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## Conflict of Interest Policy Framework

### 1. Purpose and Background

For the objectives of the NCE program to be achieved, many kinds of interactions among individuals participating in the Canadian Glycomics Network (GlycoNet) must occur. Interactions between university researchers and the private sector are an essential feature of the NCE program. 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 GlycoNet. Such interactions, however, may place individuals participating in the Network in a position of potential, apparent or actual conflict of interest. For examples of conflict of interest, see Appendix A.

The responsibility for implementing and managing the Conflict of Interest Policy Framework, to ensure that GlycoNet operations and decisions are not biased by conflict of interest, is delegated to the GlycoNet Board of Directors, which represents the highest authority in the management structure of GlycoNet. The GlycoNet Board of Directors is accountable to the NCE Steering Committee for the effective implementation and management of the Conflict of Interest Policy Framework.

Individuals participating in GlycoNet, who do not receive Network funds (e.g., members of the Board of Directors and advisory committees) are recognized as playing a unique role in GlycoNet. They bring an important perspective as a result of their particular knowledge, often as representatives of organizations in the field of interest of GlycoNet. Nevertheless, they are still required to disclose any financial interest or position of influence, as described in Section 9.0 of this policy, in any business in the same area of interest as the Network, other than that of their main employer.

This Conflict of Interest Policy is intended to enable the GlycoNet Board of Directors and individuals to recognize and disclose situations that may be open to question and to ensure that such situations are appropriately resolved.

Under the common law (the law as developed through judicial decisions over time), the prohibition against conflicts of interest is applied strictly. Any contractor 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. GlycoNet is a not-for-profit corporation organized under the Canada Corporations Act. Directors and officers of GlycoNet are subject to the common law rules on conflicts of interest as set forth above. These rules are modified somewhat by the Canada Corporations Act, which permits directors of GlycoNet 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.

### 2. Definitions

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

**"Board"** means the Board of Directors of the Canadian Glycomics Network, which is responsible for the overall management of the administrative centre and is accountable to the NCE Steering Committee.

**"CEO"** means the Chief Executive Officer of the corporation who reports to the Board.

**"Conflict of interest"** means a situation where, to the detriment or potential detriment of GlycoNet, 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.

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

**"Financial interest"** means an interest in a business in the same area as GlycoNet as described below.

**"NCE Secretariat"** means the secretariat through which the federal Networks of Centres of Excellence (NCE) program and three other programs 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 NCE program.

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

### 3. Disclosure

Upon joining GlycoNet each individual is obliged to disclose in writing to the Board, through the CEO, any direct or indirect financial interests and/or positions of influence that could lead to a potential, apparent or actual conflict of interest (examples provided in Appendix A). In addition, these submissions must be updated annually or whenever the individual's circumstances change in a way that would necessitate a further disclosure. The individual also has the obligation to verbally disclose any potential, apparent or actual conflict of interest when it arises during GlycoNet committee or Board meetings so that the committee or Board is aware of the situation and can take appropriate action.

### 4. 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 potential for the individual or the company/institution the individual works for, to receive, more than \$5,000 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.

### 5. Management of Conflict of Interest

The Board, or an appointed 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 9.0 below. 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.

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.

A declaration of conflict of interest will be an agenda item for each meeting of the Board of Directors, Research and Management Committee and other committee meetings.

## 6. Principles

An individual participating in GlycoNet who is involved with, or has an interest in, or deals in any manner with a third party that might cause a conflict of interest, will not be present or participate, unless he or she is invited by the Chair, in any decisions pertaining to the Network, including committee decisions, if the declared potential conflict of interest could influence the decision or actions of GlycoNet. It is the obligation of the individual to declare verbally such potential, apparent, or actual conflict of interest before discussions take place so that the committee or Board is aware of the situation 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.

## 7. 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 GlycoNet 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 GlycoNet; **or**
- take appropriate action as determined by the Board.

## 8. Review Process

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

## 9. Procedures

The procedures set out below are designed to assist individuals participating in GlycoNet to comply with the GlycoNet Conflict of Interest Policy (the “Policy”).

### 9.1 Members of the Board and Officers

At the time of his or her appointment as a member of the Board or as an officer of GlycoNet, each individual shall review the Policy. Following such review, the new Board member or officer shall complete the GlycoNet Conflict of Interest Declaration, a copy of which is attached hereto as Appendix 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 and CEO 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 that may apply to them.

### 9.2 Staff, Researchers and Committee Members

Staff members and committee members, upon joining GlycoNet, and researchers, upon first being awarded a grant by GlycoNet, shall also submit to GlycoNet a completed Declaration. All such individuals shall be required to update their Declarations yearly, and to manage conflicts of interest, in accordance with the provisions of the Policy.

### 9.3 Monitoring

The GlycoNet Audit and Finance Committee will review the Guidelines, Policy, Procedures and the Declaration form annually and will submit to the Board for consideration any recommendations for changes or revisions by the Board at the meeting of the Board immediately preceding the Annual General Meeting.

## 10. History

- Approved by the Board of Directors on April 10, 2015.
- Updated and reviewed by the Finance and Audit Committee on October 28, 2020.
- Approved by the Board of Directors on November 23, 2020.

## **Appendix A – Examples of Conflict of Interest**

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

- being employed in any capacity by another employer outside the participant's, administrator's, or director's university, institution or company signing the Network 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 Governing Board
- participating in a research contract or consultancy relationship with a company or serving on the board of a company
- entering into a research 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 activities in accordance with the disclosure requirements of the participant's or director's employing organization
- owning equity or other financial participation in a corporation (including stock options and shares or performance based compensation) – 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 Network
- being considered for GlycoNet research funding
- accepting gifts (other than some minor hospitality) or special favours for themselves or a member of their family from private organizations with which the Network does business
- influencing the purchase of equipment or materials for the Network from a company in which the participant, the administrator or the director has a financial or other interest