



BOARD OF DIRECTORS BOARD CONFLICT OF INTEREST POLICY¹

Introduction

As part of its fiduciary responsibility, the Board of Directors (the “Board”) of ArcticNet Inc. (“ArcticNet”) has a duty to ensure that the integrity of its decision-making processes is maintained by ensuring that all applicable individuals are free from real, perceived, or potential conflicts of interest.

Purpose

The purpose of this Conflict-of-Interest Policy (the “Policy”) is to outline conflict of interest expectations and procedures, as well as disclosure and reporting requirements, for applicable individuals. It protects the interests of ArcticNet when a transaction or arrangement that might benefit or appear to benefit the private interest of an applicable individual of ArcticNet is being considered. It is also intended to support the creation and promotion of an environment free from real, perceived or potential conflicts of interest.

Application

This Policy applies to applicable individuals, as defined in this Policy.

Approval, Authority, and Review

The Board has authority to approve this Policy and any revisions or amendments to this Policy. The Board will review this Policy on a bi-annual basis to ensure that this Policy adequately conforms to the prevailing laws, rules, regulations, and best practices.

Compliance Requirements

This Policy supports ArcticNet’s compliance with the *Canada Not-for-Profit Corporations Act* (“CNCA”) and other applicable laws.

Definitions

Applicable individual: means a director of ArcticNet, an officer of ArcticNet, an ex-officio member of the Board, or any Board observer or other individual who participates in Board or Board Committee meetings in a similar capacity.

Conflict of interest: A conflict of interest arises in any situation in which an applicable individual’s duty to act in the best interest of ArcticNet or, if applicable, their ability to adhere to their fiduciary duties to ArcticNet is compromised or impeded by any other interest, relationship, or duty of the applicable individual. A conflict of interest also includes circumstances in which the applicable individual’s duties to ArcticNet conflict with other duties owed by the applicable individual such that

¹ This Policy’s introduction, conflict of interest definition, conflict of interest situations, procedures, and perceived conflicts sections contain content from the following source: Falconer, Dionne A. (2014) Board Conflict of Interest Policy Sample. Ontario Organizational Development Program.

the applicable individual is not able to fully discharge their duties owed to ArcticNet. A conflict of interest may be real, perceived, or potential in nature.

Relative: means, in relation to an applicable individual, any one of the following persons:

- a. a spouse or domestic partner;
- b. a parent, including stepparent and legal guardian;
- c. children, including stepchildren, grandchildren and great-grandchildren;
- d. siblings or half-siblings and their children;
- e. grandparents, great-grandparents, aunts, or uncles;
- f. any family member who lives with the applicable individual on a permanent basis; and
- g. the spouse or domestic partner of any person described in paragraph (b) through (f) above.

Conflict of Interest Situations

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

a. Transacting with ArcticNet

When an applicable individual has a material, direct or indirect, interest in a transaction or contract with ArcticNet;

b. Interest of a relative

When ArcticNet conducts business with suppliers of goods or services or any other party which is a relative of an applicable individual or is an entity of which a relative of an applicable individual is a principal, officer, or other representative;

c. Accepting gifts

When an applicable individual, their relative, or a member of the applicable individual's household accepts gifts, payments, services, or anything else of more than a token or nominal value (defined as exceeding \$100 CAD in cumulative value within any 12-month period) from a party with whom ArcticNet 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 ArcticNet or the Board;

d. Acting for an improper purpose

When an applicable individual exercises their powers motivated by self-interest or other improper purposes, and not in the best interest of ArcticNet;

e. Appropriation of organizational opportunity

When an applicable individual diverts an opportunity or advantage that belongs to ArcticNet to their own use; and

f. Duty to disclose information of value to ArcticNet

When an applicable individual fails to disclose information that is relevant to a vital aspect of ArcticNet's affairs, where the applicable individual is not prohibited from disclosing the information.

Procedures

Disclosure of conflicts

An applicable individual who is in a position of real, perceived or potential conflict of interest will disclose such conflict to the Board, as soon as the applicable individual becomes aware of the potential conflict, by providing a completed Conflict of Interest Declaration Form (Appendix B) to the Chair of the Board. Where the Chair is the person with a conflict, notice will be given to the Vice-Chair.

The disclosure must be detailed enough to provide a clear understanding of the nature, extent, and monetary value (if applicable) of the interest, including any relevant relationships, transactions, or circumstances that could give rise to the conflict. Disclosure will be made at the earliest possible time and, where possible, prior to any discussion or vote on the matter related to the conflict.

Where (i) an applicable individual is not present at a meeting during which the matter in which the applicable individual has a conflict is first discussed and/or voted upon; or (ii) a conflict arises for an applicable individual after a matter has been discussed but not yet voted upon by the Board; or (iii) an applicable individual becomes conflicted after a matter has been approved, the applicable individual will make the declaration of the conflict to the Chair or Vice-Chair as soon as possible and no later than the next meeting of the Board.

If an applicable individual becomes interested in a contract or transaction after it is made or entered into, the disclosure will be made as soon as possible after the applicable individual becomes interested.

An applicable individual may make a general declaration of the applicable individual's relationships and/or interests in entities or persons that may give rise to conflicts.

Circumstances for referral to a process for resolution

All applicable individuals will comply with ArcticNet's By-laws. An applicable individual will be referred to the process outlined below if they believe that they or another applicable individual is in a situation of real, perceived, or potential conflict of interest.

Process for resolution

A conflict that arises will be subject to the following process:

1. disclosure of the matter to the Chair or, where the issue may involve the Chair, to the Vice-Chair as provided above;
2. once a conflict is disclosed, the Chair (or Vice-Chair, as applicable) will provide the individual who is involved with the opportunity to disclose any material facts, collect any other information that is deemed pertinent to the matter, and speak directly with the individual who is involved;
3. If the Chair (or Vice-Chair, as applicable), in consultation with the Vice-Chair, Chair of the Governance and Nominations Committee and/or Executive Director or Chief Executive Officer, determines that a conflict of interest does not exist, the inquiry will be documented, and no further action will be taken;

4. if it is determined that a conflict does exist, the Chair (or Vice-Chair, as applicable) may either: (i) attempt to resolve the matter informally, or (ii) refer the matter to either the Governance and Nominations Committee or to an ad hoc committee of the Board established by the Chair (or Vice-Chair, as applicable) that will report to the Board;
5. if the Chair or Vice-Chair elects to resolve the matter informally and the matter cannot be informally resolved to the satisfaction of the Chair (or Vice-Chair as applicable), the Chair or Vice-Chair will refer the matter to the process in 4(ii) above; and
6. a decision of the Board by majority resolution will be determinative of the matter.
7. It is recognized that if a violation of the Code of Conduct cannot be resolved to the satisfaction of the Board (by simple majority resolution), an applicable individual may be asked to resign or may be subject to removal pursuant to the ArcticNet By-laws and policies and applicable legislation.

If a conflict of interest cannot be resolved to the satisfaction of the Board (by simple majority resolution), the Board may take one of the following actions: (1) request the voluntary resignation of the applicable individual from their role with ArcticNet; (2) initiate removal proceedings pursuant to ArcticNet's By-laws and policies or applicable legislation; or (3) implement additional oversight and control measures to manage the conflict while protecting ArcticNet's interests. The Board's decision will be documented in the meeting minutes.

Abstention from discussions and voting

The applicable individual who has declared or is the subject of a conflict must leave the meeting during any discussion, consideration, or voting in respect of the matter and will abstain from any discussion or voting on the matter. The individual shall not attempt in any way, whether before, during, or after the meeting, to influence the discussion or voting on the matter. The minutes shall record the individual's departure from and return to the meeting.

Perceived Conflicts

It is acknowledged that not all real, perceived or potential conflicts may be satisfactorily resolved by strict compliance with the By-laws and the CNCA. There may be cases in which the perception of a conflict of interest or breach of duty when an applicable individual has not exercised the prudence that a reasonable person would be expected to demonstrate (even when no conflict exists, or no breach has occurred) may be harmful to ArcticNet, notwithstanding that there has been compliance with the By-laws and the CNCA. In such circumstances, the process set out in this Policy for addressing conflicts and breaches of duty will be followed and, even in situations in which no real conflict exists, it may be determined that it is in the best interest of ArcticNet that the applicable individual be asked to resign.

Confidentiality

ArcticNet will maintain the confidentiality of any disclosures made in connection with this Policy and limit access to the information in accordance with ArcticNet's privacy policy. Each applicable individual will exercise care not to use, publish, or disclose confidential information acquired in connection with disclosures of real, perceived or potential conflict of interests during or after their participation on the Board.

Annual Disclosure and Record Keeping

ArcticNet Board: Conflict of Interest Policy

Annual disclosure

Each applicable individual will annually disclose all conflicts of interest and previously unreported conflict of interests using the Conflict-of-Interest Declaration Form (Appendix B) and the Annual Conflict of Interest Statement (Appendix A) that affirms that the applicable individual has:

- a. received, read, and understood this Policy;
- b. agreed to comply with this Policy; and
- c. confirmed that no real, perceived or potential conflict of interest exists or has occurred, unless otherwise previously declared.

Minutes and record keeping

The minutes of the Board meetings and its related committees will contain:

- 1. the name of any person who disclosed or was otherwise found to have a real, perceived or potential conflict of interest,
- 2. the nature of the disclosed interest;
- 3. any action taken to determine whether a conflict of interest existed;
- 4. the Chair’s (or Vice-Chair’s, as applicable) or committee’s recommendation to the Board, as applicable;
- 5. the names of the individuals who were present for a discussion and vote about the conflict of interest, including whether the person with the conflict of interest was present;
- 6. the content of the discussion, including any proposed alternatives to the conflict of interest;
- 7. the Board’s decision as to whether a conflict of interest existed; and
- 8. a record of any votes taken in connection with the proceedings.

Training and Awareness

Board members and other applicable individuals will be offered training and awareness programs to ensure they understand their obligations under this Policy.

Amendment and Modification

This Policy may be amended or modified by ArcticNet's Board of Directors to ensure it remains current and effective in protecting ArcticNet’s interests.

Amendment: The Board may amend this Policy.	Last Review:
Approval Date: March 11, 2025	Last Revision:

APPENDIX A

**BOARD OF DIRECTORS
ANNUAL CONFLICT OF INTEREST STATEMENT**

Thank you for signing this ArcticNet Conflict of Interest Statement (the “Statement”) on an annual basis.

In signing this Statement, I affirm that I:

- a. have received, read, and understood the Conflict-of-Interest Policy (the “Policy”);
- b. agree to comply with the Policy; and
- c. confirm that no real, perceived or potential conflict of interest exists or that has occurred, unless otherwise previously declared.

If you do have a conflict of interest to declare, please complete the ArcticNet Conflict of Interest Declaration Form.

Please follow the steps below to submit this Statement:

- 1. Read through and familiarize yourself with the Policy;
- 2. Read the affirmation above and confirm that you are in compliance with it;
- 3. Submit a signed copy of the Statement to the Chair (or Vice-Chair, if you are the Chair).

You may consult, in confidence, with the Chair or Vice-Chair, as applicable, with respect to the Conflict-of-Interest Policy, the Conflict-of-Interest Declaration Form, and/or the Conflict-of-Interest Statement.

Signature: _____

Date: _____

APPENDIX B

BOARD OF DIRECTORS CONFLICT OF INTEREST DECLARATION FORM

Thank you for declaring an actual, potential, or perceived conflict of interest (COI) situation. The information contained in this Conflict-of-Interest Declaration Form (“Declaration Form”) will remain confidential.

ArcticNet is here to support you and provide guidance as required, and is fully committed to ensuring that all real, perceived or potential conflict of interests are investigated, mitigated, and/or resolved in an appropriate manner.

Please follow the steps below to submit this COI Declaration:

1. Read through and familiarize yourself with the Conflict-of-Interest Policy;
2. Identify any real, perceived or potential conflict of interest that may exist or occur;
3. Provide a summary of the conflict of interest in this Declaration Form and provide as many details as possible for someone to have an understanding of the nature, extent, and monetary value (if applicable) of the interest.
4. Submit the Declaration Form to the Chair or Vice Chair, as applicable. The Chair or Vice Chair will determine the appropriate individuals at ArcticNet for involvement.
5. ArcticNet will be in contact with you to discuss the matter in confidence.
6. If necessary, a plan will be developed with you to manage, avoid, and/or mitigate any conflict-of-interest situation that has been declared.

You may consult, in confidence, with the Chair or Vice-Chair, as applicable, with respect to the Conflict-of-Interest Policy, the Conflict-of-Interest Declaration Form, and/or the Conflict-of-Interest Statement.

ARCTICNET
BOARD OF DIRECTORS
CONFLICT OF INTEREST DECLARATION FORM

Name: _____

I have read the ArcticNet Board Conflict of Interest Policy and disclose the following conflict of interest situation:

Signature: _____

Date: _____