

## **Conflict of Interest Policy for Peterborough Region Angel Network Directors, Officers, Staff and Members**

### **Purpose of This Policy**

Peterborough Region Angel Network is a non-profit corporation incorporated January 8<sup>th</sup>, 2008. It is supported by The Angel Network Program (ANP), a competitive program supported by the Government of Ontario to make grants to non-profit corporations operating as Angel investor groups, whose members may choose to invest private capital in early-stage companies that apply and present to these groups.

Trust and confidence of all stakeholders and the public at large can only be maintained through adequate and appropriate disclosure and management of potential (and usually unavoidable) conflicts of interest and conflicts of commitment.

Furthermore, the Angel group is committed to the principle of fair and objective review of all applications according to the established criteria. The purpose of this Policy is, therefore, to set out the standard of conduct expected of the Angel group's personnel and members with respect to funding decisions.

### **Scope of This Policy**

This conflict of interest policy is intended to be broadly construed and to apply to all parties (hereinafter referred to as the Angel group's personnel) rendering executive, staff or administrative services (as employees or as non-employee contractors) to the Angel group, all committee members (external or internal), all directors and officers of the Angel group, and all members of the group, with consideration of the distinguishing circumstances of each set of persons affected by this policy.

### **Definition of Conflicts of Interest & Commitment**

Conflicts of interest ("COI"s) are real, perceived, apparent or potential situations, in which the judgments and subsequent actions of individuals or other entities could be affected, because of multiple and/or competing interests or personal or business relationships. These interests and relationships can potentially instil a bias that would interfere with objectivity in the operation of the corporation, in evaluation of a grant application, making granting decisions, and in the reporting or administration of any program.

Conflicts of commitment refer to the instances in which other obligations - personal or external - interfere with the ability of a person to carry out his or her duties or obligations to the Angel group in an effective manner.

Related persons shall be defined as set forth by subsection 251(2) of the Income Tax Act, which is appended.

### **Expectations of the Angel Group's Personnel**

The Angel group's personnel are expected to provide objective, high quality assessments of applications by entrepreneurs to pitch members, as well as of other potential contractors bidding to provide services. They must:

- Adhere to the safeguards provided by funding bodies (including the Procurement Directive of the Ministry of Research and Innovation) to ensure that financial and other interests do not compromise their assessment of contract bids and entrepreneurs' materials (including Expressions of Interest and Funding Applications), and
- Meet the highest standards of ethical behaviour, integrity and professionalism, recognizing that the investment of public funds to develop Angel groups rests on their advice.

### **Duty of Disclosure**

All of the Angel group's personnel are required to disclose any actual or potential conflicts of interest. Where the conflict arises disclosure shall be to the chair of the Board of Directors. Where the Chair must provide disclosure, another member of the Board of Directors shall receive it.

Should the member be uncertain whether there exists a conflict of interest requiring disqualification, he/she shall declare his/her interest in the matter, question or issue, and shall be governed by the decision of a majority of the Board of Directors voting whether he/she shall be disqualified from further participation.

### **Mitigating Conflicts of Interest or Commitment**

If a conflict of interest or commitment is determined to exist because of an incompatible financial or personal interest existing on a matter, the individual must recuse himself/herself from that matter or seek advice from the above-noted recipients of disclosure. The recusal must be absolute, that is, the individual must have no involvement with the matter from which he or she has recused himself or herself.

### **Confidentiality and Non-Disclosure**

Contract bids and applications for funding under review are to be treated as confidential information. Documentation provided to the Angel group's personnel must be used only for the purpose of assessing any application or bid; it must not be used for any other purpose or discussed with or disclosed to others. Use of ideas or unique methods obtained from an application under review is strictly prohibited.

While in possession of the Angel group's personnel, contract bids and funding application documents must be:

- Stored in a secure manner to prevent unauthorized access;
- Transmitted using secure techniques; and
- Destroyed in a secure manner when no longer needed (e.g., by shredding the hard copies and deleting electronic data files).

### **Enforcement of This Policy**

Where it becomes apparent that any of the Angel group's personnel have not declared a conflict of interest or commitment in any case, the Chair of the Board (or secondarily the Chair of the Screening Committee), may:

- Investigate the matter and report to the Angel group's Board with their findings and recommendations;
- Request the member refrain from participating in the Angel group pending the investigative report;
- Request the member resign from the Angel group;
- Take whatever legal or administrative steps are appropriate in the circumstances to remedy the conflict of interest.

### **Confirmation of This Policy**

This Policy shall be prominently displayed and made available in such corporate communications as the website and the membership or staff onboarding package.

The undersigned confirms reading the Angel group's Conflict of Interest Policy including the information on the need for disclosure of potential conflict of interest and the requirements to ensure the confidentiality with respect to bid or funding application information, and fully complies with these requirements.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

### **Appendix - Definition of related persons**

Related persons are defined in *Subsection 251(2)* of the *Income Tax Act* as:

- a. Individuals connected by blood relationship, marriage or common-law partnership or adoption;
- b. A corporation and:
  - i. a person who controls the corporation, if it is controlled by one person,
  - ii. a person who is a member of a related group that controls the corporation, or
  - iii. any person related to a person described in subparagraph 251(2)(b)(i) or 251(2)(b)(ii); and
- c. Any two corporations:
  - i. if they are controlled by the same person or group of persons,
  - ii. if each of the corporations is controlled by one person and the person who controls one of the corporations is related to the person who controls the other corporation,
  - iii. if one of the corporations is controlled by one person and that person is related to any member of a related group that controls the other corporation,
  - iv. if one of the corporations is controlled by one person and that person is related to each member of an unrelated group that controls the other corporation,
  - v. If any member of a related group that controls one of the corporations is related to each member of an unrelated group that controls the other corporation, or
  - vi. If each member of an unrelated group that controls one of the corporations is related to at least one member of an unrelated group that controls the other corporation.