

IC-IMPACTS CONFLICT OF INTEREST

IC-IMPACTS has a Conflict of Interest Policy, copied here for reference from its Network of Centres of Excellence Network Agreement, signed in 2013:

Conflict of Interest

16.1 The Parties acknowledge that some Parties have conflict of interest policies in place for their employees. All Parties will require that their respective Network Investigators adhere to and abide by the provisions of their Network Member's own internal conflict of interest policies and guidelines including any reporting requirements contained therein. In cases where the Network believes a supplementary document is desirable, the Network may ask Network Investigators to adhere to and abide by the provisions of the document which is attached hereto and marked as **Appendix G** (NCE Conflict of Interest Policy Framework), and the Network may refuse to provide NCE or Non-NCE Funds or other Network support to Network Research involving a Network Investigator who refuses to comply with **Appendix G**. To the extent that there may be a discrepancy between these policies, the more stringent requirements will prevail.

Appendix G

Appendix G referred to the NCE Conflict of Interest Policy Framework, formerly here:

<http://www.nce-rce.gc.ca/ReportsPublications-RapportsPublications/NCE-RCE/ProgramGuide%ADGuideProgrammeeng.asp>

It now resides here, in the Program Guide of the Networks of Centres of Excellence (NCE) – 2015: http://www.nce-rce.gc.ca/ReportsPublications-RapportsPublications/NCE-RCE/ProgramGuide-GuideProgramme_eng.asp

For quick reference, please see the NCE Conflict of Interest and Policy Framework below.

Appendix B: Conflict of Interest and Policy Framework

Interactions between university researchers and the private sector are an essential feature of the CECR program. For the objectives of the CECR program to be achieved, many kinds of interactions among individuals participating in the centre must occur. These interactions may lead to gains and benefits to the individuals participating in the centre and are desirable and natural outcomes of being involved in the centre. Such interactions, however, may place individuals participating in the centre 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 centres and their operations. The responsibility for implementing and managing the Conflict of Interest Policy Framework, to ensure that centre operations and decisions are not biased by conflict of interest, is that of each centre Board of Directors, which represents the highest authority in the management structure of the centre. The centre 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 centre, such as members of the

Boards of Directors and advisory committees who do not receive CECR funds, are recognized as playing a unique role in the centres. They bring an important perspective as a result of their particular knowledge, often as representatives of organizations in the field of interest of the centre. Nevertheless, they are still required to disclose any financial interest or position of influence, as described in Section 2.0, in any business in the same area of interest as the centre, other than that of their main employer.

The Conflict of Interest Policy is intended to enable the centre Boards of Directors and individuals to recognize and disclose situations that may be open to question and to ensure that such situations are appropriately resolved. The policy builds upon, and is complementary to, those of the organizations that make up the centre Boards of Directors, the centre investigators and the administrators.

1.0 Definitions

"Administrative Centre" means the central administrative offices of the centre.

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

"Board" means the centre Board of Directors that is responsible for the overall management of the centre and is accountable to the NCE Steering Committee.

"Conflict of interest" means a situation where, to the detriment or potential detriment of the centre, an individual 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.

"CECR" means the federal centres of Excellence for Commercialization and Research program.

"Centre" means a corporation funded under the federal Centres of Excellence for Commercialization and Research program.

"Disclosure" means the act of notifying, in writing, the Board of Directors through the administrative centre of any direct or indirect financial interests and positions of influence held by an individual participating in the centre 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 by an individual participating in the centre would constitute a potential, apparent or actual conflict of interest with the participant's centre duties and responsibilities.

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

"NCE Secretariat" means the secretariat through which the federal Networks of Centres of Excellence program, and the CECR program are delivered.

"NCE Steering Committee" means the committee comprised of the three granting agencies' Presidents and the Deputy Minister, Industry Canada, which has overall responsibility for the CECR program (with the President of the Canadian Foundation for Innovation serving as an observer).

"Centre Director" means the awardee of the CECR grant who is also a voting member of the centre Board of Directors.

"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 the centre, each individual is obliged to disclose in writing to the Board, through the administrative centre, any direct or indirect financial interests and positions of influence that could lead to a potential, apparent or actual conflict of interest (examples provided below). 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 centre committee or Board meetings so that the committee or Board is aware of the situation and can take appropriate action.

Board members and members of other committees of the centre should identify their interests in all organizations working in the same sector as the centre.

2.1 Financial Interest

It consists of:

- any material stock option (e.g., one percent) 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 Board 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 2.0. All disclosures constitute confidential information that will be available to the 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 or divestment may be required in certain cases. Such divestment should not consist of a sale or transfer of assets to family members or other persons for the purpose of circumventing the conflict of interest compliance measures as directed by the Board.

3.1 Principles

An individual participating in the centre 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 centre decisions, including committee decisions, if the declared potential conflict of interest could influence the decision or actions of the centre. 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 Board 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 Board level and must be documented in writing. The Board will determine the extent to which the question should be pursued and in such cases will consult the individual in question. If necessary, the individual 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 have not been sought or granted, the Board will require the individual to:

- account to the centre 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
- withdraw from the involvement, or withdraw from the centre, or
- take appropriate action as determined by the Board.

4.0 Review Process

An individual may request in writing, within 30 days, a review of a Board's decision on conflict of interest. In certain circumstances, the Board may arrange for an independent third party appointed by mutual agreement of the centre and the Board and, failing such mutual agreement, appointed by the NCE Steering Committee to act as an intermediary to scrutinize reports and budgetary information on project(s) in which the individual participating in the centre 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 centre. The ultimate decision on the resolution of the review rests with the Board.

In cases where there is a concern with respect to decisions or actions of the Board itself, this concern should be submitted in writing to the NCE Steering Committee. The NCE Steering Committee may request the Chair of the 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.

Examples of Conflict of Interest

The following examples, although not comprehensive, illustrate situations that may lead to an indirect or direct conflict of interest:

- Employment in any capacity by another employer outside the participant's, administrator's or director's organization, corporation or company signing the centre agreement, including self-employment.

- Holding an office that puts the individual in a position to affect decisions, such as manager with executive powers, within a company, or member of a board of directors.
- Participating in a research contract, business contract or consultancy relationship with a company, or serving on the board of a company.
- Entering into a research contract and/or business contract with a company in which the participant, or a member of his or her immediate family, has a financial or other interest.
- Carrying out supplementary professional scientific or business activities in accordance with the disclosure requirements of the participant's or director's employing organization.
- Ownership of equity or other financial participation in a corporation (including stock options and shares). Participants, administrators and directors should abstain from activity in which they would have inside advantage (e.g., purchase of shares) based on the information they are privy to through membership in the centre.
- Accepting gifts (other than some minor hospitality) or special favors for the individual or a family from private organizations with which the centre does business.
- Influencing the purchase of equipment or materials for the centre from a company in which the participant, the administrator or the director has a financial or other interest.
