

Conflict of Interest Policy for Directors of the CADTH Board

Applicability: This policy applies to all Directors of the CADTH Board.

Policy Purpose: This policy is intended as a guideline to ensure and maintain the high ethical standards and the reputation and integrity of CADTH.

Policy Statement: By describing the circumstances under which personal, occupational, professional or financial relationships or interests must be disclosed, this policy will facilitate the identification and resolution of conflicts of interest, preserving the objectivity and credibility of the organization.

Definitions:

A conflict of interest refers to a situation in which personal, occupational, professional or financial considerations, either direct or indirect, may affect or compromise, or appear to affect or compromise, an individual's objectivity, fairness or professional judgment in carrying out his/her duties as a Director of the Board.

A conflict of interest may be real, potential or perceived in nature.

- a) A real conflict of interest arises where a Director has a personal, occupational, professional or financial relationship, or interest, such as a close family connection, which may affect or compromise his/her role.
- b) A potential conflict of interest may arise when a Director can foresee that a private or personal interest may someday be sufficient to influence his/her role at CADTH, but has not yet (for example, an identified future commitment).
- c) A perceived or apparent conflict of interest may exist in situations where a reasonable, well-informed person could reasonably believe that a conflict of interest exists, even if, in fact, there is no conflict.

Examples of conflicts of interest are presented in Appendix 1.

Description:

Directors shall act at all times in the best interests of the Corporation rather than in the interests of particular constituencies. This means putting the interests of the Corporation ahead of any personal interest or the interest of any other person or entity (such as an employer, for example).

Upon election to the Board, and during his/her term of office, each Director must disclose any conflict of interest as soon as the issue arises and before the Board or its committees deal with the matter at issue. Directors will be reminded to disclose any conflict of interest at the commencement of every meeting of the Board.

If the Director is not certain whether he or she is in a conflict of interest position, the matter should be brought before the Chair of the Board or the Board for advice and guidance. If there is any question or doubt about the existence of a conflict, the Board will determine by majority vote if a conflict exists. The Director potentially in conflict of interest shall be absent from the discussion (but shall be counted in the quorum) and shall not vote on the issue.

It is the responsibility of other Directors who are aware of a conflict of interest on the part of a fellow Director to raise the issue for clarification, first with the Director in question and, if still unresolved, with the Chair of the Board.

The Director must abstain from participation in any discussion on the matter, shall not attempt to personally influence the outcome, shall refrain from voting on the matter and, unless otherwise decided by the Board, must leave the meeting room for the duration of any such discussion or vote. The disclosure and decision as to whether a conflict exists shall be duly recorded in the minutes of the meeting. The time the Director left and returned to the meeting shall also be recorded.

Date Introduced: June 2014

Date Last Reviewed: September 2015

Date of Next Scheduled Review: 2018

Related Materials:

- CADTH By-laws (see section 2.06)
- CADTH Board Charter (see section 12)
- CADTH Board Mutual Commitments on Conduct

Appendix 1: Examples of Conflict of Interest on the Part of a Director

The following examples constitute Conflicts of Interest:

- a) Any circumstance that may result in a personal or financial benefit to a Director or his/her family, business associate or friend. This includes, but is not limited to, accepting any payment for services rendered to the Corporation other than reimbursement of expenses of a Director; or accessing financial or other resources, such as transportation, training costs, supplies, etc., for personal use.
- b) Personal interests which conflict with the interests of Members of the Corporation or are otherwise adverse to the interests of the Corporation.
- c) Seeking, accepting or receiving any personal benefit from a supplier, vendor or any individual or organization doing or seeking business with the Corporation.
- d) Being a member of the board or staff of another Person which might have material interests that conflict with the interests of the Corporation or its Members; and, dealing with matters on one board which might materially affect the other board.
- e) Any involvement in the hiring, supervision, grievance, evaluation, promotion, remuneration or firing of a family member, business associate, or friend of the Director.

Appendix 2: CADTH Board of Directors Conflict of Interest Disclosure Form

I have read and understood the Conflict of Interest (COI) policy and I agree to be bound by the obligations contained therein. I understand that it is my responsibility to report any real, potential or perceived conflicts of interest as defined in the policy.

I hereby certify that I have disclosed all relevant information with respect to any matter that may place me in a real, potential or perceived conflict of interest situation.

I undertake and promise to inform the Board of any change in circumstances that may create a conflict of interest as soon as it is known to me.

Name (please print)

Signature

Date