

## CONFLICT OF INTEREST

1. The objective of these Conflict of Interest provisions is to enhance public confidence in the integrity of the Authority by minimizing the possibility of conflicts arising between the private interests of Directors and the duties and responsibilities of Directors, and, providing for the resolution of such conflicts should they arise.
2. Each Director shall:
  - 2.1 perform his or her duties and responsibilities and arrange his or her private affairs in such a manner that public confidence and trust in the integrity, objectivity and impartiality of the Authority are conserved and enhanced;
  - 2.2 act in a manner that will bear the closest scrutiny, an obligation that is not fully discharged by simply acting within the law;
  - 2.3 not have private interests, other than those permitted pursuant to these provisions, that would be benefited by actions or decisions of the Authority Board;
  - 2.4 arrange his or her private affairs in a manner that will prevent real, potential or apparent Conflict of Interest from arising but, if such a conflict does arise, the conflict shall be resolved in favour of the best interests of the Authority;
  - 2.5 not knowingly take advantage of, or benefit from, information that is not generally available to the public and that is obtained in the course of serving as a Director; and,
  - 2.6 disclose annually private interests as required under these provisions, (see Paragraph 11, below) and upon learning of a

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potential conflict of interest, immediately disclose the nature of the potential conflict.

3. The Chair, supported by the advice of the Chair of the Governance Committee, and the services of the Corporate Secretary, is responsible for the administration of these conflict of interest provisions.
4. Where, in the opinion of the Chair, a conflict may exist in principle but would not as a practical matter have any significant effect on the Authority, the Chair may, in writing, permit such condition to continue. Any such permission must be disclosed at the next Board meeting.
5. Each Director is encouraged to review ownership of shares in any company carrying on business on Sea Island and to exercise prudent judgment as to whether such continued ownership might be perceived by an unsympathetic observer as a conflict bearing in mind the following factors:
  - Absolute size of holdings;
  - The company's size at YVR; and
  - The company's susceptibility to Authority decisions.
6. A Director engaging in any other business activity<sup>1</sup> directly or indirectly affecting activities of the Authority or which is in competition with the Authority or any of its customers or which in any other manner may be construed as in conflict with the Authority's interests, must make full disclosure of such activity to the Chair, who will rule on the conflict and may require discontinuation of the activity or consent to it in writing.

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<sup>1</sup> "Business activity" refers to ownership, participation in decision-making as a member of a board, engagement as an advisor or consultant, or as an active member of staff in any position.

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7. It will be deemed a conflict of interest if without written consent of the Chair:
  - 7.1 a Director, a member of the Director's household, or a trust in which the Director is involved, has significant, direct or indirect financial interest in, or obligation to, an actual or potential client of the Authority;
  - 7.2 a Director conducts business on behalf of the Authority with a client of which a relative by blood or marriage is a principal officer or representative;
  - 7.3 a Director, member of the Director's household or a trust in which the Director is involved, accept gifts of more than token or nominal value from an actual or potential client of the Authority; or
  - 7.4 a Director misuses information obtained in the course of acting as a Director of the Authority.
8. A Director will not without the written consent of the Chair engage in, or accept appointment or election to office in any organization or association engaged in or expected to become engaged in, any activity which is, or is likely to be, in conflict with any activity of the Authority or engage in any activity or accept any appointment which is an embarrassment to the Authority.
9. A Director must notify the Chair before accepting any other directorship or any position of authority in an entity that might benefit from the policies of or be in conflict with the Authority.

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10. A Director should at all times maintain the confidentiality of all information and records that are the property of the Authority and must not make use of or reveal such information until it becomes a matter of general public knowledge.
11. The Annual Conflict of Interest disclosure form (attached as **Schedule 1**) and any changes thereto shall be filed by each Director with the Secretary of the Corporation and reviewed by the Chair, the President and the Secretary. The statements shall be kept on file with the Secretary and made available to any Director upon request. The Secretary may thereafter call the attention of the Board of Directors to the contents of any particular disclosure statement or supplementary statement, in whole or in part, if the Secretary considers the circumstances so warrant.
12. This document is summary in nature: should any Conflict of Interest issues arise that require resort to more fully detailed provisions, then the *Rules Concerning Conflict of Interest* (attached as **Schedule 2**) shall be used, and in the event of a conflict between this document and the *Rules*, the *Rules* shall prevail.

## Annual Conflict of Interest Disclosure: Board of Directors

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1. Name of Director: \_\_\_\_\_
2. This Statement discloses information as of \_\_\_\_\_, 201\_\_.
3. The following is a list of every enterprise in which I, or any trustee or nominee on my behalf, directly or indirectly, hold an interest of greater than 10% of the enterprise *[including real property interests, but excluding personal real estate holdings (eg: home, farm, cabin, cottage) that have no bearing on potential conflicts with Airport Authority interests.]*

Name of Company:

Type of Business ordinarily carried on:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. The following is a list of every enterprise in respect of which I receive financial remuneration, (either directly or indirectly through a consulting firm or otherwise) for services performed by me, as an owner or part owner, trustee, consultant or employee, or from which I receive any amount required to be included as income under the Income Tax Act (Canada):

Name of Company:

Type of Business ordinarily carried on:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. In addition to the organizations listed in 3 and 4, the following is a list of every organization of which I am a director or officer (including charities):

Organization:

Position:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. If any of the organizations listed under 3, 4, or 5 does any business with the Airport Authority, I disclose my knowledge of such business here:

Name of Company

Nature of Business with the Authority

\_\_\_\_\_

\_\_\_\_\_

7. I declare this is a full and accurate disclosure and I further declare and certify that I have read and complied with the *Conflict of Interest Guidelines* since my appointment as a Member and Director of the Authority.

Signed this \_\_\_ day of \_\_\_\_\_ 201\_\_.

**PART 1**DISCLOSURE OF CONFLICT OF OFFICE OR PROPERTY

1.1 Every Director of the Corporation who holds any office, or possesses any property, whereby, whether directly or indirectly, a duty or interest might be created in conflict with his duty or interest as a Director of the Corporation, shall declare at a meeting of the Directors of the Corporation the fact, and the nature and extent of the conflict.

1.2 The declaration to be made by a Director referred to in Section 1.1 shall be made at the first meeting of the Directors held:

- (a) after he becomes a Directors; or
- (b) if he is already a Director, after he commenced to hold the office or possess the property.

1.3 The declaration of a conflicting duty or interest by a Director under Section 1.1 shall be recorded in the minutes of the meeting of the Directors at which such declaration is made.

**PART 2**DISCLOSURE OF INTEREST AND PARTICIPATION BY DIRECTORS IN DECISIONS CONCERNING PROPOSED CONTRACTS OR TRANSACTIONS COMING BEFORE THE BOARD OF DIRECTORS

2.1 Every Director who:

- (a) is, in any way, directly or indirectly, interested in a proposed contract or transaction with the Corporation; or
- (b) is interested in the result of any other proposed resolution of the Directors,

shall disclose the nature and extent of his interest at a meeting of the Directors and shall not participate in any decision of the Directors regarding the proposed contract, transaction, or resolution.

2.2 Without restricting the generality of Section 2.1, a Director shall be deemed to be interested in a proposed contract, transaction, or resolution where he knows that any associate of his has an interest in the proposed contract, transaction, or resolution.

2.3 The disclosure required where an interest exists pursuant to Section 2.1 shall be made:

- (a) at the meeting of the Directors at which the proposed contract, transaction or resolutions is first considered;
- (b) if the Director was not, at the time of the meeting referred to in Section 2.3(a), interested in the proposed contract, transaction or resolution, at the first meeting after he becomes interested; or
- (c) at the first meeting after the relevant facts have come to his knowledge.

2.4 Where an interest exists pursuant to Section 2.1(a) a general notice in writing given by a Director of the Corporation to the Secretary of the Corporation to the effect that he is a member, Director or officer of a specified company, or that he is a partner in, or owner of, a specified firm, and that he has an interest in a specified company or firm, and giving the nature and extent of his interest, is a sufficient disclosure of interest.

2.5 A Director, who is interested pursuant to Section 2.1(a), shall not be counted in the quorum at a meeting of the Directors at which the proposed contract or transaction is approved.

2.6 The disclosure required by Section 2.1 on the part of any Director shall be recorded in the minutes of the meeting of the Board of Directors of the Corporation at which such disclosure was made.

2.7 If a contract or transaction has been approved at a meeting of the Directors of the Corporation at which a Director who is interested therein in any way, directly or indirectly, was not present and that Director subsequently discloses his interest at a meeting of the Directors, then that Director will be deemed to have complied with the disclosure requirements arising from Section 2.1 (a):

- (a) where the contract or transaction was approved by the Directors but not entered into by the Corporation, if, after disclosure of the Director's interest, the Board subsequently

ratifies or confirms that contract or transaction by a decision in which that Director does not participate; or

- (b) where the contract or transaction has been approved by the Directors and entered into by the Corporation, if, in the opinion of the Board of Directors, or alternatively in the opinion of the Corporation's accountants where the Directors in their discretion have referred the matter to them, the contract or transaction was reasonable and fair to the Corporation at the time it was entered into.

### PART 3

#### DISCLOSURE OF INTEREST IN CONTRACTS OR TRANSACTIONS NOT BROUGHT BEFORE THE BOARD OF DIRECTORS

3.1 Where the Corporation proposes to enter into a contract in which a Director has an interest but which is not, to the Director's knowledge, to be brought before the Board of Directors for its approval, the Director shall immediately disclose the nature and extent of his interest in the proposed contract or transaction to the secretary of the Corporation (who shall convey the nature of that interest to the officer of the Corporation responsible for the proposed contract or transaction) and thereafter to the Board of Directors at the next ensuing meeting of the Directors and the Director shall not participate in any decision of the Directors in respect of such proposed contract or transaction.

3.2 Where the Corporation has entered into a contract in which a Director has an interest, either directly or indirectly, without the contract having first been approved by the Board of Directors and prior to the Director having knowledge of the contract, that Director shall disclose the nature and extent of his interest in the contract or transaction at the first meeting of the Directors after the relevant facts have come to his knowledge.

3.3 In the case of similar contracts or transactions that are, or may be expected to be, of a recurring nature and which are made, or will be made, in the ordinary course of the operation of the Corporation (and which are not concession contracts), a Director who is interested therein shall be deemed to have complied with the disclosure requirements of Sections 3.1 and 3.2 if annually, on each December 31<sup>st</sup>, he makes a single full disclosure of the nature and extent of his interest in such contracts or transactions as set out in Part 4.



## PART 4

DISCLOSURE STATEMENTS

4.1 Every Director of the Corporation shall file a disclosure statement prior to the first meeting following the date upon which he becomes a Director and thereafter annually on each December 31<sup>st</sup>.

4.2 The disclosure statement shall set out:

- (a) all of the information required to be declared under Section 1.1;
- (b) the name of every company in which the Director, or any trustee or nominee of his behalf, directly or indirectly holds 10% or more of its issued shares, and a statement of the type of business ordinarily carried on by that company;
- (c) the name of every business enterprise in respect of which the Director receives financial remuneration for services performed by him as an owner or part owner, director, trustee, or employee, or from which he received any amount required to be included as income under the Income Tax Act (Canada);
- (d) the name of every subsidiary of a company referred to in Section 4.2(b), and a statement of the type of business ordinarily carried on by the subsidiary;
- (e) the name of every company that is affiliated with a company referred to in Section 4.2(b) and with every subsidiary referred to in Section 4.2(d) together with a statement of the type of business ordinarily carried on by the affiliate;
- (f) the name of every company of which the Director is a director or officer; and
- (g) a statement that the Director has made complete and accurate disclosure in his disclosure statement and that he has complied with these Rules over the relevant reporting period (or giving particulars of any non-compliance).

4.3 If at any time during the year following the filing of his disclosure statement under Section 4.1 there occurs any material change to the information

given by a Director in his last disclosure statement, either by way of addition or deletion, that Director shall forthwith file a supplementary disclosure statement describing such change.

4.4 The disclosure statement and any supplementary statement thereto shall be filed by each Director with the Secretary of the Corporation and reviewed by the Chair, the President and the Secretary. The statements shall be kept on file with the secretary and made available to any Director upon request. The secretary may thereafter call the attention of the Board of Directors to the contents of any particular disclosure statement or supplementary statement, in whole or in part, if he feels the circumstances warrant.

4.5 The obligation to file disclosure statements under this Part 4 is in addition to, and not in substitution for, the disclosure requirements of Parts 1, 2 and 3.

## **PART 5**

### PROFESSIONAL ADVISORS

5.1 Any Director individually, or the Board of Directors by resolution, may at any time ask the Corporate Secretary to appoint counsel for an opinion as to the application of these Rules (and their amendments) to any particular situation.

5.2 The Corporation's accountants may be requested to perform such duties in connection with these rules (and their amendments) as the Directors decide from time to time.

## **PART 6**

### INTERPRETATION

6.1 For the purposes of these Rules:

- (a) "affiliate" shall have the meaning attributed to it by the Company Act (British Columbia);
- (b) "associate", when used to indicate a relationship with a person, means:
  - (i) a company of which that person beneficially owns, directly or indirectly, shares; or

- (ii) a trust or estate of which that person has a substantial beneficial interest or for which he serves as a trustee or in any similar capacity; or
  - (iii) a spouse, son or daughter of that person; or
  - (iv) a relative of that person or of his spouse, other than a relative referred to in Section 6.1(b)(iii), who has the same home as that person.
- (c) “business enterprise” includes any profession, calling, trade, manufacturer or undertaking of any kind, and in adventure or concern in the nature of trade, whether incorporated or not;
- (d) “Corporation” means the Vancouver International Airport Authority;
- (e) “decision” includes any determination, grant, payment, award, license, permit, contract, franchise, concession, and any decision in connection with an offer, proposal or request with respect to any of the foregoing.
- (f) “Director” or “Directors” means a person or the persons appointed as a Director, or as the Directors, of the Corporation.
- (g) “interest” includes:
  - (i) a personal or business benefit or advantage;
  - (ii) an increase or decrease in the value of real or personal property;
  - (iii) an advantage, gain, profit, reward or prerequisite of any kind, whether pecuniary or otherwise, and whether direct or indirect; or
  - (iv) a duty owed as a director, officer, partner or employee of a business enterprise contracting or transacting with, proposing to contract or transact with, or engage in a dispute with, the Corporation;

but an interest does not arise out of a proposed contract or transaction:

- (i) where the proposed contract or transaction relates to a loan to the Corporation, solely because the Director or a specified corporation or specified firm in which he has an interest has guaranteed or joined in guaranteeing the repayment of the loan or any part of the loan;
  - (ii) where the proposed contract or transaction has been or will be made with or for the benefit of an affiliated company of the Corporation, solely because a Director is a director or officer of that company;
  - (iii) where the proposed contract or transaction relates to an indemnity or to insurance under Section 152 of the Company Act; or
  - (iv) where the proposed contract or transaction relates to the remuneration of a Director in his capacity as a Director.
- (h) “participate” with respect to a decision of the Directors means to participate personally and substantially as a Director, whether through approval, disapproval, decision, recommendation, the giving of advice, voting, or otherwise, but does not include the discussion by an interested director of a proposed contract, transaction or resolution at a meeting of the Directors where a majority of the remaining directors have approved the discussion of the subject by the interested Director.
- (i) “subsidiary” shall have the same meaning attributed to it by the Company Act (British Columbia).

6.2 Reference herein to the masculine gender shall include the feminine.

6.3 Reference herein to Sections and Parts are references to the Sections and Parts of these Rules unless clearly identified as being otherwise.