

**DIRECTORS' CODE OF CONDUCT AND
POLICY ON CONFLICTS OF INTEREST**

**CANADIAN INTERNET REGISTRATION AUTHORITY/
AUTORITÉ CANADIENNE POUR LES ENREGISTREMENTS INTERNET**

(the "Corporation").

**SECTION 1
GENERAL**

- 1.01 Application. This Directors' Code of Conduct and Policy on Conflicts of Interest (the "Code") has been approved by the board of directors (the "Board") of the Corporation. The Code is intended to govern the conduct of Directors of the Corporation. It also sets out guidelines for avoiding and disclosing conflicts of interest.
- 1.02 Definitions. Unless otherwise specified, the words and expressions used in this Code shall have the same meaning as in By-law No. 1 of the Corporation.
- 1.03 Complement to By-laws, etc. The provisions of this Code are intended to complement and enhance in a consistent manner, the requirements that arise at law and in the By-laws of the Corporation.
- 1.04 Interpretation. This Code shall be, unless the context otherwise requires, construed and interpreted in accordance with the interpretation provisions of the Corporation's By-laws.

**SECTION 2
DUTIES AND RESPONSIBILITIES OF INDIVIDUAL DIRECTORS**

- 2.01 Responsibilities. Each Director is expected to become an active participant in a board that functions effectively as a whole. A Director is responsible to:
- (a) Be informed of the constating documents and legislation under which the Corporation exists, its By-laws, mission, values, codes of conduct, and policies as they pertain to the duties of a Director;
 - (b) Keep generally informed about the activities of the Corporation and the local Internet community, and general trends in the sector(s) in which it operates;
 - (c) Attend Board meetings regularly, serve on committees of the Board and contribute from personal, professional and life experience to the work of the Board;
 - (d) Exercise, in the performance of their duties, the degree of care, diligence and skill required of a Director pursuant to the laws under which the Corporation is incorporated;

- (e) Be independent and impartial;
- (f) Not be influenced by self-interest, outside pressure, expectation of reward or fear of criticism;
- (g) Act with honesty and integrity and conduct herself in a manner consistent with the nature and the responsibilities and the maintenance of public confidence in the conduct of the Board's business;
- (h) Offer her personal perspectives and opinions on issues that are the subject of Board discussion and decision;
- (i) Voice, clearly and explicitly at the time a decision is being taken, any opposition to a decision being considered by the Board;
- (j) Maintain solidarity with fellow Directors in support of a decision that has been made in good faith in a legally constituted meeting, by Directors in reasonably full possession of the facts;
- (k) Ask the Directors to review a decision, if she has reasonable grounds to believe that the Board has acted without full information or in a manner inconsistent with its fiduciary obligations, and, if still not satisfied after such review, ask that the matter be placed before the membership;
- (l) Work with the staff of the Corporation on committees or task forces of the Board;
- (m) Know and respect the distinction in the roles of Board and staff consistent with the principles underlying these governance policies;
- (n) Exercise vigilance for and declare any apparent or real personal conflict of interest in accordance with the Corporation's By-laws and policies, and in particular with this Code; and
- (o) Comply with all other codes and policies approved by the Board from time to time.

2.02 Conduct of Directors. A Director will at all times conduct herself in a manner that:

- (a) Supports the objectives of the Corporation;
- (b) Serves the overall best interests of the Corporation;
- (c) Subordinates her personal interests, and those of any particular constituency, to the best interests of the Corporation;
- (d) Brings credibility and goodwill to the Corporation;
- (e) Respects principles of fair play and due process;

- (f) Demonstrates respect for individuals and human rights;
- (g) Respects and gives fair consideration to diverse and opposing viewpoints;
- (h) Demonstrates due diligence and dedication in preparation for, and attendance at, meetings, special events and in all other activities on behalf of the Corporation;
- (i) Demonstrates good faith, prudent judgement, honesty, transparency and openness in her activities on behalf of the Corporation;
- (j) Ensures that the financial affairs of the Corporation are conducted in a responsible and transparent manner with due regard for her fiduciary responsibilities and public trusteeship;
- (k) Avoids real or perceived conflicts of interest;
- (l) Conforms with the By-laws and policies approved by the Board, in particular this Code and the Oath of Office and Confidentiality Agreement.

SECTION 3 CONFLICT OF INTEREST GUIDELINES

3.01 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 the interests of particular constituencies. This means putting the interests of the Corporation ahead of any personal interest or the interest of any other person or entity. It also means performing her duties and transacting the affairs of the Corporation in such a manner that promotes public confidence and trust in the integrity, objectivity and impartiality of the Board.

3.02 No Pecuniary Benefit.

- (a) No Director shall directly or indirectly receive any profit from her position as such, provided that, notwithstanding anything herein contained to the contrary, Directors may receive reasonable payment for their services and reimbursement for reasonable expenses incurred by them in the performance of their duties as permitted in the By-laws and approved by the Board.
- (b) 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.

3.03 Definition of Conflict of Interest.

- (a) 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 3.04 hereof.

- (b) A conflict of interest may be real, potential or perceived in nature.
- (c) A real conflict of interest arises where a Director has a private or personal interest, for example, a close family connection or financial interest.
- (d) A potential conflict of interest may arise when a Director has a private or personal interest such as an identified future commitment.
- (e) A perceived or apparent conflict of interest may exist when a reasonable, well-informed person has a reasonable belief that a Director has a conflict of interest, even if there is no real conflict.
- (f) Full disclosure, in itself, does not remove a conflict of interest.

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

The following examples constitute Conflicts of Interest under this Code:

- (a) Any circumstance that may result in a personal or financial benefit to a Director or his family, business associate or friend. This includes, but is not limited to, accepting any payment for services rendered to the Corporation other than payment for services of a Director as permitted in this Code, including contracted work or honoraria; or accessing financial or other resources for personal use, i.e. transportation, training costs, supplies, equipment, etc.
- (b) Personal interests which conflict with the interests of Members of the Corporation or are otherwise adverse to the interests of the Corporation.
- (c) Seeking, accepting or receiving any personal benefit from a supplier, vendor or any individual or organization doing or seeking business with the Corporation.
- (d) Being a member of the board or staff of another Person 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 other board.
- (e) Any involvement in the hiring, supervision, grievance, evaluation, promotion, remuneration or firing of a family member, business associate, or friend of the Director.

3.05 Principles for Dealing with Conflict of Interest.

- (a) 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 as soon as the issue arises and before the Board or its committees dealing with the matter at issue.
- (b) If the Director is not certain whether she is in a conflict of interest position, the

matter may be brought before the Chair of the Board, the Executive Committee or the Board for advice and guidance.

- (c) If there is any question or doubt about the existence of a real or perceived conflict, the Board will determine by majority vote if a conflict exists. The Director potentially in conflict of interest shall be absent from the discussion and shall not vote on the issue.
- (d) 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.
- (e) The Director must 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, unless otherwise decided by the Board, must leave the meeting room for the duration of any such discussion or vote.
- (f) The disclosure and decision as to whether a conflict 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.

3.06 Gifts and Hospitality. Directors shall not directly or indirectly offer or accept cash payments, gifts, gratuities, privileges or other personal rewards, which are intended to influence the activities or affairs of the Corporation. Directors may, however, give or receive modest gifts or hospitality as a matter of general and accepted business practice, provided the foregoing does not include cash or other negotiable instruments and provided further proper accounting of any such expenses is made.

SECTION 4 COMPLAINTS AND DISPUTES INVOLVING DIRECTORS

4.01 General

- (a) In this section 4, the “**Committee**” shall mean the Complaints Committee.
- (b) The Committee shall be constituted of 3 Directors, other than the Chair of the Board and members of the Executive Committee, who shall be appointed from time to time by the Board.
- (c) Any complaints that a Director has violated any provision of the Corporation’s By-laws or any policies approved by the Board, in particular the attached Oath of Office and Confidentiality Agreement, shall be referred to the process set out in subsections 4.04 to 4.06, and shall not be dealt with under any process unless the Complainant (except where clause 4.04(c)(ii) applies), the Complainee, the Adviser and the Committee agree. However, nothing herein shall preclude a Complainant from seeking legal recourse before a court, tribunal or commission.

- (d) Any disputes between Directors that interfere with the ability of the Board to carry on its affairs shall be referred to the process set out in subsection 4.02. If such a dispute arises out of an allegation that a Director has violated a provision of the Corporation's By-laws or any policies approved by the Board, such allegation shall be dealt with in accordance with subsections 4.04 to 4.06 before the dispute is dealt with under subsection 4.02.
- (e) Subject to Allegations of illegal activity involving a Director shall be immediately referred to appropriate authorities for investigation. Any Director against whom such allegations are made shall take a leave of absence from the Board pending completion of the investigation.

4.02 Disputes Between Directors

- (a) The Committee, in a meeting duly called for the purpose, shall review any disputes as described in paragraph 4.01(d).
- (b) The review of such dispute shall include an opportunity for the Directors concerned to present their respective positions.
- (c) Members of the Committee or of the Board who originate or are the subject of such disputes must declare their conflict and recuse themselves from such Committee or Board deliberations, meetings and decisions (but shall nonetheless be counted as part of the quorum of the Committee or the Board, as applicable).
- (d) Every attempt should be made to resolve such matters expeditiously and fairly.
- (e) The recommendations regarding resolution of such matters shall be brought to the Board for approval.
- (f) The ruling of the Board shall be final.

4.03 Advisers

- (a) The General Counsel of the Corporation is hereby appointed to serve as Adviser under this Code and may be replaced in his/her role as Adviser at any time by the Executive Committee. The role of Adviser shall not be left vacant.
- (b) In carrying out his/her duties under this Code, the Adviser will be directly responsible to the Executive Committee.
- (c) The Corporation will arrange for the Adviser to receive appropriate initial training as well as other institutional support and assistance in carrying out his/her responsibilities under this Code.
- (d) The Adviser will maintain separate confidential files of all documentation and/or notes generated for each complaint received, whether verbal or written, under this Code. The Adviser and, where appropriate, members of the Committee may have

access to those records as needed and the Committee has discretion to decide any other necessary access to specific files.

- (e) In the event that the Adviser is in any way personally involved with the facts giving rise to the complaint or the investigation, that Adviser is excused from all his or her responsibilities as an Adviser for that complaint only and the Executive Committee will appoint another person to serve as Adviser in respect of the complaint.

4.04 Reporting Process.

- (a) *Initial Action.* An individual (the "**Complainant**") who has reason to believe that a Director (the "**Complaine**") is in violation of this Code is encouraged to bring the matter to the attention of the Complaine. Where the Complainant does not wish to bring the matter directly to the attention of the Complaine, or where such an approach is attempted and does not produce a satisfactory result, the Complainant should seek the advice of the Adviser.
- (b) *Meeting with the Adviser.* The Adviser will provide a copy of the Code to the Complainant and advise the Complainant of:
 - (i) The right to lay a formal written complaint under this Code;
 - (ii) The right to withdraw from any further action in connection with the complaint at any stage (even though the Corporation may continue to investigate the complaint);
 - (iii) The time limits which apply to this Code and which may apply to such other avenues of recourse.
- (c) *Outcomes to Meeting with Adviser.* There are three possible outcomes following a complaint to the Adviser:
 - (i) *Where the Complainant and Adviser agree that the conduct does not constitute a violation of this Code:* If the Complainant and the Adviser, after discussing the matter, agree that the conduct in question does not constitute a violation of this Code, the Adviser will take no further action.
 - (ii) *Where the Complainant brings evidence of prima facie violation of the Code but does not wish to lay a formal written complaint:* It may happen that a Complainant (or a third party) brings to the attention of the Adviser facts which constitute prima facie evidence of a violation of the Code but, after discussion with the Adviser, the Complainant decides not to lay a formal written complaint. In that event, the following steps may be taken:
 - (A) The Adviser may speak to the Complaine with a view to obtaining an assurance from the Complaine that the conduct complained of will not be repeated; but thereafter proceed no

further; or

- (B) The Adviser may decide to lay a formal complaint if the Adviser concludes that the evidence and the surrounding circumstances are such as to require the laying of a formal complaint. In that event, the Adviser will:
 - I issue a formal written complaint signed by the Adviser;
 - II provide a copy of the complaint, without delay, to the Complainee and the Complainant; and
 - III provide a copy of the complaint, without delay, to the Committee for review.

The Committee will review the complaint and determine whether an investigation will be undertaken under subsection 4.05 hereof.

- (iii) *Where the Complainant decides to lay a formal complaint:* If the Complainant, after meeting with the Adviser, decides to lay a formal complaint, including the situation where the Adviser is of the view that the conduct in question does not constitute a violation of the Code, the Adviser will:
 - (A) assist the Complainant with the drafting of a formal written complaint, which must be signed by the Complainant;
 - (B) provide a copy of the complaint, without delay, to the Complainee and to the Complainant; and
 - (C) without delay, file the complaint with the Committee.

4.05 Investigative Process.

- (a) Where a complaint is filed with the Committee, the Committee shall examine the complaint and follow one of the following courses of action:
 - (i) Decide that there is not enough information to proceed, and either conduct its own investigation into the complaint (subject to paragraph 4.05(b)) or appoint an investigator independent of the Corporation to investigate the complaint. The Committee or the investigator, as applicable, shall provide a report on its or his/her findings;
 - (ii) Decide that there is enough information in the complaint to proceed, and commence the adjudicative process in subsection 4.06; or
 - (iii) Decide that, the facts included in the complaint do not give rise to violation of the Code, and dismiss the complaint.

- (b) An investigation under paragraph 4.05(a)(i) can only be conducted by the Committee where the facts are not in dispute and the consent of the Complainant, the Complainee, the Adviser and the Committee have been given in writing.
- (c) In the event the matter is investigated pursuant to paragraph 4.05(a)(i), once the report of the investigation is completed, the Committee shall consider such report and the complaint and follow one of the following courses of action:
 - (i) Decide that there is no violation of the Code and dismiss the complaint; or
 - (ii) Commence the adjudicative process in subsection 4.06.
- (d) Where the Committee commences the adjudicative process in subsection 4.06 it shall compose a report to be provided to the Board with the complaint and, if applicable, the investigator's report. The Committee's report shall include:
 - (i) A summary of the facts giving rise to the complaint;
 - (ii) A summary of the positions of the Complainant and the Complainee;
 - (iii) A summary of the investigator's or the Committee's report of investigation, if applicable;
 - (iv) The Committee's analysis of the complaint and the facts as they relate to the alleged violation(s) of this Code; and
 - (v) Recommendations with respect to the action the Board should take.
- (e) Recommendations made under paragraph 4.05(d)(v) may include, without limitation, any one or more of the following:
 - (i) A dismissal of the complaint;
 - (ii) A letter of reprimand from the Board to the Complainee;
 - (iii) Oral censure of the Complainee before the Board;
 - (iv) Oral censure of the Complainee before the CIRA members at a meeting of members;
 - (v) Public censure of the Complainee posted on the CIRA website;
 - (vi) Removal of the Complainee as a Director of the Corporation;
 - (vii) Removal of the Complainee as an Officer of the Corporation;
 - (viii) Such other recommendation(s) as the Committee shall consider advisable having regard to the facts and the gravity of the violation(s) of the Code, as applicable.

4.06 Adjudicative Process.

- (a) A hearing by the Board shall be held when the Committee forwards the complaint to the Board for further review in accordance with subsection 4.05.
- (b) The Board will name a place and time for the hearing.
- (c) Subject to subsection 4.06(d), the Board hearing will be held as soon as practicable but not later than twenty eight (28) days after the Board receives the written notice from the Committee.
- (d) The Board may extend the time for the hearing date if it is considered appropriate.
- (e) The Board will give written notice of the hearing to the Complainee and to the Committee at least seven (7) days before the hearing date.
- (f) The notice of the Board hearing will include:
 - (i) the place and time of the hearing;
 - (ii) the purpose of the hearing;
 - (iii) a statement that the Complainee will be afforded an opportunity to examine prior to the hearing, any written or documentary evidence that will be produced, or any reports the contents of which will be given in evidence at the hearing;
 - (iv) a statement that the Complainee may proceed in person or be represented by counsel, call witnesses and tender documents in evidence in support of his or her case;
 - (v) a statement that the time for the hearing may be extended by the Board on the application of any party; and
 - (vi) a statement that if the Complainee does not attend the meeting, the Board may proceed in the absence of the Complainee, and the Complainee will not be entitled to any further notice in the hearing.
- (g) The parties to the Board hearing are the Complainee, the Committee, the Complainant, the Adviser and such other person or persons as the Board may specify.
- (h) The Complainee and any other parties to the Board hearing shall be afforded an opportunity to examine, prior to the hearing, any written or documentary evidence that will be produced, or any reports the contents of which will be used in evidence.
- (i) Members of the Board holding the hearing will not have taken part in any

investigation or consideration of the subject matter of the hearing. A Director who originates the complaint or is the subject of such complaint must declare his/her conflict and recuse him/herself from the Board deliberations, meetings and decisions (but shall nonetheless be counted as part of the quorum of the Board. Furthermore, members of the Board holding the hearing will not communicate directly or indirectly in relation to the subject matter of the hearing with any person or with any party or their representative, except upon notice to all parties and where an opportunity is given to all parties to participate.

- (j) The Board may obtain legal advice.
- (k) The findings of fact of the Board pursuant to a hearing will be based exclusively on evidence admissible, or matters that that a tribunal may take notice of, under the *Statutory Powers Procedure Act* (Ontario).
- (l) No member of the Board will participate in a decision of the Board pursuant to a hearing unless they are present throughout the hearing and heard the evidence and argument of the parties and, except with the consent of the parties, no decision of the Board will be given unless all members so present participate in the decision.
- (m) The Board shall make a decision to follow, amend or not follow the recommendation of the Committee. The Board, in making its decision, shall take into account the evidence presented before it, the recommendation(s) of the Committee, the Code itself, and such other considerations it, in its discretion, considers relevant.
- (n) A written copy of the decision of the Board will be provided to the Complainee, the Complainant, if applicable, and the Committee.
- (o) Service of a notice to the parties may be made personally or by registered mail addressed to the person to be served at their last known address and, where notice is served by registered mail, it will be deemed that the notice was served on the third (3rd) day after the day of mailing unless the person to be served establishes that they did not, acting in good faith, through absence, accident, illness or other causes beyond their control, receive it until a later date.

SECTION 5 CONFIDENTIALITY

- 5.01 Confidential Information. It is the responsibility of Directors to know what information is confidential and to obtain clarification when in doubt. Except as she may be compelled by applicable legal process, a Director must, both while having and after ceasing to have that status, treat as confidential all information regarding the policies, internal operations, systems, business or affairs of the Corporation obtained by reason of her status as a Director and not generally available to the public. A Director shall not use information obtained as a result of her involvement on the Board for her personal benefit. Each Director shall avoid activities which may create appearances that she has benefited from confidential information received during the course of her duties as a Director.

- 5.02 Review of Code. Each Director, forthwith after being elected, shall meet with the Corporation's in-house legal counsel or, in his absence, with the President and CEO, to review this Code and such other policies of the Corporation that apply to Directors.
- 5.03 Oath of Office and Confidentiality Agreement. Each Director is required to sign and agree to comply with the *Oath of Office and Confidentiality Agreement*, in the form attached hereto as Schedule "A".

Schedule "A"

Oath of Office and Confidentiality Agreement

I, _____, a Director of **CANADIAN INTERNET REGISTRATION AUTHORITY/AUTORITÉ CANADIENNE POUR LES ENREGISTREMENTS INTERNET**, declare that I have read, understood and agree to comply with the Corporation's Code of Conduct, Policy on Conflicts of Interest and other applicable policies, and that in carrying out my duties as a Director, I will:

1. Exercise the powers of my office and fulfil my responsibilities honestly, in good faith and in the best interests of the Corporation.
2. Exercise these responsibilities, at all times, with due diligence, care and skill in a reasonable and prudent manner.
3. Respect and support the Corporation's By-laws, policies, Code of Conduct, Policy on Conflicts of Interest and decisions of the Board of Directors and Membership.
4. Keep confidential all information unless the Board of Directors determines that such information is public. This shall include, but not be limited to, information about personnel, trade-secrets, any personal information, and matters dealt with during *in-camera* meetings of the Board of Directors.
5. Conduct myself in a spirit of collegiality and respect for the collective decisions of the Board of Directors and subordinate my personal interests to the best interests of the Corporation.
6. Immediately declare any personal conflict of interest that may come to my attention.
7. Comply with decisions of the Board of Directors made pursuant to the Corporation's Code of Conduct.

Signature: _____ Date: _____

Witness: _____ Date: _____