



Conflict of Interest Policy

<b>Making the Shift Inc. Policies and Procedures</b>	<b>Conflict of Interest Policy</b>
<b>Effective:</b>	Review: Annually Last Review: June 23 <sup>rd</sup> 2020 Approved: June 23 <sup>rd</sup> 2020
<b>Responsible Committee:</b>	Governance Committee
<b>Approver:</b>	Board

Interactions between university researchers and social and public sector partners are an essential feature of this NCE. For the objectives of the NCE program to be achieved many kinds of interactions among the individuals participating in Making the Shift Inc. ("**MtS**") must occur. These interactions may lead to gains and benefits to the individuals participating in the network and are desirable and natural outcomes of being involved in the network. Such interactions, however, may place individuals participating in MtS in a position of potential, apparent or actual conflict of interest.

The NCE Steering Committee is the body ultimately responsible to the government and, therefore, to taxpayers, for the integrity of all the networks and their operations. The responsibility for implementing and managing the Conflict of Interest Policy framework to ensure that MtS operations and decisions are not biased by conflict of interest, is delegated to the MtS Board of Directors, which represents the highest authority in the management structure of MtS. The MtS Boards of Directors are accountable to the NCE Steering Committee for the effective implementation and management of the Conflict of Interest Policy framework.

Individuals participating in the MtS such as members of the Board of Directors and advisory committees who do not receive NCE program funds are recognized as playing a unique role in the network. They bring an important perspective as a result of their particular knowledge, often as representatives of organizations in the field of interest of MtS. Nevertheless they are still required to disclose any financial interest or position of influence in any organization in the same area of interest as the MtS, other than that of their main employer.

The Conflict of Interest Policy (and the enclosed Conflict of Interest Guidelines and Schedules, which are prepared in conjunction with and form part of this Policy) is intended to enable the MtS Board of Directors and individuals to recognize and disclose situations that may be open to question and ensure that such situations are appropriately resolved. The policy builds upon and is complementary to those of the organizations making up the MtS Board of Directors, the MtS investigators and the MtS administrators.

**1.0 Definitions**

**"Avoidance"** means refraining from, or withdrawing from, participation in activities or situations that place an individual participating in MtS in a potential, apparent or actual conflict of interest relative to their MtS duties and responsibilities.

**"Conflict of interest"** means a situation where, to the detriment or potential detriment of MtS, an individual participating in MtS is, or may be, in a position to use research knowledge, authority or influence for personal or family gain (financial or other) or to benefit others.

**"Disclosure"** means the act of notifying in writing the MtS Board of Directors, through the managing director, of any direct or indirect financial interests and positions of influence held by an individual participating in MtS which could lead to a potential, apparent or actual conflict of interest.

**"Divestment"** means the sale at arm's length, or the placement in trust, of assets, where continued ownership or control by the individual participating in MtS would constitute a potential apparent or actual conflict of interest with the participant's MtS duties and responsibilities.

**"Financial interest"** means an interest in a business in the same area as the MtS as described in Section 2.1 of this document.

**"NCE Steering Committee"** means the committee comprised of the three granting council Presidents and the Deputy Minister of ISED and the Deputy Minister of Health Canada, which has overall responsibility for the NCE Program.

**"Position of influence"** includes any position that entails responsibility for a material segment of the operation and/or management of a business.

## **2.0 Disclosure**

Upon joining MtS, an individual (including staff, researchers, directors and committee members) is obliged to disclose in writing (using the appropriate Conflict of Interest Declaration form) to the MtS Board of Directors, through the managing director, any direct or indirect financial interests and positions of influence that could lead to a potential, apparent or actual conflict of interest. Examples include, but are not limited to, the following: founder, employee, or executive position; consultant or advisor; stock or ownership interest. In addition, these submissions must be updated whenever the individual's circumstances change in a way that would necessitate a further disclosure. The individual also has the obligation to disclose any potential, apparent or actual conflict of interest when it arises during MtS committee or MtS Board meetings so that the committee or MtS Board is aware of the situation and can take appropriate action. To the extent that there may be a conflict between the MtS conflict of interest policy and a Participating Institution's policies, the more stringent requirements shall prevail.

## **2.1 Financial Interest**

### **Financial interest consists of:**

Any material stock option (e.g., 1%) or similar ownership interest in such a business, but excluding any interest arising solely by reason of investment in such business by a mutual, pension, or other institutional investment fund over which the person does not exercise control; or receipt of, or the right and potential to receive, any income from such a business, whether in the form of a fee (e.g., consulting), salary, allowance, interest in real or personal property, dividend, royalty derived from licensing of technology, rent, capital gain, real or personal property, or any other form of compensation or contractual relationship, or any combination thereof.

### **3.0 Management of Conflict of Interest**

The MtS Board of Directors or its conflict of interest sub-committee is charged with the responsibility of managing conflict of interest, and determining and implementing the appropriate course of action. This management system is based on disclosure, as described in Section 2. All disclosures constitute confidential information that will be available to the MtS Board, or a sub-committee thereof, for the evaluation and resolution of any conflict of interest or allegations of conflict of interest brought before the Board or its conflict of interest sub-committee. While it is recognized that it may be difficult to completely avoid situations of potential, apparent or actual conflict of interest, complete avoidance may be required in certain cases.

#### **3.1 Principles**

An individual participating in the MtS who is involved with, or has an interest in, or deals in any manner with a third party which might cause a conflict of interest will not be present and participate in any MtS decisions, including committee decisions, if the declared potential conflict of interest could influence the decision or actions of the MtS. It is the obligation of the individual to declare such potential, apparent or actual conflict of interest before discussions take place so that the committee or MtS Board of Directors is aware of the situation in order to ensure that the individual is out of the room when the discussion and decision process on the item in question are taking place. This course of action should be recorded in the minutes of the meeting.

Any question raised by an individual or company regarding the potential conflict of interest of an individual will be raised at the MtS Board of Directors level and must be documented in writing. The MtS Board of Directors will determine the extent to which the question should be pursued and in such cases will consult the individual in question. If necessary, the party will be asked to respond in writing.

#### **3.2 Non-compliance**

If an individual is discovered to be in conflict of interest where disclosure and prior approval has not been sought or granted, the MtS Board of Directors will require the individual to:

- Account to MtS for any gain or benefit made directly or indirectly, arising from an involvement with, or an interest in, or from dealing in any manner with a third party that gives rise to a conflict of interest, and
  - i. Withdraw from the involvement, or
  - ii. Withdraw from MtS, or
  - iii. Take appropriate action as determined by the Board of Directors.

#### **4.0 Review Process**

An individual may request in writing, within 30 days, a review of a MtS Board of Directors' decision on conflict of interest. In certain circumstances, the MtS Board of Directors may arrange for an independent third party appointed by mutual agreement of the MtS and Board of Directors, and failing such mutual agreement appointed by the NCE Program Steering Committee, to act as an intermediary to scrutinize scientific reports and budgetary information of research project (s) in which the individual participating in the MtS is involved. The intermediary would provide an opinion on the overall merit of the review, without divulging specifics of a proprietary nature to other members of the Network. The ultimate decision on the resolution of the review rests with the MtS Board of Directors.

In cases where there is a concern with respect to decisions or actions of the MtS Board of Directors itself, this concern should be submitted in writing to the NCE Steering Committee. The NCE Steering Committee may request the Chair of the MtS Board to respond in writing to the Steering Committee. Following submission of the Chair's response, the NCE Steering Committee will decide on follow-up action.

## **Conflict of Interest Guidelines**

### **PURPOSE**

These Guidelines are designed to assist members of the Board of Directors, officers, and other persons involved with Making the Shift Inc. ("**MtS**") to understand and comply with conflict of interest requirements applicable to MtS. These Guidelines are consistent with the MtS Conflict of Interest Policy and the conflict of interest provisions referenced in section 3.4 of the Network Agreement.

### **BACKGROUND**

Individuals who hold positions of trust in a corporation or not for profit organization have a legal duty to act honestly and in good faith with a view to the best interests of the organization. This duty is referred to as a "fiduciary duty".

As part of their fiduciary duty, directors and officers of a corporation have a duty to avoid actual or potential conflicts of interest between:

- their duties to the corporation/organization; and
- their duties to others or their own self-interest.

MtS is a not-for-profit corporation organized under the *Canada Not-for-profit Corporations Act* (the "**CNCA**"). Directors and officers of MtS are subject to the common law rules on conflicts of interest and any relevant modifications to those rules made by the CNCA. In general, a director of MtS that has a potential conflict of interest may continue to act provided that the director discloses their potentially-conflicting interest and refrains from voting on the directors' resolution (etc.) approving the contract or arrangement at issue.

Members of the Board of Directors of MtS, officers and employees of MtS, members of MtS advisory committees, and researchers are all subject to the MtS Conflict of Interest Policy (the "**Policy**").

### **PROCEDURES**

The procedures set out below are designed to assist individuals participating in MtS to comply with the requirements described above.

### **Members of the Board of Directors and Officers**

At the time of his or her appointment as a member of the Board of Directors or as an officer of MtS, each new Board member or officer shall review the Policy. Following such review, the new Board member or officer shall complete MtS' Conflict of Interest Declaration ("**Declaration**") in the form attached hereto as Schedule "A". In addition to the written Declaration, Board members shall declare their conflicts of interest orally at a meeting of the Board.

Board members and officers shall make disclosure annually at the first Board meeting of the fiscal year, and thereafter from time to time as necessary. The Board Chair shall remind Board members of their obligation at the outset of each Board meeting. The secretary of the Board shall record disclosure of conflicts of interest of Board members and officers in the minutes of the meeting during which disclosure occurs.

Board members and officers shall update their Declarations annually. If circumstances change during the period of their appointment, Board members and officers shall immediately inform the Board Chair of the change in their situation.

A Board member in an actual conflict of interest shall absent himself or herself from that part of the meeting during which related matters are discussed, considered and/or voted on. The secretary of the Board shall reflect the absence of the Board member in the minutes.

A Board member who has a potential conflict of interest shall declare it and shall seek the advice of the Chair as necessary in exercising his or her discretion in regards to the potential conflict.

If any Board member objects that another Board member is in an actual or potential conflict of interest, or is not taking the appropriate steps to deal with the conflict, the Board Chair will call for a vote of the Board to determine the appropriate course of action.

Board members and officers shall also comply with all other provisions of the Policy which may apply to them.

### **Staff, Researchers and Committee Members**

Staff members and committee members, upon joining MtS, and researchers, upon first being awarded a grant by MtS, shall also submit to MtS a completed Declaration. Committee Members and the Managing Director shall complete the Declaration in the form attached hereto as Schedule "A", and other staff members and researchers shall complete the Declaration in the form attached hereto as Schedule "B". All such individuals shall be required to update their Declarations, and to manage conflicts of interest, in accordance with the provisions of the Policy.

### **MONITORING**

The MtS Governance Committee will review the Policy (including the Guidelines and the form of Declarations in Schedules "A" and "B") annually and will submit to the Board of Directors for consideration any recommendations for changes or revisions by the Board at the meeting of the Board immediately preceding the Annual General Meeting.

Schedule A

**Conflict of Interest, Confidentiality and Non-Disclosure Agreement  
(Board of Directors & Committee Members, Making the Shift Inc. (MtS))**

**Conflict of Interest**

I have been provided with a copy of the following documents:

- Conflict of Interest Policy
- Code of Conduct Policy

I have read and understood these documents and I agree to abide by the provisions set out therein, including the requirement for disclosure of any conflict of interest and the observance of compliance measures.

I have completed the attached questionnaire and to the best of my knowledge, have disclosed all information relating to my affiliations.

Should I find myself in a situation that is, or could be perceived as, a Conflict of Interest before the next Board of Directors/Committee meeting in which I am participating, I will submit a revised declaration to the Managing Director or Chair of the Board of Directors/Committee.

**Confidentiality and Non-Disclosure**

All documents provided to Directors/Committee members in the course of carrying out their duties are stored in a secure manner to prevent unauthorized access. All such documents must be transmitted using secure techniques and when they are no longer required they must be destroyed in a secure manner, e.g. by deleting electronic data files, shredding paper documents or arranging for the return of same to MtS.

All deliberations of the Board of Directors/Committees of MtS and all information regarding the business of MtS for which the Directors/Committee members have knowledge are confidential. Comments regarding MtS business made by individuals during Board/Committee meetings or otherwise must never be discussed with, or disclosed by directors to, third parties. Decisions of the Board of Directors/Committees and management of MtS are confidential until they are released officially through MtS staff or as authorized by the Chair or Chief Executive Officer.

I have read this agreement and agree to take personal responsibility for complying with the provisions herein.

**Declaration of Conflict of Interest**

Give a brief overview of any companies/organizations you are currently employed by or affiliated with other than MtS.	
List any direct or indirect financial interests and positions of influence that could lead to a potential, apparent or actual conflict of interest.	

Give a brief description of any ownership of equity or other financial participation in a corporation or other commercial entity (including stock options and shares).	
List any other Board of Directors/Committees you sit on.	
Briefly describe any participation in research, development, service delivery or commercial venture projects or services that directly or indirectly compete with those of MtS that you are involved with.	
Do you have any relatives who are involved in commercial or research ventures that could be perceived as conflicts of interest? If, yes, please describe.	
Other	

**Agreement to Comply**

It is a condition of serving as a director of MtS that I comply with the provisions of the Code of Conduct Policy and the Conflict of Interest Policy of MtS. No exemptions shall be permitted. Accordingly I agree to comply with both of these policies. *I recognize that my failure to accurately report a conflict of interest/related information as contemplated by the MtS Conflict of Interest Policy may lead to the termination of my work with MtS and/or to disciplinary or punitive action by my employer or other authorities.*

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Schedule B

**Conflict of Interest Disclosure Form  
(Researchers and Staff, Making the Shift Inc. (MtS))**

Affiliation with MtS (please select one):

Researcher \_\_\_\_ Staff \_\_\_\_ Other \_\_\_\_ If other, please list \_\_\_\_\_

**DECLARATION**

I, the undersigned, (print full name) \_\_\_\_\_

(a) hereby declare and make Disclosure of the following actual or potential Conflict(s) of Interest which may arise in the conduct of my duties and responsibilities on behalf of MtS (attach additional sheet if required).

OR

(b) am not aware of any actual or potential Conflict(s) of Interest with respect to my involvement with MtS.

(initial) \_\_\_\_\_

**Agreement to Comply**

I have read and understand the MtS Conflict of Interest Policy and the Code of Conduct Policy and will adhere to the Policies during my affiliation with MtS. Specifically, if any circumstances change and/or come to my attention regarding any actual or potential Conflict of Interest, I will make Disclosure to MtS immediately. I recognize that my failure to accurately report a conflict of interest/related information as contemplated by the MtS Conflict of Interest Policy may lead to the termination of my work with MtS and/or to disciplinary or punitive action by my employer or other authorities.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date