

SASKATOON INTERNET EXCHANGE INC.

POLICY NUMBER 1

CONFLICT OF INTEREST

SECTION 1 GENERAL

1.01 Application. This Conflict of Interest Policy (the "**Policy**") has been approved by the board of directors (the "**Board**") of Saskatoon Internet Exchange Inc. (the "**Corporation**"). The Policy is intended to determine the qualification of and govern the conduct of Directors of the Corporation.

1.02 Definitions. Unless otherwise specified, the words and expressions used in this Policy shall have the same meaning as in By-law Number 1 of the Corporation (the "**By-laws**").

1.03 Complement to By-laws, etc. The provisions of this Policy are intended to complement and enhance in a consistent manner, the requirements that arise at law and in the By-laws. This Policy shall be, unless the context otherwise requires, construed and interpreted in accordance with the interpretation provisions of the By-laws.

SECTION 2 CONFLICT OF INTEREST GUIDELINES

2.01 Disqualifying Guidelines. These Conflict of Interest Guidelines may disqualify a potential Director from nomination, appointment and/or election.

2.02 Integrity. These Conflict of Interest Guidelines are intended to ensure the highest standards and maintenance of the integrity of the Board. Directors shall act at all times in the best interests of the Corporation rather than in their personal interests.

2.03 No Pecuniary Benefit.

- i. No Director shall directly or indirectly receive any profit from their position as such, provided that, notwithstanding anything herein contained to the contrary, Directors may receive reasonable reimbursement for reasonable expenses incurred by them in the performance of their duties as permitted in the By-laws and approved by the Board.
- ii. The pecuniary interests of immediate family members (including the immediate family members of a Director's partner) or close personal or business associates of a Director are considered to also be the pecuniary interests of the Director.

2.04 Definition of Conflict of Interest.

- i. A conflict of interest refers to situations in which personal, occupational or financial considerations may affect, or appear to affect, a Director's objectivity, judgment or ability to act in the best interests of the Corporation and includes conflicts as described in subsection 2.05 hereof.

- ii. Full disclosure, in itself, does not remove a conflict of interest and further actions may be taken by the Board regarding a sitting Director, in accordance with Section 3, or effectively disqualify a potential Director from appointment/election in accordance with the By-laws.

2.05 Examples of Conflict of Interest on the Part of a Director.

The following examples constitute, without limitation, Conflicts of Interest under this Policy:

- i. Any circumstance that may result in a personal or financial benefit to a Director or their family, business associate or friend. This includes, but is not limited to, accepting any payment for services rendered to the Corporation other than as permitted in this Policy, including contracted work or honoraria; or accessing financial or other resources for personal use, i.e. transportation, training costs, supplies, equipment, etc.
- ii. Personal interests which conflict with the interests of Members of the Corporation or are otherwise adverse to the interests of the Corporation.
- iii. Personal interests and relationships which conflict with the members of the Board and their ability to work cohesively in the best interest of the Corporation.
- iv. Seeking, accepting or receiving any personal benefit from a supplier, vendor or any individual or organization doing or seeking business with the Corporation.
- v. Being a member of the Board or staff of another entity which might have material interests that conflict with the interests of the Corporation or its Members, and dealing with matters on one board which might materially affect the work of the Boards.
- vi. Any involvement in the hiring, supervision, grievance, evaluation, promotion, remuneration or firing of a Director, family member, business associate, or friend of a Director.

SECTION 3 PRINCIPLES FOR DEALING WITH CONFLICTS OF INTEREST

3.01 Disclosure. Both prior to serving on the Board and during their term of office, Directors must openly disclose a potential, real or perceived conflict of interest or financial association as soon as the issue arises and before the Board or its committees dealing with the matter at issue.

3.02 Guidance. If the Director is not certain whether they are in a conflict of interest, the matter may be brought before the Chair of the Board, the Chairs of the Corporation's committees, or the Board for advice and guidance.

3.03 Board Vote. If there is any question or doubt about the existence of a real or perceived conflict of interest, the Board will determine by majority vote if a conflict of interest exists. The Director potentially in Conflict of Interest shall be absent from the discussion and shall not vote on the issue.

3.04 Determination of the Board. If the Board finds that a Conflict of Interest, as defined in Section 2, exists after the Board vote outlined in Subsection 3.03, the Board may determine based on the impact the Conflict of Interest will have upon the Corporation, to allow the Members to vote in accordance with the

By-laws to determine whether the Director who has the Conflict of Interest shall vacate their seat or whether measures outlined in subsection 3.05 shall be taken.

3.05 Obligation of Fellow Directors. It is the responsibility of other Directors who are aware of a real, potential or perceived conflict of interest on the part of a fellow Director to raise the issue for clarification, first with the Director in question and, if still unresolved, with the Chair of the Board.

3.06 Abstention. The Director must declare the matter in advance and if decided by the Board, shall abstain from participation in any discussion on the matter, shall not attempt to personally influence the outcome, shall refrain from voting on the matter and/or shall leave the meeting room for the duration of any such discussion or vote.

3.07 Recording of Minutes. The disclosure and decision as to whether a conflict of interest exists shall be duly recorded in the minutes of the meeting. The time the Director left and returned to the meeting shall also be recorded.