



APTN CONFLICT OF INTEREST POLICY

Introduction

Conflict of interest occurs when a Board of Director or staff member of a not-for-profit organization participates in decision making about a matter which may benefit that A Board of Director or staff member, or someone with whom they have a close personal relationship, directly or indirectly, regardless of the size of that benefit.

The objectives of this policy are:

- To establish clear standards for employees or directors' conduct when a potential conflict arises
- To enhance public confidence in the integrity of APTN and its employees
- To ensure that all employees and Directors of the Board of APTN comply with the requirements of the Canada Corporations Act and APTN's bylaws
- To provide guidelines for employees or APTN Board of Directors' conduct after the conflict has been disclosed, to ensure that the conflict continues to be properly handled.

The Statutory Requirement

The legal consequences of a Board of Director participating in a decision on a matter in which the Board of Director has an interest are as follows.

- The Director may be liable to account to APTN for any profits made from the transaction
- The transaction may be "voided" by APTN.

To avoid these results, section 98 of the Canada Corporations Act (the statute under which APTN is incorporated) contains an express disclosure requirement.

Significantly, the Canada Corporations Act only provides a mechanism to avoid the situation in which a Board of Director becomes liable to account to APTN for profits made from a transaction in which the Board of Director is involved. The disclosure of an interest by a Board of Director does not, on its own, render the contract non-voidable by APTN. At common law, a contract in which a director has an interest is only rendered non-voidable if it is sanctioned by the members of the corporation, in addition to the Board of Directors.

Policy Statement



Board of Directors and employees must not participate, or be perceived as participating, in any decision-making on any matter that may directly or indirectly benefit that director or employee, or anyone with whom the director or employee has a close personal relationship

Board of Directors and employees should not use, or be perceived as using, their status as Board of Directors or employees to gain privileged access to the members, Board of Director or staff of APTN for the presentation of programming, goods or service proposals.

On election or appointment as Board of Director to APTN, or upon hiring as an APTN employee, individuals will be expected to arrange their affairs and interests outside APTN in a manner that will prevent real or perceived conflict of interest. APTN may request a written statement from Board of Directors or employees detailing their external business holdings and commitments.

Board of Directors and employees shall not:

- Request or accept any personal benefit for performing functions or duties which are part of their duties related to APTN, other than those benefits accruing to their positions;
- Carry on any business which exploits their acquaintance with other employees or persons they become acquainted with through APTN without first receiving the approval of the Chief Executive Officer, or, in the case of the Chief Executive Officer, of the Board of Directors;
- Carry on, work for or own shares (other than non-material holdings in public companies) in a business providing goods or services to APTN, or any of its subsidiaries or affiliates, unless the full extent of the employee or director's interest in the business has been described in writing to the Chief Executive Officer;
- Use APTN facilities, property, or equipment, or information gained as a result of their association with APTN, in any business or activity outside APTN for any purpose except to perform their duties and responsibilities to APTN.

Procedures



Staff Procedures

When an employee feels that he/she is, or may be, in conflict of interest situation, that employee shall notify their supervisor of the potential conflict in a written memo, describing:

- The fact that a conflict of interest may exist
- The nature and extent of the interest
- The nature and amount of the potential direct or indirect benefit to the Director

If the employee is the Chief Executive Officer, he/she shall inform the Executive Committee.

If the supervisor determines that the employee is in conflict, he/she shall be removed from participation in discussions, decisions or actions concerning the issue where the employee is in conflict.

Board Procedures

1. Before any meeting of the Board of Directors, an agenda will be circulated to each Board of Director, with agenda items described in sufficient detail to allow Board of Directors to identify possible conflicts of interest.
2. A Board of Director with a conflict of interest will declare the same in writing to the Chairperson of the meeting prior to the introduction of the agenda item in question. The written disclosure will explain:
 - The fact that a conflict of interest may exist
 - The nature and extent of the interest
 - The nature and amount of the potential direct or indirect benefit to the Board of Director
3. The particulars of any such disclosure are noted in the minutes of the meeting.
4. The Board of Director who has disclosed a conflict of interest regarding an agenda item will refrain from participating in discussions and voting on the item, and will leave the meeting room when the Board of Directors reaches that agenda item. The Director's departure from the meeting room will be noted in the minutes. After discussion by the Board of Directors of that agenda item, the Board of Director will return, and the return shall be noted in the minutes.
5. Board of Directors will follow standard APTN procedures for submitting proposals or requests of any kind to APTN, whether solicited or unsolicited. All such proposals should be submitted to and reviewed by management. If management determines that the proposal would be advantageous for APTN, it should be brought forward by management



to the Board of Directors for approval. In other words, at the time that the Board of Directors considers a proposal in which a Board of Director has an interest, management should be responsible to speak to the advantages and disadvantages of the proposal.

This will apply to:

- Proposals for acquisition or licensing of a television production
- Responses to APTN-issued requests for proposals, tenders, or requests for service
- Requests for event sponsorship or advertising
- Unsolicited business proposals