



Réseau de recherche sur les données de santé du Canada  
Health Data Research Network Canada

# HDRN Canada Conflict of Interest Policy



## Purpose

All Directors have a duty to ensure that the trust and confidence of the public in the integrity of the decision-making processes of the Board of Directors (the “Board”) is maintained by ensuring that they and other Members of the Board are free from perceived or real conflict in their decision-making. This policy is intended to assist all Directors in understanding their obligations when a potential, perceived or real conflicting interest arises.

## Application

This policy applies to Members of the Board and Board Committees.

## Policy

Directors owe the Corporation a fiduciary duty to act solely in the best interests of the Corporation. Directors and Members of the Board and its Committees who are not Directors shall avoid situations in which they may be in a position of conflict of interest. Section 11.04 of the Bylaws contains provisions with respect to conflict of interest that must be strictly adhered to. In addition to the Bylaws, the process set out in this policy shall be followed when a real or perceived conflict arises. This Conflict of Interest Policy will be reviewed with Members annually to record any relevant changes requiring disclosure.

### *Description of Conflict of Interest*

A conflict of interest exists when a person is involved in multiple interests, one of which could possibly impact the motivation or decision-making on matters involving the Board or Corporation, irrespective of whether the individual has been influenced by this secondary interest. As such perceived and real conflicts are all considered to be relevant for disclosure by individual Board and Board Committee Members.

In cases where a Director is unsure whether there is potential, perceived or real conflict of interest, they should consult the Chair, or the Vice-Chair in cases where the Chair cannot make a decision regarding the potential for conflict, and the Chair (or Vice-Chair) will make a decision regarding whether the Director has real or perceived conflict.

The situations in which a conflict of interest may arise cannot be exhaustively set out. Conflicts generally arise in the following situations:

**Interest of a Director – ‘wearing two hats’:** When a Director, or a party of which the Director is a principal, officer or representative, transacts business with the Corporation directly or indirectly, or when a Director has a significant direct or indirect interest in a transaction or contract with the Corporation.

**Interest of a Relative:** When the Corporation conducts business with any party of which a relative or Member of the household of a Director is a principal, officer, or representative.



**Gifts:** When a Director or a Member of the Director's household or any other person or entity designated by the Director, accepts gifts, credits, payments, services, or anything else of more than nominal value, from a party with whom the Corporation may transact business (including a supplier of goods or services) for the purposes of (or that may be perceived to be for the purposes of) influencing an act or decision of the Board.

**Acting for an Improper Purpose: When** Directors exercise their powers motivated by self-interest or some other improper purposes. Directors must act in the best interest of the Corporation.

**Appropriation of Corporate Opportunity:** When a Director diverts to his or her own use an opportunity or advantage that belongs to the Corporation.

**Duty to Disclose Information of Value to the Corporation:** When Directors fail to disclose information that is relevant to a vital aspect of the Corporation's affairs.

**Access to Insider Information:** When, to obtain a benefit for himself or herself, a Director offers or is perceived to offer access to information for the benefit of another individual or organization.

**Serving on other Corporations:** A Director who is a Director of Corporation that competes or transacts business with the Corporation may be in a conflict when related matters are considered by either Board.

#### *Absent from Discussion*

A Director shall not be present during the discussion of the matter in which he or she knowingly has a real or perceived conflict and will not be counted in the quorum concerning any resolution or vote relating to the matter. In accordance with the Bylaws, if quorum is present at the opening of a meeting, the meeting may proceed even if quorum is not present throughout the meeting, including if this results from the absence of a Director due to a conflict.

The absence and return of the Director will be noted in the meeting minutes. The Director shall not vote on the matter nor attempt to influence the voting on the matter in any way, and will not be involved in negotiations or other discussions on behalf of the Corporation concerning the matter.

#### *Exceptions*

No Director shall be considered to be directly or indirectly interested in any matter before the Board or a Committee of the Board where the interest of the Director is held in common with a broad group of other Directors.



## Process for Disclosure of Conflicts and Addressing Breaches of Duty

### *Disclosure of Conflicts*

On an annual basis, Board and Board Committee Members will be required to review this policy and declare any conflicts of interest arising which will be included, along with the nature of the conflict, in the Corporate records. Conflicts of interest will also be a standing agenda item at all Board and Board Committee Meetings. Every declaration of a conflict of interest arising at a meeting of the Board or Committee of the Board will be recorded in the minutes of the meeting, along with the nature of the conflict.

A Director who is in a position of perceived or real conflict shall immediately disclose such conflict to the Board by notification to the Chair or Vice-Chair of the Board in writing or by disclosure that is entered in the minutes. The disclosure shall sufficiently include the nature and extent of the Director's interest, and shall be made at the earliest possible time and before any discussion and vote on the matter.

### *Addressing Breaches of Duty*

All Directors shall comply with the requirements of the Corporation's Bylaws and Board policies. It is acknowledged that not all potential, perceived or real conflicts may be resolved solely through compliance with the Bylaws and Board policies. There may be cases where a potential or perceived conflict of interest or breach of duty may be harmful to the Corporation even when there has been compliance with the Bylaws and Board policies. A Director may be referred to the process outlined below in any of the following circumstances:

#### a) Circumstances for Referral

Where any Director believes that s/he or another Director:

- i. has breached his or her duties to the Corporation; or
- ii. is in a position where there is a potential breach of duty to the Corporation; or
- iii. is in a situation of potential, perceived or real conflict of interest; or
- iv. has behaved or is likely to behave in a manner that is not consistent with the highest standards of public trust and integrity and such behaviour may have an adverse impact on the Corporation.

#### b) Process for Resolution

The following process will apply:

- i. the matter will be referred to the Chair, or where the issue may involve the Chair, to the Vice-Chair;
- ii. the Chair (or Vice-Chair as the case may be) may attempt to resolve the matter informally;
- iii. if the matter cannot be informally resolved to the satisfaction of the Chair (or Vice-Chair as appropriate), the Director referring the matter and the Director



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involved, then the Chair shall refer the matter to: (i) an existing Board Committee; or (ii) an ad hoc Committee of the Board established by the Chair (or Vice-Chair as the case may be) which shall report to the Board.

If a conflict cannot be resolved to Board's satisfaction (by Board Resolution) or if a breach of duty has occurred, a Director may be asked to resign or may be subject to removal pursuant to the Bylaws and the Not-for-Profit Corporations Act.

Amendment: The Board may amend this policy.

Last Review:

Approval Date: May 28, 2020

Last Revision: