

Conflict of Interest Guidelines

Adopted by the Board of Directors: June 26, 2012



PURPOSE

These Guidelines are designed to assist members of the Board of Directors, officers, and other persons involved with the Technology Evaluation in the Elderly Network (Canadian Frailty Network or CFN) to understand and comply with conflict of interest requirements applicable to CFN. These Guidelines are consistent with the Conflict of Interest Policy guidelines in Appendix A of the Networks of Centres of Excellence Program Guide.

BACKGROUND

Individuals who hold positions of trust in a corporation have a legal duty to act honestly and in good faith with a view to the best interests of the corporation. 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; and
- their duties to others or their own self-interest.

Under the common law (the law as developed through judicial decisions over time), the prohibition against conflicts of interest is applied strictly. Any contract or arrangement entered into by a corporation in which a director or officer has an interest is voidable by the corporation, regardless of whether or not the contract or arrangement is to the benefit of the corporation. Furthermore, a director or officer who has profited from such a contract or arrangement must account to the corporation for such profits.

CFN is a not-for-profit corporation organized under the *Canada Not-for-profit Corporations Act* (S.C. 2009, c. 23). Directors and officers of CFN are subject to the common law rules on conflicts of interest as set forth above. These rules are modified somewhat by the *Act*, which permits directors of CFN to have a conflict of interest provided that the director discloses the conflict and refrains from voting on the directors’ resolution approving the contract or arrangement at issue.

Members of the Board of Directors of CFN, officers and employees of CFN, members of CFN advisory committees and researchers are also subject to the CFN Conflict of Interest Policy (the “Policy”), an exhibit to the CFN Network Agreement. A copy of the Policy is attached as Schedule “A” to these Guidelines.

PROCEDURES

The procedures set out below are designed to assist individuals participating in TVN 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 CFN, each new Board member or officer shall review the Policy. Following such review, the new Board member or officer shall complete the TVN Conflict of Interest Declaration, a copy of which is attached hereto as Schedule “B” (the “Declaration”). In addition to the written Declaration, Board members shall declare their interests 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 the interests 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 CFN and researchers, upon first being awarded a grant by CFN, shall also submit to the TVN a completed Declaration. 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 CFN Audit and Finance Committee will review the Guidelines, the Policy and the form of Declaration 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.

