

SCHEDULE E

VANCOUVER FRASER PORT AUTHORITY CODE OF CONDUCT

ARTICLE 1

OBJECTS AND INTERPRETATION

1.1 **Object of Code.** The object of this Code is to preserve and enhance public confidence in the integrity and impartiality of directors and officers of the Authority and the business activities and transactions carried on by the Authority by establishing clear conflict of interest rules for directors and officers of the Authority.

1.2 **Principles.** This Code shall be interpreted in accordance with the following general principles:

(a) every director and officer shall discharge their duties and arrange their private affairs in such a manner so as to preserve and promote public confidence and trust in the integrity and impartiality of the Authority;

(b) the obligations of a director or officer described in subsection 1.2(a) may not always be discharged merely by acting in accordance with the technical requirements of the Act, the Regulations, the Letters Patent, the by-laws and the policies and resolutions of the Board; and

(c) public confidence and trust in the integrity and impartiality of the Authority may be as equally compromised by the appearance of a conflict as with the existence of an actual conflict.

1.3 **Definitions.** In this Code terms used herein shall have the meanings ascribed to them in the Act and the Letters Patent, and in addition the following terms shall have the following meanings:

(a) "**Gift**" includes any good, service, benefit, hospitality, promise or favour; and

(b) "**Related Party**" means with respect to a director or officer of the Authority

(i) a spouse, child, brother, sister or parent of such director or officer;

(ii) a relative of such director or officer (other than a spouse, child, brother, sister or parent of such director or officer) or a relative of the spouse of such director or officer if the relative has the same residence as the director or officer;

(iii) a corporation, partnership, trust or other entity which is directly or indirectly controlled by such director or officer or by a spouse, child, brother, sister or parent of such director or officer or any combination of such persons; and

(iv) a partner of such director or officer acting on behalf of a partnership of which the director or officer and the partner are partners.

1.4 **Application of Code.** This Code applies to all directors and officers of the Authority.

1.5 Scope of Obligations. Conforming to the specific requirements of this Code shall not absolve a director or officer of responsibility for taking such additional action as may be necessary to conform with any standard of conduct or comply with any duty imposed by the Act, the Regulations, the Letters Patent, the by-laws and the policies and resolutions of the Board or otherwise by law.

1.6 Acknowledgement by Directors and Officers. Each director and officer shall acknowledge in writing to the Governance Committee that

- (a) they have read and understood this Code;
- (b) to the best of their knowledge they are in compliance with this Code and neither they nor any Related Party to them has a conflict or a potential conflict within the meaning of Article 2 of this Code; and
- (c) in the case of each officer, compliance with this Code is a condition of their employment.

1.7 Timing of Acknowledgement. Each director and officer shall deliver the acknowledgement described in section 1.6 of this Code to the Governance Committee:

- (a) with respect to the directors serving and officers employed on the date the Letters Patent take effect, forthwith upon the Letters Patent taking effect; and
- (b) with respect to all other directors at the time of their appointment and with respect to all other officers at the time of the commencement of their employment.

1.8 Annual Review. Each director and officer shall regularly review their obligations under this Code and shall on the 15th day of March of each year provide the Governance Committee with a written acknowledgement confirming such review and that, to the best of the knowledge of the director or officer,

- (a) they are in compliance with this Code; and
- (b) neither they nor any Related Party to them has a conflict within the meaning of Article 2 of this Code.

ARTICLE 2

CONFLICTS OF INTEREST

2.1 Conflicts Generally. A director or officer shall not allow his or her personal interests or the personal interests of a Related Party to the director or officer to conflict with or to give rise to the appearance of a conflict with the duties and responsibilities of the director or officer to the Authority or the interests of the Authority.

2.2 Specific Types of Conflicts. Without restricting the generality of section 2.1, the following represent examples of specific matters which give rise to a conflict or the appearance of a conflict on the part of a director or officer:

- (a) *Competition with the Authority:* A director or officer or a Related Party of a director or officer engages in any activity, or has a material interest in any person which engages in an activity, which is in competition or could reasonably be expected to be in competition with the Authority's present or proposed interests;

(b) *Transactions with the Authority or a User; Material Interests:* A director or officer or a Related Party of a director or officer

(i) has a material interest in a user;

(ii) owes material obligations to the Authority or a user, other than in connection with the duties of the director or officer arising from their position with the Authority;

(iii) conducts business with the Authority or a user; or

(iv) holds a material interest in a person which conducts business with, or acts as a consultant or advisor to, the Authority or a user;

(c) *Interest in Material Contract:* A director or officer

(i) is a party to a material contract or proposed material contract with the Authority; or

(ii) is a director or officer of or has a material interest in any person who is a party to a material contract or proposed material contract with the Authority; and

(d) *Acceptance of Offices with Conflicted Entities:* A director or officer accepts an appointment or a nomination for election to an office of, or employment with, any corporation, partnership, foundation, institute, organization, association or other entity, the business or activities of which are, or could reasonably be expected to be, in conflict with the interests of the Authority.

2.3 Conflicts For Which Approval Satisfactory. Engaging in the following activities shall be deemed not to give rise to a conflict or the appearance of a conflict on the part of a director or officer within the meaning of Article 2 of this Code provided that the director or officer obtains the written approval of the Governance Committee prior to engaging in such activities:

(a) *Acceptance of Offices With Entities Benefiting From Authority:* A director or officer accepts an appointment or a nomination for election to an office of, or employment with, any corporation, partnership, foundation, institute, organization, association or entity, the business or activities of which benefit or could reasonably be expected to benefit from the business of the Authority or decisions made by the Authority; and

(b) *Use of Authority Property:* A director or officer uses property of the Authority or property managed by the Authority for the personal benefit of the director or officer or a Related Party of the director or officer.

If a director or officer fails to obtain the written approval of the Governance Committee prior to engaging in any activity described in subsections (a) or (b) of this section, the engagement of the director or officer in such activity shall be deemed to give rise to a conflict of interest within the meaning of Article 2 of this Code.

ARTICLE 3

DISCLOSURE OF CONFLICTS

3.1 Timing of Disclosure. Written disclosure of a conflict or an appearance of a conflict shall be made by a director or officer forthwith after the director or officer becomes aware

of the conflict or the appearance of a conflict within the meaning of Article 2 of this Code.

3.2 Declaration of Interest. For the purposes of this Code, a notice in writing to the Governance Committee by a director or officer providing reasonable particulars of the interest, asset, activity or position giving rise to the conflict or the appearance of a conflict together with such other material information relating to the conflict or the appearance of a conflict as shall be reasonably requested by the Governance Committee shall be deemed to be disclosure of the conflict or the appearance of a conflict.

3.3 Voting and Participation. A director or officer who is in conflict within the meaning of Article 2 of this Code shall not participate in discussions or vote on any decision of, or provide recommendations to, the Governance Committee or the Board on any matter related to the conflict. Notwithstanding the foregoing, a director or officer may participate in, vote on and provide recommendations to the Governance Committee or Board respecting any matter related to

(a) an arrangement by way of security for money lent to, or obligations undertaken by the director or officer for the benefit of, the Authority;

(b) a contract that relates primarily to his or her remuneration as a director, officer, employee or agent of the Authority; and

(c) a contract for indemnity in favour of the director or officer or directors' or officers' liability insurance.

3.4 Quorum for Directors' Meetings. Nothing contained in section 3.3 shall preclude a director or officer who is in conflict within the meaning of Article 2 of this Code from being counted to determine the presence of a quorum at a meeting of directors or committee of directors of the Authority where all or a portion of the business conducted at such meeting is consideration of the transaction or matter giving rise to the conflict, the interpretation of this Code or a determination or recommendation made pursuant to Article 4 of this Code. Notwithstanding the foregoing, a director or officer who is in conflict shall absent himself or herself from the meeting for the portion of the meeting during which the transaction or matter giving rise to the conflict is considered.

3.5 Similar Transactions. In the case of similar transactions that are, or could reasonably be expected to be, of a recurring nature and which are made or will be made in the ordinary course of the operations of the Authority, a director or officer who is in conflict as a result of such transactions shall be deemed to have complied with the disclosure requirements of this Article 3 if,

(a) in the case of the directors serving or officers employed on the date the Letters Patent take effect, forthwith upon the Letters Patent taking effect; and

(b) in the case of all directors and officers, including the directors and officers described in subsection 3.5(a), on or before the 15th day of March of each year for which such disclosure relates,

the director or officer makes a single annual written disclosure to the Governance Committee setting out the nature and extent of the conflict arising as a result of the transactions together with such other information relating to the conflict as shall reasonably be requested by the Governance Committee.

ARTICLE 4

COMPLIANCE

4.1 **Voluntary Activities.** When a conflict arises within the meaning of Article 2 of this Code, in addition to the disclosure required under Article 3 of this Code, a director or officer may voluntarily undertake one or more of the following actions to address the conflict:

(a) *Divestment:* selling or causing the sale of the asset or interest giving rise to the conflict to a party which is not a Related Party;

(b) *Withdrawal:* resigning the position or withdrawing from the activity or causing the resignation or withdrawal; or

(c) *Resignation:* resigning where the director or officer is unwilling or unable to divest the asset or interest, withdraw from the activity or resign from the position giving rise to the conflict.

4.2 **Voluntary Compliance Not Determinative.** Voluntary compliance by a director or officer with one or more of the measures described in section 4.1:

(a) in the case of a director, shall not relieve the director from complying with such other measures as may be determined by the entity appointing the director to be appropriate in connection with a conflict or an appearance of conflict; and

(b) in the case of an officer, shall not relieve the officer from complying with such other measures as may be determined by the Board to be appropriate in connection with a conflict or an appearance of conflict.

4.3 **Initial Determination by Governance Committee.** Where a disclosure is made to the Governance Committee by a director or officer pursuant to Article 3 of this Code or facts are brought to the attention of the Governance Committee which indicate a conflict or appearance of conflict or failure to comply with this Code by a director or officer, the Governance Committee shall forthwith initially determine

(a) whether the disclosure made by the director or officer indicates a conflict within the meaning of Article 2 of this Code; and

(b) whether, if applicable, the director or officer has failed to comply with this Code.

4.4 **Recommendation by Governance Committee.** Upon determining that a conflict exists and/or that a director or officer has failed to comply with this Code, the Governance Committee shall provide the Board with a written recommendation as to the appropriate method for the director or officer to comply with this Code which may include but is not limited to

(a) a recommendation that the conflict has been or will be satisfactorily addressed

(i) through disclosure by the director or officer;

(ii) by the director or officer undertaking one or more of the actions described in section 4.1;
or

(iii) by the director or officer undertaking actions other than as described in paragraphs 4.4(a)(i) and (ii);

(b) in the case of a director, whether a recommendation should be made to the director that the director resign; and

(c) in the case of an officer, the sanctions, if any, which the Governance Committee recommends be imposed against the officer.

4.5 Determination by Board. Upon receiving a recommendation of the Governance Committee provided pursuant to section 4.4, the Board shall forthwith consider the recommendations of the Governance Committee and make a final determination as to

(a) whether the director or officer is in a conflict within the meaning of Article 2 of this Code;

(b) whether the director or officer has failed to comply with this Code;

(c) whether the conflict has been or will be satisfactorily addressed through

(i) disclosure by the director or officer;

(ii) the director or officer undertaking one or more of the actions described in section 4.1; or

(iii) the director or officer undertaking actions other than as described in paragraphs 4.5(c)(i) and (ii);

(d) in the case of an officer, the measures to be taken by the officer to address the conflict and any sanctions to be imposed upon the officer in connection with a failure by the officer to comply with this Code; and

(e) in the case of a director, whether to request the director to resign.

4.6 Opportunity to be Heard. The Governance Committee and the Board, as the case may be, shall provide a director or officer with an opportunity to be heard in connection with an initial determination made pursuant to section 4.3, a recommendation made pursuant to section 4.4 or a determination made pursuant to section 4.5.

4.7 Notification of Determination Respecting Officer. Upon the Board making a determination pursuant to section 4.5 in respect of an officer, the Board shall forthwith provide the officer with written notification of the determination, including the reasons therefor, together with any direction of the Board to be complied with by the officer.

4.8 Notification of Determination Respecting Director. Where the Board has determined that a director has failed to comply with this Code, the Board shall forthwith provide the entity which has appointed such director to the Board with written notification of the failure to comply along with full particulars of the circumstances giving rise thereto.

ARTICLE 5

ACCEPTANCE OR OFFERING OF GIFTS

5.1 Acceptance or Offering of Gifts. No director or officer shall offer Gifts to, or accept Gifts from, users or potential users without the prior written consent of the Governance Committee.

Notwithstanding the foregoing, Gifts may be accepted or offered provided

(a) the Gift is not in the form of cash or cash equivalent;

(b) the Gift is not intended to be, and is neither in such form nor of sufficient value such that it could reasonably be construed to be, a bribe or other improper payment; and

(c) the Gift is of modest value and the acceptance of the Gift is in accordance with customary business practice.

ARTICLE 6

INSIDE INFORMATION

6.1 Use of Information. A director or officer shall not use any information obtained in connection with his or her position with the Authority for personal benefit or for the benefit of any other person unless such information has been disclosed to the public or has been made available to the public. Without limiting the generality of the foregoing, a director or officer who has knowledge of a proposed action or decision by the Authority shall not purchase or sell assets or advise any other party to purchase or sell assets the value of which could be expected to be materially affected by the proposed action or decision until such time as the proposed action or decision has been announced or has been made available to the public.

6.2 Disclosure of Confidential Information. Subject to section 6.3, no director or officer shall disclose any information concerning the business and affairs or proposed business and affairs of the Authority acquired in connection with his or her position with the Authority ("Confidential Information") which has not been disclosed to the public or been made available to the public without the prior written consent of the Governance Committee.

6.3 Permitted Disclosures. A director or officer may disclose Confidential Information:

(a) to the extent that the disclosure is reasonably necessary in connection with the performance of the duties and responsibilities of the director or officer, including, without restriction, disclosures necessary in connection with a financing transaction or proposed financing transaction involving the Authority;

(b) to the extent disclosure is required by law (including, without limitation, the *Access to Information Act* [Canada] and *Privacy Act* [Canada] requirements) or by a court or tribunal of competent jurisdiction; and

(c) to professional advisors of the Authority.

ARTICLE 7

OUTSIDE EMPLOYMENT

7.1 **Offers of Employment or Appointment.** In discharging his or her duties and responsibilities to the Authority, a director or officer shall not allow the performance of such duties and responsibilities to be affected by offers or potential offers of outside employment or appointment.

7.2 **Disclosure of Offer.** A director or officer who receives a firm offer of employment or appointment which may affect the performance of the director's or officer's duties or responsibilities shall forthwith disclose the offer to the Governance Committee in writing.

ARTICLE 8

RECORDS AND PRIVACY

8.1 **Confidentiality Obligation.** Information concerning the interests or activities or proposed interests or activities of a director or officer provided to the Governance Committee in connection with the disclosure obligations of this Code or the Regulations or otherwise obtained by the Governance Committee shall be placed in a separate personal file established for the director and officer and kept in secure safekeeping.

8.2 **Privacy.** Subject to disclosure of personal information in accordance with law (including, without limitation, disclosure under the *Access to Information Act* [Canada] and *Privacy Act* [Canada]), in addition to the confidentiality obligations set forth in section 8.1, the Governance Committee shall take all commercially reasonable efforts to ensure that the privacy of the director or officer disclosing personal information to the Board is fully respected.