

CONFLICT OF INTEREST POLICY

PART I PURPOSE AND APPLICATION

1.1 Purpose of the Policy

- (a) The purpose of this conflict of interest policy (the "**Policy**") is to establish a standard of conduct applicable to each Personnel Member in the exercise of any power or the performance of any duty or function on behalf of Canada Health Inforoute ("**Inforoute**"). It is intended to support Inforoute's integrity, to promote its goals and to enhance public confidence in Inforoute and those associated with it.
- (b) Each Personnel Member must at all times comply with any specific conduct requirements in the exercise of any power or the performance of any duty or function on behalf of Inforoute contained in any law or regulation applicable to Inforoute or such Personnel Member. Nothing in this Policy is intended to in any way amend, derogate from or qualify such requirements.
- (c) This Policy is intended to supplement any provisions of the by-laws or articles of Inforoute.

1.2 Approval/Review

The Board has approved and will review this Policy periodically as it considers appropriate.

1.3 Application of the Policy

- (a) Subject to Section 1.3 (b), this Policy applies to each Director, Officer, Management Employee and employee of Inforoute and of each subsidiary, if any, of Inforoute (collectively, the "**Personnel**" and, individually, a "**Personnel Member**").
- (b) The provisions of Part III shall apply to each Director, Officer and Management Employee but shall not apply to any other Personnel.

1.4 Definitions

For the purposes of this Policy:

- (a) a "**Director**" is a member of the Board or a non-Director member of a committee of the Board;

- (b) an "**Officer**" is an individual appointed as an officer of Infoway pursuant to a resolution of the Board;
- (c) a "**Management Employee**" is an employee of Infoway with a title of director or higher;
- (d) a "**Material Contract**" or "**Material Transaction**" means a contract or transaction where the anticipated value of the contract or transaction is greater than \$50,000, as defined in Infoway's Internal Procurement Policy and Process; and
- (e) an "**Immediate Family Member**" means a person who resides in the same house of an employee where there exists a familial relationship.

PART II

PROVISION APPLICABLE TO ALL PERSONNEL MEMBERS

2.1 Guiding Principles

- (a) Each Personnel Member is required to exercise any power granted to him or her by Infoway and to perform the duties of his or her office or position with Infoway honestly, in good faith and with a view to the best interests of Infoway.
- (b) Each Personnel Member is responsible for performing his or her duties on behalf of Infoway and arranging his or her private affairs in such a manner that public confidence and trust in the integrity of Infoway are conserved and enhanced and any conflict of interest is avoided.

2.2 Guidelines

This paragraph prohibits certain behaviour as being inconsistent with the Guiding Principles set out in Section 2.1 (and shall not be construed as limiting the more general effect of Section 2.1).

- (a) Conflict of Interest

Personnel Members shall not acquire or maintain any private or personal interest that interferes in any way (or would appear to interfere) with Infoway's interests. Among other things, no Personnel Member shall take any action or have any interest that may make it difficult to perform his or her duties at Infoway objectively or effectively or shall receive improper personal benefits as a result of his or her position with Infoway. No Personnel Member shall provide or promote any advantage to any friend, family member, or to any business or personal acquaintance to the detriment of Infoway or of any person seeking to do business with Infoway. A Personnel Member shall report to the Secretary or to such other

person as may be designated from time to time by the Board, any conflict of interest or potential conflict of interest, as soon as practicable after becoming aware thereof.

(b) Corporate Opportunity

Personnel Members owe a duty to Infoway to advance its legitimate interests when the opportunity to do so arises and shall not:

- (i) take for themselves personally, opportunities that are discovered through the use of corporate property, information or position;
- (ii) use corporate property, information or position for personal gain; or
- (iii) compete with Infoway.

(c) Confidentiality

Personnel Members shall maintain the confidentiality of information entrusted to them by Infoway and those with whom it does business, except when disclosure is authorized or legally mandated. "Confidential information" includes all non-public information that might be harmful to Infoway or its stakeholders, if disclosed.

(d) Fair Dealing

Each Personnel Member shall deal fairly with Infoway's stakeholders, partners, suppliers, competitors, directors and employees. A Personnel Member shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

(e) Protection of Assets

All Personnel Members shall protect Infoway's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on Infoway's financial situation and corporate assets should be used only for legitimate business purposes.

(f) Gifts

A Personnel Member shall not offer, solicit or accept transfers of economic benefit to or from any third party with whom Infoway has, or is considering having, any contractual or binding relationship or arrangement or interest, other than incidental gifts, customary hospitality or other benefits of nominal value, as defined in Infoway's Hospitality and Gifts Policy.

(g) Corporate Directorships

Personnel Members who are in the full-time employment of Infoway shall not solicit or accept corporate directorships without the prior written approval of the President (or in the case of the President, the Chair of the Governance Committee). In this regard, any person who holds such a directorship at the time of becoming a full-time employee of Infoway should immediately seek the written approval of the above mentioned individual with respect thereto. This prohibition extends to the directorship of any non-profit or public service corporation or organization if the holding of such directorship creates, or has the potential of creating, a conflict of interest.

2.3 **Compliance**

Any Personnel Member who violates this Policy may face disciplinary action up to and including termination of his or her employment or other relationship with Infoway. The violation of this Policy may also violate certain laws. If Infoway discovers that a Personnel Member has violated such laws, it may refer the matter to the appropriate authorities.

PART III **PROHIBITIONS**

3.1 **Prohibition on Contracts in which Directors, Officers or Management Employees Have an Interest**

- (a) Infoway will not knowingly enter into any Material Contracts or engage in any Material Transaction in which a Director, Officer or Management Employee has an Interest without the prior approval of the Board.
- (b) For the purposes of this Policy, a Director, Officer or Management Employee has an "**Interest**" in a contract or transaction if the Director, Officer or Management Employee (or an Immediate Family Member of the Director, Officer or Management Employee):
 - (i) is a party to the contract or transaction;
 - (ii) is an officer, director, partner (or person in any similar relationship to the party in question) of a party to the contract or transaction; or
 - (iii) has an investment interest in a party to the contract or transaction that is material to the Director, Officer or Management Employee (or an Immediate Family Member of the Director, Officer or Management Employee).

3.2 Disclosure by Director

- (a) Each Director shall submit in writing to the Secretary of Infoway, at the times set out below, a declaration of the names of the persons and entities in which the Director has an Interest (a "**Declaration of Interest**"). With respect to Interests that arise from an Interest of an Immediate Family Member, such declaration shall be to the best of the Director's knowledge.
- (b) A Director shall deliver a Declaration of Interest:
 - (i) when such person first becomes a Director;
 - (ii) annually, on April 1; and
 - (iii) within 10 days after the day on which the Director becomes aware that the Declaration of Interest last delivered by the Director in accordance with this Policy is no longer true in all material respects.

The Director shall also make such other disclose as may be required by the *Canada Corporations Act* and shall abstain from voting as required by that statute.

- (c) No person may exercise his/her responsibilities as Director unless the Secretary has confirmed to the Board that such person has delivered a Declaration of Interest to the Secretary and the Secretary has confirmed that Infoway is not a party to any Material Contract or Material Transaction with any person named in such Declaration of Interest, unless the Board decides otherwise notwithstanding the existence of the Material Contract or Material Transaction.

3.3 Disclosure by Officers and Management Employees

- (a) Each Management Employee (including any Officer who is a Management Employee) shall submit a Declaration of Interest in writing to the Secretary of Infoway at the times set out below. With respect to Interests that arise from an Interest of an Immediate Family Member, such declaration shall be to the best of the Management Employee's knowledge.
- (b) A Management Employee shall deliver a Declaration of Interest:
 - (i) when such person first becomes a Management Employee, either through hiring or promotion;
 - (ii) annually, on April 1; and

- (iii) within 10 days after the day on which the Management Employee becomes aware that the Declaration of Interest last delivered by the Management Employee in accordance with this Policy is no longer true in all material respects.

If an Officer is not a Management Employee, then the Officer shall submit a Declaration of Interest as if that Officer were a Director.

3.4 Disclosure by Parties to Contracts and Transactions

- (a) It shall be a term of all of Inforoute's standard form contracts and of all requests for proposals, that all other parties to the contract or transaction have delivered to Inforoute a declaration that, to the best of the knowledge of such party, no Director, Officer or Management Employee has an Interest in the contract or transaction.
- (b) It shall be a further term of all such contracts that, should it subsequently be discovered that a Director, Officer or Management Employee has an Interest in such contract or transaction of which any party thereto was aware (or should reasonably have been aware) at the time Inforoute first entered into such contract or transaction, Inforoute may, at its option, terminate such contract or transaction.

3.5 List of Restricted Parties

- (a) The Secretary shall create and maintain a list (the "**Restricted List**") of all persons in whom any Director, Officer or Management Employee has an Interest (as disclosed in a Declaration of Interest). Such list shall be delivered to the Board annually (and more frequently as the Chair of the Board may determine).
- (b) The Secretary shall deliver the Restricted List to Inforoute's President each time any change is made to the Restricted List and the President shall be responsible for ensuring that the list is disseminated to the appropriate members of management, so as to prevent Inforoute from entering into any contract or transaction contrary to this Policy.

3.6 Subsequent Acquisition of Interest

No Personnel Member (or any Immediate Family Member of a Personnel Member) may knowingly acquire any Interest in a contract or transaction with Inforoute after Inforoute has entered into such contract or transaction if such Personnel Member has any significant involvement with the award, maintenance, extension or administration of such contract or transaction.

3.7 Consequences of Conflict for a Director

If any Director:

- (a) fails to include on a Declaration of Interest, a person in whom such Director has an Interest and Infoway subsequently enters into a contract or transaction with such person, or
- (b) acquires an Interest in a contract or transaction to which Infoway is a party;

the Corporate Governance Committee of the Board may determine that the Director shall be deemed to have resigned from the Board and all of its committees (to the extent that the Director is a member thereof), whereupon the Director shall execute any such documentation as the Board may require to evidence such resignation. Resignation by the Director shall not in any way derogate from Infoway's entitlement to take other action against the Director.

3.8 Consequences of a Conflict for Officers or Management Employees

If any Officer or Management Employee:

- (a) fails to include on a Declaration of Interest, a person in whom such Officer or Management Employee has an Interest and Infoway subsequently enters into a contract or transaction with such person, or
- (b) acquires an Interest in a contract or transaction to which Infoway is a party;

such Officer or Management Employee shall be deemed to have breached this Policy and will be subject to such disciplinary action as the Governance Committee of the Board may determine to be appropriate, up to and including termination.

3.9 Conflicts for Officers Who are Not Management Employees

If an Officer is not a Management Employee, then an Officer shall be treated as a Director for the purposes of this paragraph of the Policy.

PART IV GENERAL

4.1 Certification

The Corporation shall have the right to require that a Personnel Member sign and deliver to an officer of Infoway designated by the Board a document in the form prescribed from time to time by the Board, certifying that he or she has read and

understood this Policy and agrees to be bound by and observe this Policy (as same may be amended from time to time by the Board).

4.2 Confidential Statement

The Corporation shall have the right to require that a Personnel Member, from time to time, prepare and deliver to an officer of Infoway designated by the Board, a statement outlining in reasonable detail any actual or potential conflict of interest of which such Personnel Member is then aware, be it with respect to such Personnel Member or another Personnel Member.

4.3 Limitation Period

For a period of 90 (ninety) days after a Personnel Member's relationship with Infoway has ended, Infoway shall not knowingly award a Material Contract or enter into a Material Transaction with any person with whom that Personnel Member has (or has agreed to accept) an employment, consulting, advisory or other relationship or on whose board of directors that Personnel Member sits (or has agreed to sit), without the prior approval of the Board

4.4 Reduction of Limitation Period

On application from a former Personnel Member, the Board or any officer, committee or panel so designated by the Board, may reduce the limitation period contemplated in Section 4.3 above.

Effective Date: November 1, 2004

Approved by the Board of Directors on September 22, 2004