

Policy Direction: Conflict of Interest for All Directors and Officers and Members of Board Standing Committees

I Rationale and Relationship to Mission, Principles and Values

The Multiple Sclerosis Society of Canada (MS Society) is a highly respected and well-known organization throughout Canada. In order to maintain the high level of public support and respect that it enjoys, it is essential that the affairs and business of the MS Society be conducted professionally, objectively and without interference, or the appearance of interference, arising from personal interests of the individuals involved in making decisions for the organization.

In order to achieve that goal, the MS Society requires that all Directors, Officers and Members of MS Society board standing committees refrain from placing themselves in a position that could foreseeably produce a conflict of interest or the perception of a conflict of interest or which could potentially give rise to a conflict of interest between their own self-interest and the best interests of the MS Society.

II Policy Objective

The objective of the Conflict of Interest Policy Direction is to provide a process to prevent conflict of interest or the perception of a conflict of interest among Directors, Officers and Members of MS Society board standing committees while they carry out their activities on behalf of the MS Society.

Before assuming or resuming, as the case may be, their duties and responsibilities for the MS Society, Directors, Officers and Members of board standing committees shall sign a copy of this document, acknowledging their knowledge and understanding of the Conflict of Interest Policy Direction of the MS Society.

III Application of the Policy Direction

This policy direction applies to all national, division and chapter Directors, Officers and Members of board standing committees.

IV Authorization

The policy was first approved by the board of directors of the MS Society of Canada on September 16, 2010.

Policy Details

V Definition and Reporting of a Conflict of Interest

1. A conflict of interest includes the perception of a conflict of interest and a potential conflict of interest and exists where a Director or Officer or Member of a board standing committee:
 - a) is a party to a contract or transaction or proposed contract or transaction with the MS Society; or
 - b) is a director or an officer of, or has a material interest in, any Person who is a party to a contact or transaction or proposed contract or transaction with the MS Society; or
 - c) whose spouse or close family member is such a party, director or officer of or holder of a material interest in any Person who is a party to a contract or transaction or proposed contract or transaction with the MS Society, as the case may be.

In the case of the existence of such a conflict of interest, the Director or Officer or Member of a board standing committee shall disclose in writing to the Board or board standing committee or request to have entered in the minutes of meetings of the Directors or the board standing committee the nature and extent of his or her interest or that of his or her spouse or that of his or her close family member.

2. The disclosure required by subclause V(1) shall be made, in the case of a Director:
 - a) at the meeting of the Board at which the proposed contract or transaction is first considered;
 - b) if the Director or Director's spouse or Director's close family member was not then interested in a proposed contract or transaction, at the first meeting of the Board after he or she becomes so interested;
 - c) if the Director or Director's spouse or Director's close family member becomes interested after a contract is made or a transaction is entered into, at the first meeting of the board after he or she became so interested; or

- d) if an individual who is interested in a contract or transaction later becomes a Director, at the first meeting of the Board after he or she becomes a Director.
3. The disclosure required by subclause V (1) shall be made, in the case of an Officer:
- a) forthwith after he or she becomes aware that the contract or transaction or proposed contract or transaction is to be considered at a meeting of the Board;
 - b) if the Officer or Officer's spouse or Officer's close family member becomes interested after a contract is made or a transaction is entered into, forthwith after he or she becomes so interested;
 - c) if an individual who is interested in a contract or transaction later becomes an Officer, forthwith after he or she becomes an Officer.
4. The disclosure required by subclause V (1) shall be made, in the case of a Member of a board standing committee:
- a) forthwith after he or she becomes aware that the contract or transaction or proposed contract or transaction is to be considered at a meeting of the Board or board standing committee;
 - b) if the Member of a board standing committee or Member of a board standing committee's spouse or Member of a board standing committee's close family member becomes interested after a contract is made or a transaction is entered into, forthwith after he or she becomes so interested;
 - c) if an individual who is interested in a contract or transaction later becomes a Member of a board standing committee forthwith after he or she becomes a Member of a board standing committee.
5. Notwithstanding subclauses V(2), V(3) and V(4), where subclause V(1) applies to a Director or Officer or Member of a board standing committee in respect of a contract or transaction or proposed contract or transaction that, in the ordinary course of the Board's business, would not require approval of the Directors, the Director or Officer or Member of a board standing committee shall disclose in writing to the Board or to the board standing committee or request to have entered in the minutes of the meetings of the Directors or board standing committee. The nature and extent of his or her interest or that of his or her spouse or that of his or her close family member, forthwith after the Director or Officer or Member

of a board standing committee becomes aware of the contract or transaction or proposed contract or transaction.

6. For the purposes of this clause, a general notice to the Directors or Members of a board standing committee by a Director or Officer or Member of a board standing committee disclosing that he or she or his or her spouse or his or her close family member is a director or officer of or has a material interest in a Person and is regarded as interested in any contract made or transaction entered into with that Person is a sufficient disclosure of interest in relation to any contract so made or transaction entered into.

VI Prohibition of Voting and Recusal from Decision-Making

1. A Director referred to in subclause V (1) shall not vote on any resolution to approve the contract or transaction.
2. An Officer referred to in subclause V (1) shall not approve the contract or transaction.
3. A Member of a board standing committee referred to in subclause V (1) shall not vote on any resolution to recommend for approval the contract or transaction.
4. A Director, Officer or Member of a board standing committee referred to in subclause V(1) shall not participate or be permitted to hear the board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such individual shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

VII Effect of the Disclosure of a Conflict of Interest

1. Where a contract is made or a transaction entered into between the MS Society and one or more Directors or Officers or Member of a board standing committee or one or more of their spouses or close family members, or between the Board and another Person of which the Director or Officer or Member of a board standing committee or a spouse or close family member of such Director or Officer or Member of a board standing committee is a director or officer or in which he or she has a material interest, the director or officer is not accountable to the MS Society or any of its shareholders or creditors for any profit or gain realized from the contract or transaction by reason only of that relationship or by reason only that the Director is present at or is counted to determine the presence of a quorum at the meeting of Directors that authorized the contract or transaction, provided that:

- a) the Director or Officer or Member of a board standing committee disclosed his or her interest in accordance with subclauses V(2), V(3), V(4) or V(5) as the case may be, and did not vote in respect of such contract or transaction.
 - b) the contract or transaction was approved by Directors; and
 - c) it was reasonable and fair to the MS Society at the time it was so approved.
2. Where one or more Directors or Officers or Member of a board standing committee knowingly fails to disclose a material interest in accordance with subclauses V(2), V(3), V(4) or V(5), the MS Society reserves all rights it may have a law to have any contract made or transaction entered into revoked or rescinded.

VIII Miscellaneous Issues

1. No Director or Officer or Member of a board standing committee shall accept transfers of economic benefit from any person or organization which has or seeks to have a business relationship with the MS Society other than incidental gifts with a value of less than \$100, customary hospitality, or other benefits of nominal value. All gifts above the value of \$100 require approval of the Board in order to be accepted by the individual.
2. No Director or Officer or Member of a board standing committee, his or her spouse or his or her close family member shall knowingly take advantage of or use to their benefit any information not generally available to the public and which is obtained in the course of their duties and responsibilities for the MS Society.
3. No Director or Officer or Member of a board standing committee, his or her spouse or his or her close family member shall disclose confidential information obtained by them through the course of their duties and responsibilities for the MS Society.
4. All Directors, Officers and Members of board standing committees of the MS Society shall receive a copy of this policy direction and shall acknowledge their receipt and their understanding of this policy by signing a copy of the Acknowledgement Form.

IX Executive Champion

The MS Society president and chief executive officer (CEO) is the executive champion for the conflict of interest policy direction.

X Monitoring and Compliance

The president and chief executive officer is responsible for leading the monitoring of the application and compliance of this policy direction and any related procedures in conjunction with other members of the Executive Team. On a quarterly basis, Executive Team members must acknowledge compliance with this policy direction and the related procedures.

XI Related Policies, Legislation

Other MS Society policies that complement and support this policy direction include: Privacy and Confidentiality Policy and Pharmaceutical and Medically-Related Products Industry Policy.

XII Policy Review

The policy direction is to be reviewed at a minimum every five years following approval on September 16, 2010. Policy last amended and approved by MS Society Board on February 26, 2015.

Definitions:

Board – means the national, division and chapter boards of the MS Society.

Director – means a member of the Board.

Officer – means a person designated to perform an official function of the Board who is not a member of the Board. It includes the following positions: Executive-level staff (the CEO, the Vice-Presidents and Assistant Vice-Presidents accountable directly and indirectly to the CEO, and the Divisional Presidents) and Regional Directors.

Person – includes an individual, partnership, association, body corporate, trust, estate, or other entity.

Standing committee – means permanent committees that are created by a national, division or chapter board.

Executive Team – The most senior level of staff leadership within the MS Society comprised of the president and chief executive officer, division

presidents, chief financial officer, chief development officer, national vice-presidents of talent, research, programs and services, government relations, information technology. One person may hold more than one position. The president & chief executive officer may alter the composition of the Executive Team as required from time-to-time.