

Ethics Policy

I. Application

This policy applies to all directors, officers, committee members, employees or contractors of OERA (also referred to herein as “the Association”).

II. Guiding Principles

The OERA wishes to fulfill its mission with integrity and to the high ethical standard defined in this policy. The integrity of the organization’s decision-making could be compromised by a real, potential or perceived conflict of interest on the part of any of its directors, officers, committee members, employees or contractors. Trust and confidence in the board of directors and the organization can only be sustained if conflicts of interest are identified, disclosed and resolved in an appropriate manner. Conflicts of interest that arise between an individual and the OERA shall be resolved in accordance with this policy.

It is clearly understood that there is an inherent community of interest in research and that the members of the Association have an interest collectively as well as individually in the granting of research funds and project funds in meeting the aims of the Association.

III. Applicable Laws and Acts

The Association is required to comply with the requirements of the *Canada Corporations Act*, R.S.C. 1970, c. C 32 as from time to time amended (“the Act”) with respect to conflict of interest. The relevant excerpts of the Act are found in Appendix A. Section 35 of the Association by-laws states:

Each director and officer shall declare in writing to the corporation, his/her interest in any contract or transaction or proposed contract or transaction with the corporation. **In the case of a director, the required declaration shall be made at the time and in the manner required by the Act.** Except as permitted by the *Act*, the director shall not be entitled to vote in respect of any contract or transaction or proposed contract or transaction in which he is so interested and if he does so vote, his vote shall not be counted. **A conflict of interest shall not be assumed simply because a director is an employee of an organization for which the Research Advisory Committee is recommending be granted funds for research work.** (Emphasis added.)

The intent of this policy is to establish ethical standards that are consistent with the Act and the by-laws and statutes, as well as certain additional standards and guidelines with respect to ethical decisions made.

IV. Definitions

A conflict of interest is:

- any situation in which an individual’s private or personal interests may be incompatible, or may be reasonably perceived to influence, the exercise of their duties and responsibilities as a director, officer, committee member or employee of the Association.

- any situation where the involvement of an individual in another organization may be incompatible with, or may be reasonably perceived to influence, the exercise of their duties and responsibilities as a director, officer, committee member or employee of the Association.

A conflict of interest can be:

- of a monetary or economic nature (gain or avoidance of loss), or
- non-economic interests or benefits that may serve political, corporate or institutional interests of an individual or another organization in which the individual has an interest

A conflict of interest can also be:

- direct – where an individual benefits directly (whether financially or otherwise) or
- indirect – where an individual derives an indirect benefit through family relationships

Finally, this policy includes a conflict of interest that is:

- real - an interest that is incompatible with their duties and responsibilities
- potential - an interest that could give rise to a real conflict depending upon how the situation unfolds (e.g. an organization issues an RFP for professional services; if a director is a partner in a firm that is considering responding, he/she has a potential conflict; if the firm does not respond, there is no conflict), or
- perceived - an interest that may be reasonably perceived to influence their duties and responsibilities.

A conflict of interest does not exist where:

- the interest is so remote or insignificant that it cannot reasonably be regarded as likely to influence the individual, or where a pecuniary interest is in common with a broad group of which the director is a member

V. Granting Process and Structure

(a) Role of the Board of Directors

Section 25 of the bylaws provides that the board of directors, through workshops or conferences and consultation with appropriate experts, will:

- establish the strategic directions and priorities for research activities to be funded by the Association and
- communicate these plans and priorities to the research community and the Research Advisory Committee.

The board of directors will:

- receive recommendations in relation to the scientific merit and fit of the Research Proposals with these priorities from the Research Advisory Committee and
- approve such recommendations or reject them in whole, or return the matter for further consideration and recommendation of the Research Advisory Committee.

b) Role of the Research Advisory Committee

The Research Advisory Committee (RAC), as a standing advisory committee appointed by the Board of Directors, will:

- (a) provide recommendations on scientific merit and priorities as outlined in section 25 (above);
- (b) monitor the progress of OERA-funded research by identifying criteria and process for reviewing progress reports and conducting reviews of those reports; and
- (c) make recommendations to the board of directors for adjustments to the Research Proposals funded by the OERA including adding projects, terminating projects, allocating and adjusting funds and budgets.

The work of the RAC may be supported by (a) volunteer technical assistance committees established by the RAC and/or (b) contracted external technical academic evaluations commissioned by the Association. For greater certainty, this policy applies to those who support the work of the RAC in this manner.

VI. Confidentiality

The Association is committed to the principles of openness and transparency in its governance and will adhere to the standards established under applicable privacy legislation.

The Association's process for divulging information will take into account the integrity of the grant review process and the personal, private or confidential commercial information contained in applications for funding. Therefore, all information contained in applications, reviews and committee discussions is strictly confidential. Applications and all related information supplied by an applicant are deemed to be the personal, private or confidential commercial information of the applicant.

Premature disclosure of decisions is inappropriate and potentially damaging to the decision making process, and as such the Association's directors, officers, employees, committee members, volunteers or contractors are prohibited from:

- (a) providing information before, during and after the review regarding their deliberations or recommendations to anyone outside the review process, and
- (b) discussing with applicants any information relating to the review of a specific application or offer opinions on the chances of success or failure.

Once a research contract has been awarded by the Association, the terms of said research contract will be publicly available and will be posted on the Association's website.

With respect to other information, the Province's Freedom of Information and Protection of Privacy Act will be used as guidance when making decisions on whether to release the information.

VII. Conflict of Interest Guidelines

The Association must make every effort to ensure not only that its decisions are fair and objective, but also that they are seen to be. No individuals with a conflict of interest as defined in this policy may participate in the review of an application or decisions regarding the granting of research funds except as specifically outlined in this policy. Therefore, individuals who have an application, either as an individual or as a member of another organization, before the RAC (or its Technical Advisory Committees or like sub-

delegates), Board of Directors or other relevant committee shall limit their participation in meetings in manner set out in the Procedures section below.

In order to provide greater clarity in interpreting the general principles outlined in this policy, the following examples are given where an individual must declare a conflict of interest and also leave the room when an application for funding is being considered:

Note the circumstances listed below are not exhaustive and are intended to simply provide further guidance.

- Has been, or would be, directly involved in the project (e.g. as a current or past advisory board member, consultant, collaborator, or conference speakers whose expenses would be paid from the grant),
- Has collaborated academically or in research matters, published or been a co-applicant with the applicant, within the last five years,
- Serves as an officer, director, member, owner, trustee, expert, advisor, consultant (with or without compensation), or employee of an applicant or other organization that would be affected financially by his or her decision,
- Is employed by the same institution or organization as the applicant or was employed there within the past year, (*although not considered a conflict of interest, directors in these circumstances are expected to withdraw from any discussion/decision regarding an application from his/her organization),
- Is or has been under consideration for a position at the applicant's organization or institution within the last two years,
- Has served as an officer, director, member, owner, trustee, expert, advisor, consultant (with or without compensation), or employee with the applicant's organization within the past year,
- His/her organization has members or closely affiliated officials (e.g. board of trustee members) who serve as an officer, director, member, owner, trustee, expert, advisor, consultant (with or without compensation), or employee with the applicant's organization or institution,
- Has been a student, advisor or supervisor of the applicant or other key personnel identified in the application within the last ten years,
- Is a close personal friend or relative of the applicant,
- Has had long-standing scientific or personal differences with the applicant,
- Has immediate family or household members who are in a position to gain or lose financially from the outcome of the application (e.g. hold stock in the company of an industry partner or a competitor),
- Has a proposal planned for submission to the Association or currently under review by the Association within the same subject area as the proposed project,
- Is currently involved in a project closely associated with the proposed project,
- For some other reason feel that they cannot provide an objective review of the application,

Other circumstances (beyond those itemized in the guidelines above) may give rise to actual, potential or perceived conflicts of interest. If an individual has concerns about whether or not a situation presents a conflict of interest, he/she should consult the Chair of the RAC or the Board Chair, as the case may be, who will help to determine whether or not particular circumstances give rise to a conflict of interest.

In the event that the issue cannot be resolved by the RAC Chair or the Board Chair respectively, the question of whether or not particular circumstances present a conflict of interest will be referred to the board of directors for determination via majority resolution. In the event that an actual, potential or

perceived conflict of interest is found to exist, the procedures for disclosure and withdrawal outlined in the Procedures section of this policy will apply.

VIII. Procedures

- (a) At the start of any meeting, the Chair (committee chair or board chair, as the case may be) poll the directors, officers, employees and committee members on whether or not they have any conflicts of interest. The results of that poll will be recorded in the minutes of the meeting. If an individual finds that a conflict of interest becomes apparent only as the meeting progresses, the nature of the conflict should be declared as soon as practicable to the Chair.
- (b) Contractors are to disclose conflicts to the Association's Secretary-Treasurer and/or the Board Chair who will in turn bring the declaration to the attention of the board of directors.
- (c) Except as set out in section (e) when a director or a member of the Research Advisory Committee or any of its Technical Advisory Committees is asked to decide or advise on the granting of funds for a project or program of research proposed by an individual or group within an organization with which they are a member they are required to withdraw from discussion and refrain from voting.
- (d) An individual with a declared conflict of interest will be required to withdraw from the meeting for the discussion and vote of the application or matter giving rise to the conflict.
- (e) In the event that, despite a real, potential or perceived conflict, it is felt to be essential that an individual with a declared conflict of interest must participate in a discussion (e.g. where the individual is the only available source of expertise needed to inform the decision-making process), that person may be permitted to participate in the discussion of the application or matter giving rise to the conflict. The individual in question should participate to the minimal extent required, and in any event shall not vote on the application or other matter being discussed. This option only applies where the individual does not plan to work on the project under consideration. Where such an exception is made, it must solely be on the grounds that the value to the quality and integrity of the application review process of the individual in question may be deemed to outweigh any residual suggestion of conflict arising from the declared conflict of interest.
- (f) Notwithstanding any of the above, an individual may voluntarily choose to withdraw from the discussion of a proposal at any time if s/he wishes to do so. This may arise for a number of reasons as discussion of the proposal develops. The meeting secretary should record in the minutes the point at which an individual ceases to take part in the discussion and leaves the meeting.
- (g) If there is any doubt about whether the decision to remain involved is defensible to a reasonable member of the public then the individual should absent themselves or be asked by the Chair to leave the meeting.
- (h) Following the conclusion of any review of applications by the RAC, the Committee Chair shall report to the board of directors the number of conflict of interest issues which were identified and a summary of how they were dealt with by the Committee.

IX. Consequences

Where a breach of this conflict of interest occurs, decisions may be called into question and the actions of those involved subject to further scrutiny. Disciplinary action, requests for resignation and prohibition against future involvement with the Association are among the potential consequences for individuals who contravene this policy.

Appendix A – Canada Corporations Act

Conflict of Interest

98. (1) Subject to this section, it is the duty of a director of a company who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the company to declare his interest at a meeting of directors of the company.

(2) In the case of a proposed contract the declaration required by this section to be made by a director shall be made at the meeting of directors at which the question of entering into the contract is first taken into consideration, or, if the director is not at the date of that meeting interested in the proposed contract, at the next meeting of the directors held after he becomes so interested, and, in a case where the director becomes interested in a contract after it is made, the declaration shall be made at the first meeting of directors held after the director becomes so interested.

(3) For the purposes of this section, a general notice given to the directors of a company by a director to the effect that he is a shareholder of or otherwise interested in any other company or is a member of a specified firm and is to be regarded as interested in any contract made with such other company or firm shall be deemed to be a sufficient declaration of interest in relation to any contract so made.

(4) No director shall vote in respect of any contract or proposed contract in which he is so interested as aforesaid and if he does so vote his vote shall not be counted, but this prohibition does not apply

(a) in the case of any contract by or on behalf of the company to give to the directors or any of them security for advances or by way of indemnity,

(b) in the case of a private company, where there is no quorum of directors in office who are not so interested, or

(c) in the case of any contract between the company and any other company where the interest of the director in the last-mentioned company consists solely in his being a director or officer of such last-mentioned company, and the holder of not more than the number of shares in such last-mentioned company requisite to qualify him as a director.

(5) A director who has made a declaration of his interest in a contract or proposed contract in compliance with this section and has not voted in respect of such contract contrary to the prohibition contained in subsection (4), if such prohibition applies, is not accountable to the company or any of its shareholders or creditors by reason only of such director holding that office or of the fiduciary relationship thereby established for any profit realized by such contract.

(6) For the purposes of this section “contract” includes “arrangement” and “meeting of directors” includes a meeting of an executive committee elected in accordance with section 96.

(7) Nothing in this section imposes any liability upon a director in respect of the profit realized by any contract that has been confirmed by the vote of shareholders of the company at a special general meeting called for that purpose.

(Emphasis added.)