



Vancouver Airport Authority

Director Conflict of Interest Policy and Protocol

Purpose

Vancouver Airport Authority (the “**Airport Authority**”) is committed to acting professionally, fairly and with integrity in all of our business relationships. To confirm this commitment, the Board has adopted this conflict of interest policy (“**Policy**”), which applies to all Directors. The purpose of this Policy is to provide guidance and direction specific to Directors in avoiding and handling actual, potential or perceived conflicts of interest.

For more information about conflicts of interest, please refer to the Code of Ethics, or contact the Corporate Secretary.

Interpretation

A “*conflict of interest*” is a situation in which a Director’s personal interests, activities, or other obligations outside their role as a Director are at odds with their duties and responsibilities to the Airport Authority. It also includes the interests, activities, and obligations of their “*related parties*”, such as family members, friends, or business partners, who may cause the Director’s judgment to be inappropriately influenced, intentionally or otherwise.

A conflict of interest may be identified as “actual”, “potential” or “perceived”:

- an “*actual*” conflict of interest exists at the present time,
- a “*potential*” conflict of interest could reasonably happen in the future; and
- a “*perceived*” conflict of interest is a situation that could be perceived as a conflict of interest by a reasonable observer (whether or not it is an actual conflict) — this is more about the “optics” of the situation.

While actual and potential conflicts are very serious, perceived conflicts of interest can be equally damaging to the Airport Authority and the strong reputation that we have worked hard to build.

We use the term “conflict” throughout this Policy to collectively refer to actual, potential, and perceived conflicts of interest.

Conflict of Interest Rules

The responsibility for avoiding actual, potential, or perceived conflicts of interest rests with each Director. In carrying out this responsibility, a Director will:

- a) arrange their non-Airport Authority affairs in such a manner that instills confidence and trust in the integrity of the Airport Authority;
- b) take all reasonable steps to prevent actual, potential or perceived conflicts of interest from arising but, if such a conflict does arise, the conflict will be resolved in the best interests of the Airport Authority;
- c) not use their position in a manner that may create a conflict of interest or an appearance of conflict of interest between the Director's personal interests, or those of its related parties, and the interests of the Airport Authority;
- d) protect and safeguard all information that is not generally available to the public and that is obtained while serving as a Director, and not knowingly take advantage of or benefit from such information at any time during or after the Director's term of office; and
- e) disclose at the first opportunity and, where reasonably possible, resolve and eliminate any actual, potential or perceived conflict of interest.

Procedures to Identify and Avoid Conflicts of Interest

(a) Initial and Annual Disclosure of Private Interests

Within 30 days of initial appointment to the Board and annually thereafter, a Director must complete a Conflict of Interest Declaration (attached as **Appendix A**) identifying relationships, positions or circumstances that they believe could contribute to a conflict of interest. A Director must also promptly report to the Board Chair, the Governance Committee Chair, and the Corporate Secretary any changes that may materially alter the information disclosed in their Conflict of Interest Declaration or inquire with the Board Chair, the Governance Committee Chair and the Corporate Secretary if unsure.

(b) Review Outside Business Interests

Directors must review their shareholdings or ownership interest in any company, trust, partnership or organization (each, an "**entity**") carrying on business on Sea Island and

exercise prudent judgment as to whether such continued ownership could be perceived as a conflict. A conflict may arise if the Director: (a) serves as a director or officer of such an entity, (b) controls an entity (c) beneficially owns more than 10% of the voting rights in an entity, or (d) has the ability to influence the entity's decisions or actions.

(c) Duty to Disclose

Business activities: A Director engaging in any business activity¹ which directly or indirectly affects or competes with Airport Authority activities or customers, or which may otherwise be construed as in conflict with the Airport Authority's interests, must make full disclosure of such activity to the Board Chair, the Governance Committee Chair, and the Corporate Secretary or resign from their office as Director.

Actual or potential conflicts: A Director who has or expects to have an actual or potential conflict of interest must promptly disclose the existence of this conflict of interest to the Board Chair, the Governance Committee Chair and the Corporate Secretary. In doing so, the Director must disclose all relevant facts relating to the conflict of interest in writing.

Perceived conflicts: A Director must promptly disclose to the Board Chair, the Governance Committee Chair, and the Corporate Secretary the existence of any perceived conflict of interest, which will be treated as equivalent to an actual or perceived conflict of interest until such time as the matter is investigated and the doubt is removed. In doing so, a Director must disclose all relevant facts relating to the conflict of interest in writing.

Unknown conflicts: Where it may be impractical for a Director who serves as a director or officer of another entity to know that the entity is entering into a contract or transaction with the Airport Authority, it is sufficient for the Director to deliver a general notice to the Board Chair, the Governance Committee Chair, and the Corporate Secretary declaring that they are a director or officer or has an interest in an entity and is to be regarded as interested in any contract or transaction made with that entity.

(d) Duty to Inform

If any Director has reason to believe that another Director has an actual, potential or perceived conflict of interest, the Director with such belief must inform the Board Chair, the Governance Committee Chair and the Corporate Secretary, including disclosing the relevant facts relating to this belief.

¹ "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.

(e) Other Directorships and Offices

A Director will not, without the written consent of the Board 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 or in competition with any activity of the Airport Authority or engage in any activity or accept any appointment which may harm the reputation of the Airport Authority. A Director must notify the Board Chair, the Governance Committee Chair and the Corporate Secretary before accepting any other directorship or any position of authority in an entity that may benefit from or present a conflict with the Airport Authority.

Cooling-Off Period. To avoid perceived conflicts of interest, Directors who are no longer serving on the Board must not, without the prior written consent of the Board Chair, become employed or engaged by any industry partner that does business directly or indirectly with the Airport Authority, or accept any appointment or election to office to any competing Canadian or West Coast airport for a period of one year from the date they left the Board.

Conflict Protocol

(a) Determining Whether a Conflict Exists

The Board Chair will determine whether the circumstances disclosed by the Director constitute a conflict of interest, in consultation with the Governance Committee Chair and the Corporate Secretary. 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 Airport Authority, the Chair may, in their discretion, permit such circumstances to continue and will report the determination to the disinterested directors at the next Board meeting, prior to the disinterested directors considering, discussion, approving or adopting, as applicable, the transaction, contract or other matter giving rise to the conflict of interest.

Directors' Conflict of Interest Declarations (attached as **Appendix A**) will be reviewed annually by the Board Chair, the Governance Committee Chair and the Corporate Secretary. The submissions will be kept on file with the Corporate Secretary and made available to any Director upon request. The Corporate Secretary may discuss the contents of any submission, in whole or in part, as the Corporate Secretary considers appropriate.

If the Board Chair has declared that he or she may be in a conflict, or has been reported to be in a conflict, the Governance Committee Chair will have the responsibility for the procedures in this section.

(b) Duty to Abstain

If a conflict of interest has been determined to exist, the Director must refrain from participating in any discussions or debate on the matter being considered by the Board to which the conflict relates.

The Director must abstain from voting on any matter in which they have a conflict of interest.

Special Conflicts of Interest – Funding Decisions: In the particular case where a Director may be “cleared” to sit on another board that makes funding decisions that affect or otherwise provides financial support to the Airport Authority, such Director will:

- abstain from involvement in the preparation of funding applications or related materials where the purpose is to obtain financial support from the entity which is the subject of such Director’s conflict of interest; and
- declare their conflict with the subject entity and will follow the applicable protocols, including refraining from participating in any of the entity’s discussions or debate pertaining to Airport Authority matters.

Under circumstances where such Director is also an officer of the Airport Authority, the Corporate Secretary will work with the relevant Airport Authority business units to ensure that appropriate protocols are implemented and followed.

(c) Role of the Corporate Secretary

Where a Director has disclosed a conflict of interest, the Corporate Secretary will ensure that no Board or Committee documents or materials are shared with the Director related to the matter at issue.

The Corporate Secretary will enter in the minutes of the meeting of the Board or one of its committees, the nature and extent of the director's interest in the matter brought before the Board for discussion.

Administration

The Chair, supported by the Governance Committee Chair and the Corporate Secretary, is responsible for the administration of this policy.

Version Number	Effective Date
Version 2	1 January 2023

APPENDIX A

Conflict of Interest Declaration (Board of Directors)

PLEASE READ BEFORE COMPLETING THIS DECLARATION

Why am I being asked to complete this Declaration? Pursuant to the Board's *Conflict of Interest Policy*, we require the following Declaration in order to determine whether you may have an actual or perceived conflict between your Director role at Vancouver Airport Authority (the "Authority") and anything that you, a related party or associated entity engages in outside your role at the Authority.

What is a "related party"? A "related party" includes your immediate family members (such as your spouse, partner, child, parent or sibling), any other person who lives with you in your household, anyone with whom you share a financial interest (such as a business partner), and close friends and other non-family members with whom you have a personal relationship.

We also want to know about your related parties' "**associated entities**" – companies or other organizations or partnerships that your related parties are connected to through shareholdings, equity ownership, employment/consulting relationships, or otherwise.

What does "entity" include? In this Declaration, the term "entity" includes but is not limited to a corporation, sole proprietorship, partnership, not-for-profit organization, charity, trust or similar entity.

What does "business" include? We use this broad term to capture all forms of interactions, including but not limited to involvement in requests for proposals (whether successful or not), contract negotiation, and provision of ongoing services. If you're not sure whether to list an entity in this Declaration, please contact the Conflicts Officer.

What happens if there is a conflict? In the event of an actual or perceived conflict (or potential conflict), we will work together to minimize or eliminate the conflict, where possible. Our priority is to keep intact the integrity of the Authority and its reputation.

You must be honest and forthright when completing this Declaration. Should you require additional space to answer questions, please use the attached Appendix "A".

Questions? If you have any questions, do not hesitate to contact the Conflicts Officer. For more information, please see the *Director Conflict of Interest Policy* in the Board Manual and the Authority's *Code of Ethics*.

To: Conflicts Officer – Vice President Legal

Name of Director: _____

Director Information

1. The following is a list of every entity in which I, or any person on my behalf, directly or indirectly, hold a significant interest (i.e. ownership of **at least 10%** of the issued shares, partnership capital, trust equity or assets):

Name of Entity	Type of business ordinarily carried on
_____	_____
_____	_____

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

Name of Entity	Type of business ordinarily carried on
_____	_____
_____	_____

3. Including the entities listed in sections 1 and 2, the following is a list of every entity of which I am a director or officer:

Name of Entity	Position
_____	_____
_____	_____

4. Of the entities listed in sections 1 through 3, the following describes the nature of all business they currently conduct or may potentially conduct with the Authority, if any:

Name of Entity	Nature of business with the Authority
_____	_____
_____	_____

Related Party and Associated Entity Information

5. In the last 12 months **OR** in the next 12 months, do you reasonably expect that any of your related parties or any of their associated entities [did/will do] business with the Authority? If yes, please describe below:

General

6. In the last 12 months OR in the next 12 months, do you reasonably expect to participate in decisions concerning the Authority’s business with any of the entities listed in sections 5 through 7 or with any related party or any of their associated entities? If yes, please describe below:

7. In the last 12 months **OR** in the next 12 months, do you reasonably expect you will have a conflict of interest with the Authority that has not been disclosed in any of the above sections? If yes, please describe below:

I declare this is a full and accurate disclosure to the best of my knowledge and belief as of the date below and I further declare and certify that I have read and complied with the *Director Conflict of Interest Policy* since the date of my appointment as a Member and Director of the Authority.

Director Signature

Date

Appendix "A"

1. (cont'd)

Name of Entity	Type of business ordinarily carried on
_____	_____
_____	_____
_____	_____
_____	_____

2. (cont'd)

Name of Entity	Type of business ordinarily carried on
_____	_____
_____	_____
_____	_____
_____	_____

3. (cont'd)

Name of Entity	Position
_____	_____
_____	_____
_____	_____
_____	_____

4. (cont'd)

Name of Entity	Nature of business with the Authority
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5. (cont'd)

6. (cont'd)

7. (cont'd)
