Conflict of Interest Guidelines
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The purpose of these Conflict of Interest Guidelines ("Guidelines") is to establish standards of conduct for all Directors and Officers of Manitoba Telecom Services Inc. (the "Corporation") and its Subsidiaries (collectively "the MTS Group") relating to the identification, disclosure and avoidance of actual and potential Conflicts of Interest in order to ensure that such individuals maintain high standards of honesty, integrity, impartiality and ethical conduct in the exercise of their powers and discharge of their duties as Directors and Officers.

1. Applicability

These Guidelines apply to all Directors and Officers of the MTS Group.

2. Definitions

In these Guidelines:

- "Board" means any Board of Directors of the MTS Group, as the context so indicates;
- "Chair" means the Chair of the Board of the Corporation;
- "Committee" means a committee established by a Board under the authority of its governing by-laws for the purpose of carrying out such duties and responsibilities as considered necessary from time to time by such Board;
- "Corporation" means Manitoba Telecom Services Inc.;
- "dependent" means:
  a) the spouse of a Director or Officer, including a person who is not married to the Director or Officer but whom the Director or Officer represents as their spouse; or
  b) any child, natural or adopted, of a Director or Officer, who resides with such Director or Officer;
- "direct pecuniary interest" includes a fee, commission or other compensation paid or payable to any Person for representing the interest of another Person in a matter;
- "Director" means any Board member of the MTS Group, as the context so indicates;
- "indirect pecuniary interest" means an interest in a matter where:
  a) the Person, or nominee of the Person,
     (i) holds a beneficial interest in, or a share warrant or purchase option in respect of, 5% or more of the value of the issued capital stock, or
     (ii) is a director or officer,
     of a corporation which, or a subsidiary of which, has a direct pecuniary interest or liability in the matter; or
b) the Person is,

(i) a partner or employed by, or
(ii) a guarantor or surety for, or
(iii) a creditor of,

a Person who, or (in the case of a corporation) a subsidiary of which, has a direct pecuniary interest or liability in the matter;

“Officer” means the CEO and all other persons appointed by the Board from time to time as officers of the Corporation and any of its Subsidiaries, and all vice-presidents and any other individual in the MTS Group who performs the functions similar to those performed by an individual occupying any such office;

“Person” means an individual, a firm, partnership, corporation, joint venture, association, joint stock company, trust, unincorporated organization, or any other form of incorporated or unincorporated organization or entity;

“President” means a person holding that title in any of the MTS Group;

“CEO” means the Chief Executive Officer of the Corporation, or in any of the MTS Group;

“Subsidiary” means a corporation in the MTS Group which is controlled by the Corporation:

a) owning securities of the Subsidiary to which are attached more than 50% of the votes which may be cast to elect directors of that Subsidiary and same are held, other than by way of security only, by or for the benefit of the Corporation; and

b) the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the Subsidiary;

and “Subsidiary” includes all subsidiaries of the Subsidiary.

3. Conflict of Interest

For the purpose of these Guidelines, a “Conflict of Interest” includes:

a) any matter being considered by, or arising at, a meeting of a Board or a Committee in which a Director or Officer or any dependents of a Director or Officer have a direct or an indirect pecuniary interest;

b) a situation where a Director or Officer is in a position to make or makes a decision, or is in a position or act or does act, motivated by other or additional considerations than the best interests of the MTS Group;

c) a situation where a Director or Officer personally or any dependents of a Director or Officer having a direct or indirect pecuniary interest in the matter is in a position to contract or contracts with any of the MTS Group; or
d) a situation where a Director or Officer or any dependents of a Director or Officer learns of an opportunity for profit which might be valuable either personally or to any Person in which they have a direct or indirect pecuniary interest.

4. **Duty of Directors and Officers**

All Directors and Officers in exercising powers and discharging their duties, shall:

a) act honestly and in good faith with a view to the best interests of the Corporation or Subsidiary on whose behalf they are acting;

b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;

c) comply with any statute which regulates or governs the powers, duties, responsibilities or activities of a Director or Officer, the by-laws of the Corporation, or its Subsidiaries, as the case may be, the Corporation’s Guide to Business Conduct and Ethics, Guide for Competition (Law Compliance) and these Guidelines;

d) avoid placing themselves in a situation where an actual or potential Conflict of Interest may arise; and

e) make full and complete disclosure in accordance with these Guidelines of any actual or potential Conflict of Interest involving themselves or their dependents.

5. **Requirements for Disclosure**

A Director or Officer who is in a situation involving an actual or potential Conflict of Interest shall promptly disclose to the Chief Corporate and Strategy Officer & Corporate Secretary or the Chair, or request to have entered in the minutes of a meeting of their respective Boards, the nature and extent of the actual or potential Conflict of Interest in accordance with the requirements of sections 6, 7, and 8 of these Guidelines.

6. **Time for Disclosure by a Director**

The disclosure required by a Director shall be:

a) at the meeting of the Board at which the proposed matter is first considered;

b) if the Director does not then have a Conflict of Interest in the proposed matter, at the first meeting of the Board after such conflict arises;

c) if the Director develops a Conflict of Interest after the matter is concluded, at the first meeting of the Board after such conflict arises; or
d) if the Conflict of Interest arose prior to becoming a Director, at the time of nomination to the Chair and at the first meeting of the Board after becoming a Director.

7. **Time for Disclosure by an Officer**

The disclosure required by an Officer who is not a Director:

a) forthwith after the Officer becomes aware that the matter or proposed matter is to be or has been considered at a meeting of the Board;

b) if the Officer develops a Conflict of Interest after the matter is concluded, forthwith after such conflict arises; or

c) if the Conflict of Interest arose prior to becoming an Officer, at the time of being appointed an Officer to the CEO.

8. **Time for Disclosure by Director or Officer in Particular Circumstances**

If a transaction or contract is one that, in the ordinary course of the business, would not require consideration or approval by a Board:

a) a Director shall disclose in writing to the Chief Corporate and Strategy Officer & Corporate Secretary of the Corporation or request to have entered in the minutes of a meeting of their respective Board, the nature and extent of the Conflict of Interest forthwith after the Director becomes aware of the proposed or actual contract or transaction;

b) in the case of an Officer who is not a Director, the Officer shall, forthwith after becoming aware of the proposed or actual contract or transaction, disclose in writing the Conflict of Interest to the Chief Corporate and Strategy Officer & Corporate Secretary of the Corporation.

9. **Assessment of Conflict of Interest**

It is recognized that it is often difficult for a Director or Officer to objectively assess whether a Conflict of Interest situation exists. If a Director or Officer feels that a potential Conflict of Interest position may exist:

a) the Director may declare a potential Conflict of Interest to their respective Board and the matter shall be resolved by unanimous vote of all Directors (excluding the Director with the possible Conflict of Interest) present at that meeting;

b) in the case of an Officer who is a CEO within the MTS Group but who is not a Director, that Officer shall declare a potential Conflict of Interest in such cases to the Chair who shall determine whether a Conflict of Interest exists; and
c) in the case of an Officer other than in b) above, the Officer shall declare a potential Conflict of Interest in such cases to the CEO of the Corporation who shall determine whether a Conflict of Interest exists.

10. Voting

A Director shall not vote on any resolution or motion pertaining to a matter which involves an actual or potential Conflict of Interest for that Director.

11. Participation at Meetings

Any Director having a Conflict of Interest shall withdraw from any meeting during any discussion of the matter and shall not in any way attempt to influence the actions of the Directors collectively or individually, either in the course of any meeting or outside any such meeting.

At the direction of the Board, however, such Director may be invited to participate in debate on the matter which is the subject of the Conflict of Interest if it is determined by the Chair that the Director has particular knowledge useful to the Board in concluding the matter.

A Director so invited, shall not be counted in the determination of a quorum nor otherwise in the determination of the overall direction of the Board on the matter at issue.

12. Continuing Disclosure

For the purpose of these Guidelines, a general notice in writing by a Director or Officer to the Chief Corporate and Strategy Officer & Corporate Secretary of the Corporation, declaring they have a material interest in a Person and are to be regarded as interested in any transaction made with that Person, is a sufficient declaration of interest in relation to any transaction so made.

13. Guidelines

The range, complexity, and unique nature of the activities of the MTS Group is such that it is not possible to outline all Conflict of Interest situations. The following guidelines are not intended to be exhaustive but provide general principles and are in addition to any other policies of the Corporation:

a) No Directors or Officers shall engage directly or indirectly in any personal business transaction or private arrangement for personal profit which accrues from or is based upon their official position or authority or upon confidential or non-public information which they gain by reason of such position or authority;

b) No Directors or Officers shall divulge confidential or restricted information to any unauthorized Person or release such information in advance of authorization for its release;
c) No Directors or Officers shall have a direct or indirect pecuniary interest, or other interest which could conflict in any manner with the discharge of their duties, other than holding securities of the Corporation. Involvement or employment outside the MTS Group, or financial or other interests which reduce or demonstrate the potential to reduce the ability to give impartial or disinterested service, must be clearly avoided;

d) No conflict should exist or appear to exist between the private interests of the Directors or Officers and their corporate duties and responsibilities. The Directors and Officers shall arrange their private affairs in a manner which will prevent Conflicts of Interest from arising;

e) In order that their honesty and impartiality may be beyond doubt, Directors and Officers shall not place themselves in a position where they are under obligation to any Person who might benefit from special considerations or favours on their part or seek in any way to gain special treatment from them;

f) Directors and Officers participating in any investment decisions of the MTS Group with respect to the securities of a Person in which that Director or Officer has any interest, direct or indirect, shall immediately disclose such interest; and

g) Any gifts (beyond a nominal value) received by a Director or Officer shall be returned and any favours offered to a Director or Officer refused with an explanation that these Guidelines prevent the acceptance of gifts or favours which would create an appearance of a Conflict of Interest or constitute a Conflict of Interest.

14. Disciplinary Action

Departure from any of these rules by any Directors or Officers, without the specific prior approval of their Board, will result in remedial action or may be cause for dismissal, as applicable.

15. Representation to the Public

Unless expressly empowered or authorized by their Board, the Chair, a Director or Officer (other than the CEO or a President) shall not represent themselves publicly as speaking for the Corporation or Subsidiary on any specific issue or matter.

16. Confidentiality

A Director or Officer shall hold in strictest confidence all matters and information brought before any Board, Committee or any other meetings of Directors or Officers and shall not reveal information so obtained to any third party unless expressly empowered or authorized to do so by their Board.
17. **Investigation of Complaints**

Any complaint against a Director or Officer relating to a possible breach of these Guidelines shall first be referred to the Chair who shall determine whether the complaint warrants further investigation. If so, the Chair shall refer the matter to the Governance & Nominating Committee for further review, investigation and recommendation.

These Conflict of Interest Guidelines are not intended to replace but to supplement both common law and *The Corporations Act* (Manitoba).

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