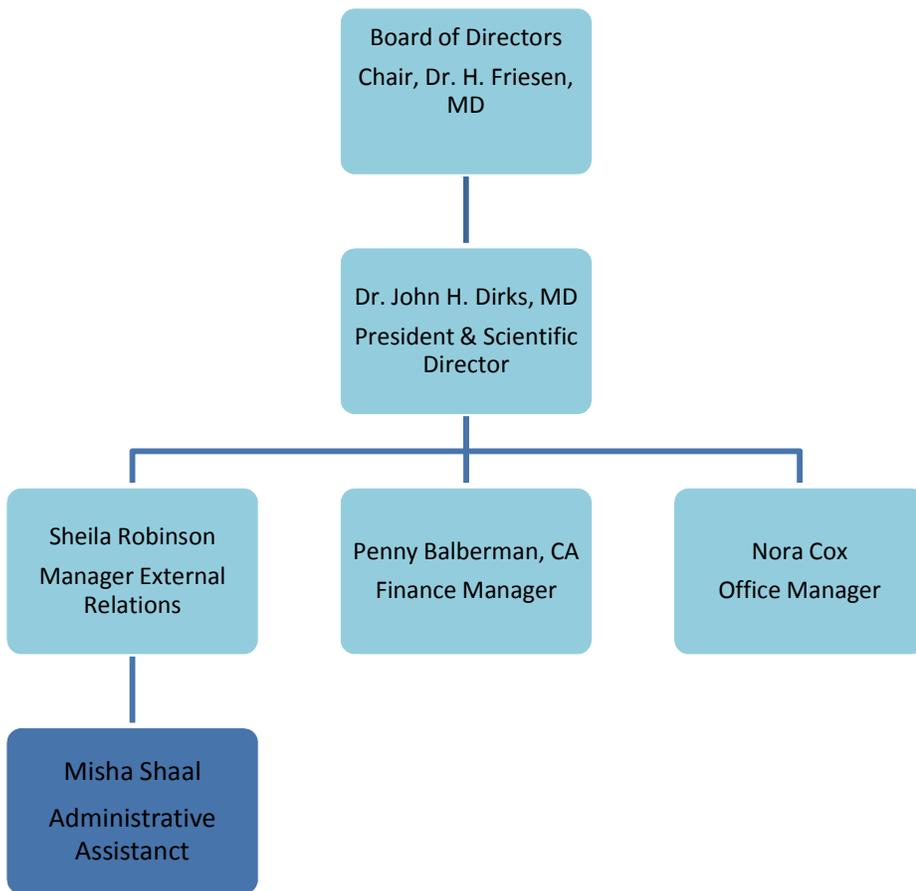
A differentiating characteristic of the Gairdner Foundation is the National Program, which makes us unique in terms of our Awards program. Gairdner recipients contribute a week of their time to visit universities across Canada, regularly bringing in the world's top scientists, who would ordinarily not come to Canada. The National Program contributes to raising the profile of science and provides a unique

opportunity for Canadian scientists and graduate students to interact with international leaders who represent the best of scientific excellence.

THE GAIRDNER FOUNDATION

ORGANIZATION CHART

NOVEMBER 2008



PERFORMANCE EXPECTATIONS AND ACTION PLANS

EVALUATION

The four primary goals of the Foundation 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 excellences
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 International Awards

ACHIEVEMENTS TO DATE

The stature of the awards within the international scientific community has grown significantly over the last decade based on the highly respected two-stage jury system for selection of the award winners and the track record of the 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 293 individuals from 13 countries, including 42 Canadians, who have won the Gairdner Award, 73 have gone on to win a Nobel prize in Medicine or Chemistry. In the last 6 years, 14 of 17 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 Canada on the map as a jurisdiction that recognizes true excellence in medical scientific research.

ECONOMIC BENEFITS

Why does the Gairdner place such a great emphasis on promoting a science culture in Canada and around the world? Why does the Gairdner continue to recognize and reward excellence in science?

The impact of past Gairdner winners on the Pharmaceutical Industry has been significant, and huge 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 Award winners. Founded less than 35 years ago, these two companies have a market cap that together is greater than the Royal Bank, CN Railways, Canadian Tire and Bombardier combined.

Over the past 49 years, "Gairdner winners" achievements have dramatically impacted the health of people around the world. A few examples include:

1. The recognition of the double helical structure of DNA with its 4-letter code led the way some 50 years later to decoding the entire human genome sequence unveiling the language of the book of life. The practical application of this data enabled the identification of genes causing diseases, production of new drugs, and its use in forensic sciences.
James Watson (2002 Gairdner)
2. The eradication of the scourge of smallpox from the face of the earth was lead by a former Gairdner recipient and his team.
Donald Henderson (1983 Gairdner)
3. The virtual elimination of Rh disease that affected 10% of babies of Rh-negative women and annually was the cause of 50,000 deaths of the newborn. Cangene, a Winnipeg based company was built around the company that produced the first therapeutic antibodies that proved successful in eliminating Rh disease.
Bruce Chown (1968 Gairdner)

4. All the modern imaging technology – CT scans, functional MRI imaging, PET scanning grew out of discoveries by a Gairdner Awardee. Paul C. Lauterbur (1985 Gairdner)
5. Development of Herceptin, the most effective therapy for Her2-positive breast cancer, which affects about 20-25% of all breast cancer patients. Denis Slamon (2007 Gairdner)
6. The HPV vaccine against cervical cancer grew directly from the discoveries of 2008 Gairdner winner. Harald zur Hausen(2008 Gairdner)

More important than their huge 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.

PLANS FOR 2009

2009 marks the 50th anniversary of the Gairdner awards. As the 50th Anniversary approaches, the Gairdner Foundation and its Programs are at a critical transition point. The commitment to excellence, foresight and personal drive of the individuals responsible have resulted in the growth and success of the Foundation that has been achieved particularly in the last 10-15 years. However, the Awards and the National and Student Outreach Programs have the potential to have an even greater impact on Canada's level of achievement in health research.

The past decade has seen major shifts in the world economy take place at a pace that would never have been imagined. In response, science and technology and the life sciences in particular have been identified as a critical basis for competitive success in the global economy. 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.

In this context, the Gairdner Foundation is uniquely positioned. It is important that Canadian science be challenged to meet the highest international standards as represented by the Canada Gairdner International Awards. The opportunity for Canadian scientists, trainees and students to hear and interact with the Awardees, the "superstars of medical science" in communities across Canada is a catalyst for consideration of what is needed to increase the ranks of Canadian scientists in the very top ranks. The Gairdner programs also provide the opportunity for the Awardees to become familiar with the leading Canadian scientists and institutions, thereby enlarging networks and enhancing Canada's international reputation.

IMMEDIATE PRIORITIES- 2009

1. National Celebration of Science

As part of its 50th Anniversary in 2009, the Gairdner Foundation will undertake a series of 8 symposia across Canada in partnership with CIHR. For each symposium the Gairdner has invited some of the world's best scientists to participate alongside some of Canada's best scientists, creating opportunities for further collaboration.

2. The National Program

In addition to the 50th anniversary special programs, the Foundation will carry out its National Program of University Lectures, Student Outreach and Public Lectures as follows:

- University Lectures at 15 institutions across Canada
- Student Outreach programs at a minimum of 13 academic institutions across Canada
- Minimum of 2 Public Lectures

All of these events are free and open to anyone interested in scientific research and its implications.

3. Toronto 50th Anniversary Science Festival

Fifty Gairdner Laureates, including 20 Nobel Laureates will be in Toronto Oct 28-30, 2009. This will be a unique opportunity to see, hear and meet these research stars. Anticipated activities include:

- Gairdner/Nobel Public Forum at University of Toronto Convocation Hall, open to the public.
- Industry breakfast at MaRS where biotech and pharmaceutical leaders can meet and listen to a group of entrepreneurially minded scientists from around the world.
- Reception for science researchers, government officials, corporate leaders and past Gairdner and Gairdner/Nobel Laureates
- Events at University of Toronto and York University for approximately 800 high school students contemplating a career in health science, the opportunity to hear Nobel Laureates talk about why they became scientists and what drove them to succeed.
- President's lunch with representatives from Universities, Senior High School and Gairdner winners
- 2009 Awards Dinner, attended by all 50 past Gairdner winners

4. Increase the profile of the Canada Gairdner Awards

In 2008, we increased the public profile of the Gairdner Foundation through advertising and better media coverage. Our goals for 2009 include:

- Maintaining the Globe & Mail as our national media sponsor
- Create a documentary on the 50th Anniversary year events
- TV and /or radio coverage of the Gairdner/Nobel forum
- Increase the PR budget to create a formal communications plan
- Achieve year round media exposure through coverage of the 8 national Gairdner symposia
- Increase international exposure through April announcement ads in *Science* and *Nature*

5. Launch a major fundraising initiative

A fundraising consultant was engaged in the fall of 2008 to complete a strategic plan for our fundraising efforts. The Board of Directors will make a decision this year regarding the launch of a major fundraising campaign. This campaign is expected to be directed at philanthropists, other Foundations, corporations, universities, institutions and the provinces, particularly Ontario and B.C.

6. Succession Planning

Much of the success of the Gairdner Foundation over the past 50 years has been as a result of strong leadership. The Board will continue to plan, develop and execute a succession plan during 2009.

LONGTERM PRIORITIES- 2010 and BEYOND

1. Launch 5 year fundraising campaign to raise \$20 million for the Gairdner endowment
2. Name new Chair for the Gairdner Board of Directors (November 2009)
3. Name new President & Scientific Director (2010)
4. Consider new annual event in May to award the Canada Gairdner Global Health Award. Events may include a one-day international symposium on Global Health in Ottawa.
5. Expand Student Outreach Program to more universities involved with the National Program.

6. Initiate at least two Public Lectures per year in venues other than Toronto.

PERFORMANCE MEASURES

1. Participation at 50th Symposia

It is expected that total attendance at the 2009 Gairdner 50th Anniversary events across the country will be in excess of 7,500 people.

2. Participation in National Program

Participation in the National Program will reduce slightly as 2 centers (Halifax, Montreal) will hold their 50th Symposia during Gairdner week.

3. Student Outreach

Four new academic centers will be added to the program (Northern Ontario Medical School, McMaster, McGill and Laval). Overall numbers should increase accordingly.

4. Canada Gairdner Global Health Award

A call for nominations has been made. It is anticipated that this new award will be granted for the first time in 2009, at the awards dinner in Toronto.

5. Industry breakfast at MaRS

This will mark the first time Gairdner has offered a program specifically geared towards biotech and pharmaceutical companies.

6. Expand the profile of the Foundation

7. Increase the number and quality of the nominations

FINANCIAL

Investments and Management of Funds

A 'Funding Agreement' executed on 23 March 2008 between CIHR and the Gairdner Foundation outlines the terms of the grant of \$20M, to be used to establish an endowment in order to support and enhance the International Awards. As part of this agreement, the Foundation agrees to establish a new individual award for Global Health, the "Canada Gairdner Global Health Award" and rename the International awards the "Canada Gairdner International Awards"

This 'Funding Agreement' defines The Gairdner obligations for the term of the agreement, ending March 31, 2028. A mid-term review date of March 31, 2018 has been established to assess whether the objectives are being met and whether the Canada Gairdner International Awards remain competitive internationally.

WHAT INVESTMENT IS REQUIRED TO REALIZE OUR VISION

In addition to the \$3.1 million in Capital already invested in the Foundation, a grant of \$20 million was received from the federal government in 2008. This grant is 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 until the funding agreement terminates in 2028. Despite this restriction, the Foundation may

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 principal amount of the Fund has been invested in accordance with the prudent person principle. The Investment Policy Statement adopted by the Board has been designed to ensure that the principal objective of the fund is preservation of capital over the long-term.

Ordinarily we would expect Investment income of approximately \$1.5 million from the Fund in 2009, however, given the prolonged downturn in the financial markets, we now anticipate earning significantly less, currently estimated at \$800,000 for 2009.

When the Agreement was originally signed, it was expected that earnings would allow the Foundation to:

- Starting in 2009, increase the amount of the International Awards from \$30,000 to \$100,000 each
- Establish a new annual award to be named the “Canada Gairdner Global Health Award”
- Contribute to the cost of additional outreach activities to bring together international and Canadian health researchers and scientists
- Pay reasonable administrative, audit, evaluation and reporting costs directly related to the International Awards

It is possible, given the reduced level of income expected to be earned from the Fund in 2009, that not all of these objectives will be achievable.

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 shall be reviewed at least every 5 years. Despite this restriction, the Foundation may 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. If the principal drops below \$1.75 million, no further allocations or disbursements of funds shall be made.

Commitments made by the Foundation for the support of the Alberta Gairdner Outreach Program must not exceed the available Earnings as identified for the next Fiscal Year and must not be made for any term that exceeds one Fiscal Year. Earnings from this fund are to be used to support the Alberta Gairdner Outreach Program.

The Foundation is also in the process of seeking major additional grants from the governments of British Columbia and Ontario.

PLANNED REVENUES AND EXPENDITURES FOR 2009

In 2008, the approved operating expenditure budget was \$1.8 million and the 2009 expenditure budget is forecasted as \$2.2 million.

The following table provides the budgeted revenues and expenditures for the fiscal year 2009. The budget for 2009 was presented to the Board of Directors at its November 2008 meeting.

**THE GAIRDNER FOUNDATION
INCOME STATEMENT
BUDGET FOR THE YEAR ENDING DECEMBER 31, 2009**

	REV FCST 2008	BUDGET 2009	VARIANCE to 2008	% Change
<u>REVENUES</u>				
Sponsorship	902,667	900,000	(2,667)	0%
Awards Dinner Table Sales	165,600	294,000	128,400	78%
Portfolio Revenue	290,000	790,000	500,000	
TOTAL	<u>1,358,267</u>	<u>1,984,000</u>	<u>625,733</u>	46%
<u>EXPENDITURES</u>				
Board	142,100	68,500	(73,600)	-52%
Administration	594,560	569,096	(25,464)	-4%
Events	550,300	597,000	46,700	8%
Medical Advisory and Review Boards	123,700	120,600	(3,100)	-3%
Awards	180,000	700,000	520,000	289%
President's Office	70,000	50,000	(20,000)	-29%
Fundraising & Comm	90,600	150,000	59,400	66%
TOTAL	<u>1,751,260</u>	<u>2,255,196</u>	<u>503,936</u>	29%
NET SURPLUS/(DEFICIT)	<u>(392,993)</u>	<u>(271,196)</u>	<u>121,797</u>	

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 ensures that appropriate systems are implemented to manage these risks.

As the 50th Anniversary approaches, the Foundation and its Programs are at a critical transition point. The commitment to excellence, foresight and personal drive of the individuals responsible have resulted in the growth and success of the Foundation. However, the Awards and the National and Student Outreach Programs have the potential to have an even greater impact on Canada's level of achievement in health research.

The past decade has seen major shifts in the world economy take place at a pace that would never have been imagined. In response, science and technology and the life sciences in particular have been identified as a critical basis for competitive success in the global economy. 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.

The recent decision of the Government of Canada to provide the Foundation with a \$20 million endowment grant provides the essential financial base to support a needed increase in the value of the International Awards to sustain their competitiveness, and to increase awareness of the Foundation and the Awards. We must ensure that our Investment Policy is 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 sustain its' infrastructure and operations.

Sponsorships are forecast to remain constant at \$900,000. Fundraising efforts have already started to support additional activities for the 50th. Discussions are underway with various provincial governments, institutions and healthcare agencies to reach the 2009 fundraising target.

For 2009, we are projecting a very conservative 4% return on investment. The Investment Policy statement adopted by the Board in 2008, calls for an Asset Mix of 60% Bonds/Fixed Income and 40% Equities. The 2009 return on investment is based on the current asset mix, which is 73% Cash, Bonds and Fixed Income, and 27% Equities. Until the financial markets return to more stable, predictable behavior, we do not anticipate fully moving to the Strategic Asset Mix of 60/40.

Financial Markets in 2008 were very volatile and negative returns were generated from the portfolio. A further and continued downturn in the markets will affect the income from the investment of the \$25 million, reducing the ability of the Foundation to meet its current requirements.

If financial markets do not improve, and the events being anticipated for the 50th are carried out as planned, the deficit could increase, and we will be required to draw down on the capital of the \$20 million grant from the Federal government. Other possibilities include reducing the scope of the National Program or increasing sponsorship income, as well as reducing the number of awards given. None of these would affect the core mandate of the Gairdner Foundation, which is to recognize the best scientists for their work, although it could temporarily affect the reach of its programs.

**RISK MANAGEMENT
GAIRDNER FOUNDATION RISK PROFILE**

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

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 2008 are Ernst & Young.

Every year, an audit is completed 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

At least two months prior to the start of the new fiscal year, the Gairdner Foundation is required to prepare an Annual Summary Corporate Plan. In this, the first year of our agreement with CIHR, the Corporate Plan is due by November 30, 2008. It outlines our objectives and 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 will be posted on the Gairdner Foundation website once approval has been obtained from CIHR.

PERFORMANCE MONITORING

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.