

THE GAIRDNER FOUNDATION
CONFLICT OF INTEREST POLICY

November 2013

A. INTERPRETATION

For purposes of this Policy, the following terms have the following meanings:

- (a) **“By-laws”** refers to the By-laws of the Foundation in effect and as they may be amended from time to time;
- (b) **“Chair”** refers to the Chairperson of the board of Directors of the Foundation;
- (c) **“Designated Official”** refers to the following:
 - (i) the Chair, in the case of all of the Directors and Officers, except for the Chair;
 - (ii) the Vice-Chair of the board of Directors of the Foundation, in the case of the Chair; and
 - (iii) the President of the Foundation, in the case of all of the Employees except for the President and the Scientific Director of the Foundation;
- (d) **“Directors”** refers to the directors of the Foundation from time to time and **“Director”** means any one of them;
- (e) **“Employees”** refers to the employees and independent contractors of the Foundation from time to time and **“Employee”** means any one of them;
- (f) **“Foundation”** refers to “The Gairdner Foundation”;
- (g) **“Officers”** refers to the individuals appointed as the officers of the Foundation from time to time and includes the Chair, the Vice-Chair, the President and the Scientific Director of the Foundation or any other individual who performs functions for the Foundation similar to those normally performed by an individual occupying any of those offices and **“Officer”** means any one of them; and
- (h) **“Policy”** refers to this Conflict of Interest Policy, as it may be amended from time to time.

B. APPLICATION AND OBJECTIVE

This Policy applies to all Directors, Officers and Employees in the course of their participation in, and activities with, the Foundation, each of whom is required to act in the best interests of the Foundation and to avoid a conflict of interest with the Foundation.

This Policy establishes the requirements that must be observed by all Directors, Officers and Employees to reduce the risk of conflicts of interest and to identify and resolve such conflicts of interest should they arise.

All Directors, Officers and Employees must comply at all times with the conflict of interest provisions set out in this Policy and in the By-laws, if any, and shall further comply with any applicable statutory obligations and requirements federally or in the Province of Ontario that govern conflicts of interest, including, without limitation, the provisions of the *Canada Not-for-profit Corporations Act*.

C. DEFINITION OF CONFLICT OF INTEREST

A conflict of interest arises when the personal or financial interest of a Director, Officer or Employee takes precedence over or competes with his or her duties and responsibilities as a Director, Officer or Employee, as applicable. Conflicts of interest may be real, perceived or potential, and may evolve at any time before, during or after an individual becomes a Director, Officer or Employee, as applicable.

Without limiting the terms of the general definition above, a Director, Officer or Employee is in a conflict of interest with the Foundation under the following circumstances:

- (a) the Director, Officer or Employee is in any way directly or indirectly interested in a proposed contract, actual contract or other matter involving the Foundation; or
- (b) the Director, Officer or Employee has a direct or indirect financial interest in a matter involving the Foundation, as applicable; or
- (c) the Director, Officer or Employee uses or attempts to use information gained in his or her capacity as a Director, Officer or Employee for personal gain, including to gain employment, to hold office in any other organization or in any personal undertaking; or
- (d) the Director, Officer or Employee has the opportunity to influence the Foundation's awards process.

The recognition of a real, perceived or potential conflict of interest is a matter of judgment and the primary responsibility for recognizing a conflict of interest rests with each individual Director, Officer or Employee in the course of his or her participation in, and activities or employment with, the Foundation, as applicable.

D. DUTY TO DECLARE CONFLICT OF INTEREST

1. By a Director

Where a Director believes that he or she has an actual, perceived or potential conflict of interest with a proposed contract, actual contract or other matter involving the Foundation, he or she must declare such interest in writing or request to have it entered into the minutes of a meeting of the Directors, as follows:

- (a) at the meeting of the Directors at which the proposed contract, actual contract or other matter is first taken into consideration;
- (b) if the Director is not, at the date of that meeting, interested in a proposed contract, actual contract or other matter, as soon as he or she becomes so interested and no later than the first meeting after the Director becomes so interested;
- (c) if the Director becomes interested after a contract is made or other matter is considered, as soon as he or she becomes so interested and no later than the first meeting after the Director becomes so interested; or
- (d) if an individual who is interested in a proposed contract, actual contract or other matter later becomes a Director, as soon as he or she becomes aware of the proposed contract, actual contract or other matter and no later than the first meeting after the Director becomes a Director.

2. By an Officer or Employee

Where an Officer or Employee believes that he or she has an actual, perceived or potential conflict of interest with a proposed contract, actual contract or other matter involving the Foundation, he or she must declare such interest in writing or request to have it entered into the minutes of a meeting of the Directors, as follows:

- (a) immediately after the Officer or Employee becomes aware that the proposed contract, actual contract or other matter is to be considered or has been considered at a meeting;
- (b) if the Officer or Employee becomes interested after a proposed contract, actual contract or other matter is made or undertaken, immediately after the Officer or Employee, as applicable, becomes so interested; or
- (c) if an individual who is interested in a proposed contract, actual contract or other matter later becomes an Officer or Employee, immediately after the individual becomes an Officer or Employee, as applicable.

3. Where Director or Member Approval not Required

If a contract or other material, whether entered into or proposed, is one that, in the ordinary course of the Foundation's activities, would not require approval by the Directors or Members of

the Foundation, a Director, Officer or Employee shall, immediately after he or she becomes aware of the contract or other matter, disclose in writing to the Foundation, or request to have entered in the minutes of a meeting of Directors or of a committee of Directors, the nature and extent of his or her interest.

4. Declaration to Designated Official

A Director, Officer or Employee shall declare his or her conflict of interest to the Designated Official.

E. RECORDING IN MINUTES

Any conflict of interest declaration made by a Director shall be recorded in the minutes of the meeting of Directors at which such declaration was made or at the next meeting following receipt by the Designated Official of a conflict of interest declaration.

F. PROHIBITION ON PARTICIPATION

A Director, Officer or Employee who has a conflict of interest:

- (a) must not participate in further discussions or decision-making on the proposed contract, actual contract or other matter giving rise to such conflict of interest, and, in the case of a Director, must not vote or attempt to influence the vote on any resolution to approve the proposed contract, actual contract or other matter involving the Foundation;
- (b) shall absent himself or herself from that portion of a meeting during which the proposed contract, actual contract or other matter giving rise to his or her conflict of interest is under discussion; and
- (c) shall not discuss a matter about which another Director, Officer or Employee has a conflict of interest with such other Director, Officer or Employee.

G. QUORUM

Where a conflict of interest has been declared by a Director at a meeting of Directors, the Chair must ensure that a quorum remains to consider the proposed contract, actual contract or other matter involving the Foundation.

If, at a meeting of the Directors, there is an insufficient number of Directors without a conflict of interest remaining to constitute a quorum, the Chair shall defer consideration of the proposed contract, actual contract or other matter involving the Foundation until such time as a quorum is present. If there is an insufficient number of Directors without a conflict of interest to constitute a quorum, the proposed contract, actual contract or other matter involving the Foundation shall not be approved by the Directors.

H. GIFTS, HOSPITALITY AND OTHER BENEFITS

Gifts, hospitality or other benefits shall not be given or received by any Director, Officer or Employee in the course of his or her participation in, and activities with, the Foundation, if the gift, hospitality or other benefit could, or could be perceived to, influence his or her judgment or performance of his or her duties and responsibilities in the Foundation. If there is any doubt as to the perceived effect of the gift, hospitality or other benefit, authorization for its receipt must be approved by the Designated Official.

I. ACCESS TO DISCLOSURES

The members of the Foundation may examine the portions of any minutes of meetings of Directors or a committee of Directors that contain disclosures under the *Canada Not-for-Profit Corporations Act* or this Policy, and of any other documents that contain those disclosures, during the Foundation's usual business hours.

J. ACKNOWLEDGMENT AND UNDERTAKING

In recognition of the importance of this Policy, all Directors, Officers and Employees shall be provided with a copy of this Policy and shall be requested to sign an acknowledgment of its receipt and an undertaking to comply with its procedures and guidelines.