



BOARD OF DIRECTORS

POLICY NO. 4

CONFLICT OF INTEREST

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 are maintained by ensuring that they and other members of the Board are free from conflict or potential conflict in their decision-making. It is important that all Directors understand their obligations when a conflict of interest or potential conflicting interest arises.

APPLICATION

This policy applies to all Directors, including ex-officio Directors and non Directors members of Board committees.

POLICY

Directors and non-Directors committee members shall avoid situations in which they may be in a position of conflict of interest. The bylaw contains provisions with respect to conflict of interest that must be strictly adhered to. In addition to the bylaw, the process set out in this policy shall be followed when a conflict or potential conflict arises.

DESCRIPTION OF CONFLICT OF INTEREST

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

1. Interest of a Director "Wearing Two Hats"

When a Director transacts with the Corporation directly or indirectly. When a Director has a significant direct or indirect interest in a transaction or contract with the Corporation.

2. Interest of a Relative

When the Corporation conducts business with suppliers of goods or services or any other party of which a relative or member of the household of a Director is a principal, officer or representative.

3. Gifts

When a Director or a member of the Director's household or any other person or entity designated by the Director, accepts gifts, payments, services or anything else of more than a token or 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 Directors.

4. Acting for an Improper Purpose

When Directors exercise their powers motivated by self-interest or other improper purposes. Directors must act solely in the best interest of the Corporation. Directors who are nominees of a

particular group must act in the best interest of the Corporation even if this conflicts with the interests of the nominating party.

5. Appropriation of Corporate Opportunity

When a Director diverts to his or her own use an opportunity or advantage that belongs to the Corporation.

6. 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.

PROCESS FOR RESOLUTION OF CONFLICTS & ADDRESSING BREACHES OF DUTY

Disclosure of Conflicts

A Director who is in a position of conflict or potential conflict shall immediately disclose such conflict to the Directors by notification to the Chair or any Vice Chair of the Board. The disclosure shall be sufficient to disclose the nature and extent of the Director's interest. Disclosure shall be made at the earliest possible time and prior to any discussion and vote on the matter.

Abstain from Discussions

The Director shall comply with the requirements of the Bylaw. It is acknowledged that not all conflicts or potential conflicts may be satisfactorily resolved by strict compliance with the bylaw. There may be cases where the perception of a conflict of interest or breach of duty may be harmful to the corporation notwithstanding that there has been compliance with the bylaw.

A Director may be referred to the process outlined below in any of the following circumstances:

1. Circumstances for Referral

Where any Director believes that that Director or another Director:

- a) has breached his or her duties to the Corporation;
- b) is in a position where there is a potential breach of duty to the Corporation;
- c) is in a situation of actual or potential conflict of interest; or,
- d) 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.

2. Process for Resolution

The matter shall be referred to the following process:

- a) Refer matter to Chair or where the issue may involve the Chair, to any Vice Chair, with notice to the CEO.
- b) Chair (or Vice-Chair as the case may be) may either (i) attempt to resolve the matter informally, or (ii) refer the matter to an ad hoc sub-committee of the Board established by the Chair which sub-committee shall report to the Board.

- c) If the matter cannot be informally resolved to the satisfaction of the Chair (or Vice Chair as the case may be), the Director referring the matter and the Director involved then the Chair shall refer the matter to the process in (b) above.

It is recognized that if a conflict, or other matter referred cannot be resolved to the satisfaction of the Board (by simple majority resolution) or if a breach of duty has occurred, a Director may be terminated pursuant to the bylaw and the Corporations Act.

AMENDMENT

This policy may be amended by the Board.

APPROVED BY: BOARD OF DIRECTORS

DATE: MAY 25, 2006; REVIEWED MAY 2017; MARCH 2021