Reserve Policy

1. POLICY OBJECTIVE

The intent of this policy is to identify the goals for Genome Canada’s reserve, and to provide guidance with respect to the mechanics for maintaining and using the reserve.

2. POLICY STATEMENT

Genome Canada is committed to maintaining a reserve fund sufficient to cover the costs of winding down operations, if necessary.

3. MAINTENANCE AND USE OF THE RESERVE

The reserve fund will be maintained at a level sufficient to cover all commitments including contractual and employer obligations, outstanding bills, and other expenses related to the winding down of operations. In practice, it is assumed that the reserve fund will be sufficient for Genome Canada to meet all severance pay and lease obligations.

The Board of Directors will approve annually increases or decreases in the reserve fund based on analysis and recommendations by Genome Canada staff.

The reserve fund may only be invested in a portfolio of financial instruments defined by Genome Canada’s Investment Policy.

The reserve fund can only be used to cover wind-down costs and only with the authorization of the Board of Directors.

4. ROLES AND RESPONSIBILITIES

Genome Canada Staff

- Review the level of the reserve on an annual basis, and make recommendations to the Board of Directors accordingly
- Oversee the use of the reserve should the winding down of the operations be approved by the Board of Directors

Board of Directors

- Approve the use of the reserve fund should the winding down of operations become necessary
- Review this policy on a regular basis, to ensure that it is consistent with the ongoing needs of Genome Canada