

## LiRN Inc. Board of Directors' Conflict of Interest Policy

Adopted by the Board of Directors: April 5, 2022

### Purpose

1. LiRN values the perspectives that members of the Board of Directors bring. This Conflict of Interest Policy identifies some of the types of conflicts that may arise and sets out a process for identifying and addressing such conflicts.

### Policy

#### Definitions

2. A "Conflict of Interest" is an interest that would be likely to affect, or may be reasonably perceived by others to affect, a Director's judgment in carrying out their duties to LiRN.
3. A Conflict of Interest arises when a Director participates in a discussion or decision-making relating to a matter in which they, or someone with whom they have a close personal or business relationship, has a financial or significant personal interest.
4. A Conflict of Interest may also occur when a Director's interest in an outside organization or group is of such a nature or degree that their judgment or loyalty to LiRN might be drawn into question.
5. In considering whether there is a conflict, a Director should ask themselves whether a well-informed, reasonable member of the public would conclude that their decision-making could be influenced by duties owed to others or by personal or financial interests. The focus should be on actions and perceptions, not on motives. Conflicts of Interest should be considered not just from the Director's own perspective but also from the perspective of shareholders, stakeholders, and others who have an interest in the operation of LiRN.

#### Duties of Directors

6. Each Director owes a fiduciary duty to LiRN. This duty includes the obligation to act in the best interests of LiRN, and not to act in their own interests or in the interests of any other individual, organization, constituency, or stakeholder where it is determined pursuant to this Policy that such interests conflict with the best interests of LiRN.
7. Directors owe a duty of confidentiality to LiRN. All matters discussed and all materials shared at board and committee meetings are confidential and may not be disclosed to third parties except as authorized by the board.

8. No Director shall engage in any activity in which the interests of LiRN may, or may be perceived to, conflict with their own interests or the interests of any other individual, organization, constituency, or stakeholder.
9. Each Director shall disclose to the Board at the earliest opportunity any actual, perceived or potential Conflict of Interest of which they or he becomes aware.
10. In the event of such disclosure, the Board shall determine, in its discretion, appropriate action to take in the circumstances. The Board may determine that a particular situation is not an inappropriate Conflict of Interest, or it may permit a proposed activity to proceed subject to any conditions it determines appropriate.
11. No Director shall accept gifts of more than nominal value from suppliers.
12. No Director shall engage in any activity in which they would derive any financial advantage from their position as a LiRN Director.

## Disclosure of Conflicts

13. A Director who has a potential, possible, or perceived conflict of interest on any matter which comes before the Board must declare this Conflict of Interest at the earliest opportunity to the Board or Board Chair.
14. A Director who is unsure about whether there is a Conflict of Interest shall raise the issue with the Board or Board Chair at the earliest opportunity.
15. If a Director believes that another Director has a Conflict of Interest, they shall raise it at the earliest opportunity.
16. Whenever possible, a Director will notify the Board Chair or Managing Director of the potential conflict in advance to allow any necessary information to be made available during the discussion of the potential conflict.

## Process for Identifying and Resolving Conflicts

17. Where a Director raises a Conflict of Interest, the Board or Board Committee shall receive and record this declaration.
18. In cases where it is suggested by a party other than the Director in question that a Director may have a conflict, the Board or Board Committee must determine whether a Conflict of Interest exists. The Director will be invited to provide details of the possible Conflict of Interest and will then leave the meeting while the Board or Board Committee discusses the matter. A decision will be made by majority vote. The vote and the reasons for the decision will be recorded in the minutes.
19. The Board will be informed of any decision regarding a Conflict of Interest that is declared or decided at a Board Committee meeting.

20. The Board shall ensure that the minutes record any determination of Conflict of Interest issues, to maintain a satisfactory record of how a conflict or potential Conflict of Interest has been dealt with.
21. The Board or a Board Committee can defer a decision regarding a Conflict of Interest in order to seek advice, should it be deemed necessary.

## Effect of a Conflict of Interest

22. Where a Director has declared a conflict, or it has been determined that a conflict exists, the Board or Board Committee will decide the appropriate level of participation in the matter. Possible effects may include:

- a. The Director will participate in all discussions and votes on the matter if the Board determines the conflict to be immaterial.
- b. The Director will participate in the discussion and review of materials but will not participate in any vote on the matter.
- c. The Director will abstain from all discussions regarding the matter and will not vote on the matter.
- d. The Director will leave all Board or Board Committee meetings at which the matter in question is to be dealt with.