



Board of Directors
Code of Conduct and Conflict of Interest
Guidelines

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1 INTRODUCTION AND PURPOSE

Infrastructure BC Inc. (IBC or the Company) is a BC *Business Corporations Act*¹ company that reports through its board of Directors (the Board) to its shareholder (Shareholder), the Government of British Columbia, represented by the Minister of Finance.

IBC is committed to the highest standards of business ethics and integrity. It is essential that Directors demonstrate professionalism and integrity, and carry out their responsibilities to the highest standard of conduct to maintain and enhance the public's and the Shareholder's trust and confidence in IBC.

The Company's Board Governance Manual contains the Corporate Governance Guidelines and the Board of Directors Terms of Reference. The Corporate Governance Guidelines outline how the Board will operate in carrying out its duties of stewardship and accountability, and the Board of Directors Terms of Reference define the role of the Board.

This Code of Conduct (this Code):

- (a) reviews Directors' duties;
- (b) explains conflict of interest and identifies potential conflicts of interest, both specific to IBC and of a general nature;
- (c) provides guidance to Directors with respect to matters of compliance, conflict of interest, responsibility to disclose, confidentiality, dealing with auditors, and communications;
- (d) outlines the consequences of breaching this Code;
- (e) identifies a conduct review advisor to provide Directors with confidential, objective, external advice about ethical conduct and conflicts of interest; and
- (f) provides a Personal Information Form for Directors to sign disclosing their holdings and positions, and confirming their agreement to comply with this Code.

The provisions of this Code are in addition to, and not in substitution for, any obligations imposed on a Director by statutory or common law duties and obligations. Compliance with this Code does not relieve a Director from any such obligation. Consequently, a Director uncertain of his or her duties in any particular circumstance should raise this concern with the Board Chair to obtain appropriate guidance and advice.

¹ SBC 2002, c.57

2 APPLICATION AND USE

This Code applies to all Directors of IBC's Board (Directors).

Although these guidelines are designed to help Directors make the right decisions, this Code is not exhaustive and cannot cover every aspect of ethical conduct, or every situation or dilemma a Director can face. If a Director is unsure of the appropriate course of action in a certain situation, the Director should act in the best interests of IBC and ask the following questions:

- Is it legal?
- Is it in conflict with the best interests of IBC?
- Will my action or decision meet or exceed the standard of behaviour that the public reasonably expects from Directors and IBC?
- Could this action or decision create a negative perception of IBC, the Board or the Shareholder?
- Do I have a private interest that others may feel influences, or may influence, my ability to carry out my duties in a responsible way?
- How would this be perceived if it was disclosed in local media?

3 DEFINITIONS

In this Code:

(a) **“associate”** means:

- (1) a Director's relative or confidant;
- (2) a corporation or other entity of which the Director is:
 - i. a director, officer, partner, trustee or other similar authoritative position; or
 - ii. beneficially owns, directly or indirectly, more than 20% of the voting rights attached to all outstanding voting securities of the corporation or other entity;
or
 - iii. could otherwise influence activities or decisions taken of the corporation or other entity;
- (3) a trust or estate in which the Director has a substantial beneficial interest or for which the Director serves as trustee; and



- (4) a member of a society (as defined under the *Societies Act*, SBC 2015, c. 18) of which a Director is a senior manager or an executive member.
- (b) "**confidant**" means an individual with whom the Director is connected by frequent or close association and who provides counsel to, or otherwise helps the Director, or who the Director would counsel or help.
- (c) "**dependent children**" means any children that live with the Director or receives substantive financial support from the Director.
- (d) "**IBC project**" means a project on which IBC is engaged, or is likely to become engaged. This may vary from providing specific advice to a project sponsor to a full project management role.
- (e) "**private interest**" means a pecuniary or economic interest or advantage and includes any real or tangible benefit that personally benefits the Director or his or her spouse, dependent children, or associates.
- (f) "**relative**" means a relative by blood, adoption or marriage.
- (g) "**spouse**" means a person to whom the Director is married or with whom the Director is living in a marriage-like relationship, including a person of the same gender, but does not include a person from whom the Director is living separate and apart, with whom the Director has entered into a separation agreement, or who is a party to family court proceedings relating to the breakdown of the spousal relationship with the Director.

4 COMPLIANCE WITH THE LAW

Directors must act at all times in full compliance with both the letter and the spirit of all applicable laws. Directors must also avoid any situation that could be perceived as improper, or indicates a casual attitude towards compliance.

In his or her relationship with the Company, no Director shall commit or condone an unethical or illegal act, or counsel or instruct another Director, employee, contractor, consultant, or supplier to do so.

Directors are expected to be sufficiently familiar with any legislation that applies to their work to recognize potential liabilities and to know when to seek legal advice. If in doubt, Directors are expected to ask for clarification.

5 DUTIES

Directors' duties are as set out in Section 142(1)² of the BC *Business Corporations Act*. In addition, common law principles of directors' duties apply.³ Taken together, the duties include the following:

Duty of Loyalty – Directors must act honestly, in good faith and in the best interests of IBC. In placing the interests of IBC ahead of their own personal or business interests, Directors must:

- (a) be honest in their dealings with IBC and with others on behalf of IBC;
- (b) avoid situations where they could profit from knowledge obtained through their relationship with IBC or at the expense of IBC, appropriate a business opportunity of IBC, or otherwise put themselves in a position of conflict between their private interests (as defined in section 3 of this Code) and the best interests of IBC;
- (c) avoid speaking against or undermining any decision of the Board, regardless of whether the Director agrees with or voted for that decision; and
- (d) avoid engaging in activities, or speaking publicly on matters, where this could be perceived as an official act or representation of IBC unless specifically authorized to do so by the Board Chair.

Although Directors are appointed to the Board to bring special expertise or a point of view to Board deliberations, the best interests of IBC are paramount at all times.⁴

Duty of Care – Directors owe a duty of care to IBC and must exercise the degree of skill and diligence reasonably expected from an ordinary person with his or her knowledge and experience.

Duty of Confidentiality – Directors must not divulge confidential information that they receive as Directors to anyone other than persons who are authorized to receive the information. The duty to maintain information in confidence continues after a Director ceases to be a Director.

Duty to Disclose – Directors have a duty of continuing disclosure. If a Director becomes aware of a matter which he or she has a duty to disclose or report under this Code, the Director must advise the Board Chair as soon as is reasonably practicable of such information. In addition, Directors are required to disclose if they have an interest in a contract or transaction related to IBC or a IBC project. Section

² Section 142 is set out in its entirety in Appendix A.

³ See also Board of Directors Terms of Reference, Tab 2 of the Company's Board Governance Manual.

⁴ See also Corporate Governance Guidelines, Tab 1 of the Company's Board Governance Manual.

147⁵ of the BC *Business Corporations Act* sets out the statutory definition of a disclosable interest in a contract or transaction.

Duty of Compliance – Directors must comply with all applicable laws and regulations and with IBC's Articles and policies adopted by the Board from time to time, including this Code.

Duty of Knowledge – Directors must familiarize themselves with the relevant legislation applicable to IBC and to Directors and to satisfy themselves that appropriate safeguards are in place to assure IBC of their compliance with that legislation.

6 CONFLICTS OF INTEREST

6.1 DEFINED

Areas of conflict of interest may arise in a situation in which the private interests of a Director or those of his or her spouse, dependent children, or associates conflict, potentially conflict, or appear to conflict with or influence the objective exercise or proper discharge of his/her duties to IBC, including his or her duty to act in the best interests of IBC.

Conflict of interest is generally divided into three categories:

- An **actual conflict of interest** refers to a situation where a Director exercises a power or performs a duty or responsibility, and in doing so, there is the opportunity to further his or her private interest(s).
- A **potential conflict of interest** refers to a situation where a private interest of a Director could influence the exercise of the Director's power or performance of his or her duties or responsibilities.
- A **perceived conflict of interest** refers to a situation where informed people might reasonably hold the apprehension that a conflict of interest exists on the part of the Director in relation to a private interest. A perceived conflict of interest is determined by the perception of "a reasonable person" (a hypothetical member of the public) who is "reasonably well-informed".

Every Director should avoid any situation in which there is an actual, potential, or perceived conflict of interest between the private interests of the Director and the best interests of IBC.

⁵ Section 147 is set out in its entirety in Appendix A.

Directors should also be conscious that, as the Board operates in a public environment,⁶ public officials are held to more onerous conflict of interest standards than those in the private sector. Directors serving on public sector boards are considered broadly ‘public officials’ and should be guided by the following principles⁷:

- Preserving the appearance of integrity in government is as important as actual integrity. Public officials are therefore required to take as much care to avoid perceived conflicts of interest as to avoid actual or potential ones.
- Public officials are required to arrange their private affairs in a manner that will prevent any conflicts of interest from arising.
- Public officials are required to act at all times in a manner that will bear the closest public scrutiny.
- In determining perceived conflicts of interest, the appearance of a public official's actions to the public is the key, not the public official's integrity or good faith. Public officials are required to think beyond the scope of their own perceptions and motives, and to consider how the public may perceive their actions.
- The onus is on public officials to anticipate conflicts of interest arising from their actions and to take steps to comply with the rules.
- This onus on public officials is ongoing, as conflicts of interest, be they actual, potential or perceived may arise at any time if their personal affairs or official duties change. This onus extends to disclosing items about which there is doubt, and continues after filing a disclosure report.
- The process of procuring public projects also attracts heightened scrutiny, and there is a requirement to protect the fairness and integrity of the process.

6.2 CONFLICT OF INTEREST SITUATIONS

Given the scope of IBC's work, there is potential for conflicts of interest to arise in relation to corporate work, or project-related work.

Corporate-related conflicts of interest may arise as a result of a Director's relationships with individuals, firms and other entities providing goods or services or having other relationships with IBC.

Project-related conflicts of interest may arise on IBC projects as a result of:

⁶ See also Board of Directors Terms of Reference, Tab 2 of the Company's Board Governance Manual.

⁷ Apparent Conflict of Interest (2006), publication of the Treasury Board of Canada Secretariat.

- (a) Directors' relationships with individuals, firms and other entities providing goods or services in relation to a IBC project, including Directors providing services directly to the project owner (i.e., IBC's client); and/or
- (b) Directors' relationships with individuals, firms and other entities participating in the competitive selection process related to a IBC project.

The following are examples of possible conflict of interest situations.

6.2.1 Investment Activity

Directors may not directly, or indirectly through their spouses, dependent children, or associates, acquire or dispose of any interest, including publicly traded shares, in any entity when in possession of confidential information obtained in the performance of their duties with IBC that could affect the value of such interest.

These restrictions apply to investment accounts which the Director influences, directs or controls and would normally apply to accounts where the Director:

- (a) is involved in making investment decisions;
- (b) has a significant influence on the investment decisions (e.g., with family or an associate); or
- (c) is involved in voting decisions or has voting control (e.g., corporation, partnership, investment club, other entity).

6.2.2 Entertainment, Gifts and Benefits

In this discussion, "gifts or benefits" include, but are not limited to, cash, preferred loans, securities or secret commissions, and "entertainment" includes invitations to attend events or functions, or to take part in excursions, but does not include nominal gifts received by Directors such as an honourarium for a speaking engagement.

It is essential that all those who do business with IBC have access to IBC on equal terms. Directors should not accept entertainment, gifts or benefits that secure or grant, or may appear to secure or grant, preferential treatment to an individual or entity that does business with IBC, or is otherwise involved in an IBC project. Similarly, no Director may offer entertainment, gifts or benefits in order to secure preferential treatment for IBC.

6.2.3 Outside Business Interests

No Director may hold a significant financial interest, either directly or through a spouse, dependent children, or associate, or hold or accept a position as an officer or director in an organization that has a relationship with IBC, where by virtue of his or her position in the organization, the Director could in any



way benefit personally or benefit the organization by influencing the purchasing, selling or other decisions of IBC, unless that interest has been fully disclosed in writing to IBC.

A “significant financial interest” in this context is any interest substantial enough that decisions of the organization could result in a personal gain for the Director.

These restrictions apply equally to interests in companies that may compete with IBC in all of its areas of activity.

6.2.4 Outside Employment or Association

A Director who accepts a position or contract with any organization that could lead to a conflict of interest or situation prejudicial to IBC interests shall discuss the implications of accepting such a position or contract with the Board Chair before accepting such a position or contract, recognizing that acceptance of such a position or contract may require the Director’s resignation from the IBC Board.

6.2.5 Political Activities

Directors should not participate in any political activity that could:

- (a) be incompatible with their duties as a Director;
- (b) impair their ability to discharge their duties in a politically impartial fashion; or
- (c) cast doubt on the integrity, objectivity or impartiality of the Board.

6.2.6 Non-Profit or Professional Association

From time to time, a Director may hold a position of leadership in a non-profit or professional association where he or she may be viewed as a spokesperson for that group. In such situations, the Director should take reasonable steps to ensure that when speaking on behalf of such an association he or she is seen as speaking for that organization and not as a spokesperson of IBC.

6.2.7 Use of IBC Property

Directors must not misappropriate IBC assets for personal use. Directors are entrusted with the care, management and cost-effective use of IBC’s property, including the use of IBC’s name, and should not make use of these resources for their own personal benefit or purposes. Directors should ensure that any IBC property assigned to them for business purposes is maintained in good condition, and should be able to account for such property.



6.3 GUIDANCE FOR SPECIFIC CONFLICTS OF INTEREST

In order to assist Directors in managing conflicts of interest, and without limiting the examples and guidance in section 6.2, a description of specific corporate and project-related relationships and the expectations of IBC with regard to how those relationships should be managed by Directors is provided below.

6.3.1 Corporate Relationships with IBC Not Related to Projects

No Director or his or her spouse, dependent children, or associates should receive personal financial benefit through the use or misuse of confidential information in relation to the business of IBC:

- IBC will follow the corporate procurement policy in the Financial Policy Manual with regard to contracting for goods and services. This policy requires a competitive procurement with certain limited exceptions for direct awards.
- Directors will not be employees of, or contractors or suppliers to, IBC.
- Directors will not take advantage, for personal gain, of a business opportunity known because of their role as a Director on the Board.
- Directors will not conduct any private business activity from, or by, using any IBC asset for personal purposes, unless expressly authorized to do so.
- If a Director, or the spouse, dependent children, or associate of a Director, is an employee or shareholder of a firm or other entity that is engaged by IBC and the Director has knowledge of the engagement, the relationship must be disclosed by the Director.

6.3.2 Project-Related

During the life cycle of a IBC project, various individuals, firms or other entities may offer goods or services with respect to the project. Directors may not be aware of which parties are involved in a IBC project. Therefore, before a Director undertakes a new contract, employment, director position or other similar role with an individual, firm or other entity, the Director should advise the Board Chair who will determine whether there is any possible conflict of interest that should be further reviewed in accordance with the protocol described in section 6.4 below.

IBC is involved in projects with a broad range of clients. Directors may be engaged in, or may be planning to engage in, business relations with those same clients. Before IBC agrees to work on behalf of a client, they will inform Directors of the potential engagement. Directors will declare any potential conflict and it will be managed in accordance with the protocol described in section 6.4 below. At no time will a Director be directly involved in a IBC project on behalf of the client (or on behalf of the bid team).



6.4 PROTOCOL FOR DEALING WITH CONFLICTS OF INTEREST

6.4.1 Declaration

A Director has an obligation to declare an actual, potential or perceived conflict of interest at the earliest possible time and, in any event, prior to discussion about, or decision of, an issue at the Board. Directors should advise the Board Chair of the issue giving rise to the actual, potential or perceived conflict of interest. Declarations must be made in writing (email is acceptable), addressed to the Board Chair and copied to IBC's Corporate Secretary. The disclosure should also be recorded in the minutes of the next Board meeting.

6.4.2 Management of an Actual, Potential or Perceived Conflict

- (a) Upon receiving a declaration pursuant to section 6.4.1 above, the Board Chair:
- (1) will undertake such investigation as is necessary to obtain a summary of relevant facts and circumstances surrounding the issue;
 - (2) may obtain an opinion from IBC's Conduct Review Advisor⁸ (with or without the knowledge or involvement of the Director in question);
 - (3) if required, bring the matter to the Board to discuss how the situation should be addressed; and
 - (4) will advise the Board how the issue has been addressed, pursuant to section 6.4.3 below.

The Corporate Secretary will record the decision, and any restrictions on the Director's Board participation as set out in section 6.4.3 below.

6.4.3 Refrain from Participation

If a Director has a conflict the Director must:

- (a) refrain from further participation in any IBC activities involved with the matter; and
- (b) absent himself or herself from the proceedings, discussions or voting on that particular matter, contract or arrangement.

⁸ The Conduct Review Advisor will examine the record of firms engaged in, or associated with, IBC and/or IBC projects and advise the Board Chair whether the situation raised by the Director may result in an actual, potential, or perceived conflict of interest.

The Corporate Secretary will ensure that no materials related to the area of conflict are shared with the Director if the agreed resolution of the conflict is that they will not participate in any review of materials or activities related to that subject area.

6.4.4 Conflicts Involving the Board Chair

For conflicts involving the Board Chair, a declaration made in accordance with section 6.4.1 should be directed to the Chair of the Human Resources and Governance Committee of the Board, and the same procedures set out in section 6.4.2 and 6.4.3 will be followed.

6.4.5 Obligation to Raise Conflict of Interest Issues

A Director who perceives another Director may be in conflict of interest must identify the potential conflict of interest to the Board Chair at the first opportunity. A Director who perceives the Board Chair may be in a conflict of interest should identify the potential conflict to the Chair of the Human Resources and Governance Committee at the first opportunity.

6.4.6 Conflict Discovered after a Decision has been Made

Where a conflict of interest is discovered after consideration of a matter, the conflict of interest must be declared to the Board through the Board Chair and appropriately recorded at the first opportunity. If the Board determines that the Director may have been in a conflict of interest, the Board must examine the matter and determine an appropriate resolution.

6.4.7 Systemic Conflict of Interest

If a Director has a systemic conflict of interest (e.g., has taken on a position with an organization whose objectives or interests may be in conflict with, or reasonably be perceived to be in conflict with, the objectives or interests of IBC, or is repeatedly recusing themselves from Board discussions), he or she may be asked to resign from the Board.

7 CONFIDENTIAL INFORMATION

In carrying out their duties, Directors may learn of confidential or proprietary information about IBC and others including, but not limited to, IBC clients, consultants, suppliers, and on IBC-managed projects, respondent and proponent teams, and project company partners. Directors must maintain the confidentiality of all information so entrusted to them and must not disclose such information except when disclosure is authorized or legally mandated.

Confidential or proprietary information of IBC, and other companies or entities, includes any non-public information that would be harmful to the relevant company or entity, or helpful to competitors, if disclosed.

Directors may only disclose confidential information to external third parties when disclosure is authorized or required by law, any other enactment, or in a court proceeding. In order that IBC is aware of any external requests for confidential information, Directors should seek the prior approval of the Board Chair and IBC's President & CEO before any external disclosure of confidential information.

Directors must not use confidential information to further any private interest, or for personal gain, or to benefit friends, relatives, spouses, dependent children, or associates.

At the end of a Director's term, the Director must return to IBC all materials and other items belonging to IBC and delete all information belonging to IBC from any electronic devices.

8 CONFIDENTIALITY OF BOARD DELIBERATIONS

Board confidentiality is essential to ensure that full and frank discussion of issues deemed as confidential may take place in an atmosphere free from the risk of inappropriate disclosure. The Board and IBC management recognize that certain materials for deliberation by the Board must remain in confidence with the Board. The official record of the Board's deliberations is provided through the approved minutes of the Board meeting. All information shared by Directors and those presenting information to the Board shall be treated with utmost confidentiality, except when it is clearly understood that the information is in the public domain. The views and opinions of individual Directors or managers shall be treated with an appropriate level of respect and confidence.⁹

9 COMMUNICATIONS/MEDIA PROTOCOL

IBC will be involved in projects that draw media attention and focus. Directors must not provide information to the media or discuss project details with members of the public or media except in exceptional circumstances as decided in advance by the Board Chair.¹⁰ All requests from media for information and/or interviews are to be referred to IBC's President & CEO.

The Board Chair may make public statements on policy matters that are within the scope of a policy or protocol approved by the Board, or a reasonable extension of a policy.

⁹ See also Corporate Governance Guidelines, Tab 1 of the Company's Board Governance Manual.

¹⁰ See also Corporate Governance Guidelines, Tab 1 of the Company's Board Governance Manual.

10 DEALING WITH AUDITORS

A Director must not make any false or misleading statements to internal or external auditors, or conceal or omit information necessary to make statements to such auditors meaningful. A Director must not withhold any books or records relevant to any subject under review by the internal or external auditors.

11 DIVERSITY, HARASSMENT AND DISCRIMINATION

IBC is committed to maintaining an environment that supports diversity, and that is respectful and free from harassment of any nature. Directors shall act honestly and fairly, and without discrimination based on race, colour, religion, age, sex, sexual orientation, ethnic origin, disability or any other grounds prohibited by human rights legislation. Any person who believes there has been an act of discrimination or harassment in breach of this Code should bring the matter to the attention of the Board Chair or Chair of the Human Resources and Governance Committee.

12 BREACH OF CODE

Each Director must adhere to the standards described in this Code. Should a Director contravene any provision in this Code, the Board has the power (on a vote of at least a two-thirds majority of the Board) to impose punitive action, including one or more of the following:

- (c) issue a letter of reprimand; or
- (d) make a recommendation to the Shareholder that the Director's appointment be rescinded.

13 EXEMPTION

In extraordinary circumstances, and where it is clearly in the best interests of the Company to do so, a Director may be exempted by the Board Chair or by the Government of British Columbia Minister responsible for IBC, in writing, from a requirement of this Code following full and detailed disclosure by the Director of all material and relevant circumstances respecting the matter. Conditions may be attached to an exemption.

If a Director is exempted from a requirement of this Code for the continuation of circumstances that would otherwise be considered a conflict of interest, the Director must refrain from participating in any way in any decision-making respecting the subject matter of the conflict of interest except to the extent specifically authorized in the decision granting the exemption.

14 WHERE TO SEEK CLARIFICATION

Where Directors are unsure about a specific situation, or have questions about some element of this Code, they should seek guidance from the Board Chair, Corporate Secretary or Conduct Review Advisor.

The Board Chair may at his/her discretion, or at the request of a Director, seek the advice of independent counsel.

14.1 CONDUCT REVIEW ADVISOR

The Conduct Review Advisor is an individual appointed by the Board to provide Directors with confidential, objective, external advice about ethical conduct and conflicts of interest as set out in this Code.¹¹

The terms of reference for the Conduct Review Advisor are attached as Appendix B.

The primary responsibilities of the Conduct Review Advisor are to be available to Directors upon their appointment to provide guidance and assistance with respect to conflicts of interest and disclosure, and to provide confidential, independent advice and support to Directors who may have questions about standards of conduct and conflicts of interest. Directors may find it helpful to consult the Conduct Review Advisor before taking action or making a decision that they think may raise an issue under this Code. All disclosures to the Conduct Review Advisor will be kept confidential unless, in the opinion of the Conduct Review Advisor, the matter disclosed is likely to negatively impact IBC or the reputation of IBC, or impair the independence, integrity or public confidence in IBC's operations. This process does not replace or negate the obligation of a Director to make a disclosure to the Board Chair pursuant to section 6.4.1.

Contact information for the current Conduct Review Advisor can be obtained from IBC's Corporate Secretary.

14.1.1 PERSONAL INFORMATION FORM

Upon appointment to the Board, and annually thereafter, in accordance with the Company's Board Governance Manual, every Director is required to read, sign and agree to abide by this Code by completing the Personal Information Form in the form attached as Appendix C.

¹¹ The Conduct Review Advisor also provides advice to management on potential conflict of interest situations within IBC.

APPENDIX A: EXCERPTS FROM BC BUSINESS CORPORATIONS ACT¹²

Duties of directors and officers

142 (1) A director or officer of a company, when exercising the powers and performing the functions of a director or officer of the company, as the case may be, must

- (a) act honestly and in good faith with a view to the best interests of the company,
- (b) exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances,
- (c) act in accordance with this Act and the regulations, and
- (d) subject to paragraphs (a) to (c), act in accordance with the memorandum and articles of the company.

(2) This section is in addition to, and not in derogation of, any enactment or rule of law or equity relating to the duties or liabilities of directors and officers of a company.

(3) No provision in a contract, the memorandum or the articles relieves a director or officer from

- (a) the duty to act in accordance with this Act and the regulations, or
- (b) liability that by virtue of any enactment or rule of law or equity would otherwise attach to that director or officer in respect of any negligence, default, breach of duty or breach of trust of which the director or officer may be guilty in relation to the company.

Disclosable interests

147 (1) For the purposes of this Division, a director or senior officer of a company holds a disclosable interest in a contract or transaction if

- (a) the contract or transaction is material to the company,
- (b) the company has entered, or proposes to enter, into the contract or transaction, and
- (c) either of the following applies to the director or senior officer:

¹² SBC 2002, c. 57.

- (i) the director or senior officer has a material interest in the contract or transaction;
- (ii) the director or senior officer is a director or senior officer of, or has a material interest in, a person who has a material interest in the contract or transaction.

(2) For the purposes of subsection (1) and this Division, a director or senior officer of a company does not hold a disclosable interest in a contract or transaction if

(a) the situation that would otherwise constitute a disclosable interest under subsection (1) arose before the coming into force of this Act or, if the company was recognized under this Act, before that recognition, and was disclosed and approved under, or was not required to be disclosed under, the legislation that

- (i) applied to the corporation on or after the date on which the situation arose, and
- (ii) is comparable in scope and intent to the provisions of this Division,

(b) both the company and the other party to the contract or transaction are wholly owned subsidiaries of the same corporation,

(c) the company is a wholly owned subsidiary of the other party to the contract or transaction,

(d) the other party to the contract or transaction is a wholly owned subsidiary of the company, or

(e) the director or senior officer is the sole shareholder of the company or of a corporation of which the company is a wholly owned subsidiary.

(3) In subsection (2), "**other party**" means a person of which the director or senior officer is a director or senior officer or in which the director or senior officer has a material interest.

(4) For the purposes of subsection (1) and this Division, a director or senior officer of a company does not hold a disclosable interest in a contract or transaction merely because

(a) the contract or transaction is an arrangement by way of security granted by the company for money loaned to, or obligations undertaken by, the director or senior officer, or a person in whom the director or senior officer has a material interest, for the benefit of the company or an affiliate of the company,

(b) the contract or transaction relates to an indemnity or insurance under Division 5,

(c) the contract or transaction relates to the remuneration of the director or senior officer in that person's capacity as director, officer, employee or agent of the company or of an affiliate of the company,

(d) the contract or transaction relates to a loan to the company, and the director or senior officer, or a person in whom the director or senior officer has a material interest, is or is to be a guarantor of some or all of the loan, or

(e) the contract or transaction has been or will be made with or for the benefit of a corporation that is affiliated with the company and the director or senior officer is also a director or senior officer of that corporation or an affiliate of that corporation.

APPENDIX B: TERMS OF REFERENCE FOR CONDUCT REVIEW ADVISOR

Infrastructure BC Inc. (IBC) will retain the services of an external consultant to be responsible for providing advice related to standards of conduct and conflicts of interest to Directors (Conduct Review Advisor, or Advisor).¹³ These Terms of Reference set out the principal responsibilities of the Conduct Review Advisor.

1 PURPOSE

The Conduct Review Advisor contributes to the good governance of IBC and assists the IBC Board of Directors (the Board) in maintaining the highest standards of conduct, integrity and impartiality in decision-making.

2 APPOINTMENT

The Conduct Review Advisor is appointed by the Board, on the recommendation of the Human Resources and Governance Committee, and after consultation with IBC's President & CEO and Assistant Vice-President, Legal. He or she shall initially be appointed for a period of 2 years, and then for any subsequent periods as may be determined by the President & CEO and Assistant Vice-President, Legal.

In performing his or her responsibilities, the Conduct Review Advisor will be independent of any office of IBC.

3 RESPONSIBILITIES

The primary role of the Conduct Review Advisor is to provide Directors of the IBC Board (Directors) with confidential, objective, external advice about ethical conduct and conflicts of interest. The Board has adopted standards of conduct and conflict of interest guidelines for Directors - this Code of Conduct and Conflict of Interest Guidelines for the IBC Board of Directors (this Code).

The primary responsibilities of the Conduct Review Advisor include:

- (a) to be available to Directors for consultation, as well as to provide confidential and independent advice and support to Directors who may have questions about standards of conduct or conflicts of interest;
- (b) to meet with Directors, upon their appointment, and annually, to provide guidance and assistance to Directors with respect to conflicts of interest and disclosure;
- (c) to provide advice and guidance regarding conflict of interest questions and ethical questions directed to the Advisor from the Board;

¹³ Code of Conduct and Conflict of Interest Guidelines for IBC Board of Directors.

- (d) to provide opinions to the Board Chair, upon request, in cases where a Director is unsure if he/she is in a conflict;¹⁴
- (e) to provide recommendations to the Board on matters relating to this Code, including review and recommend updates to this Code; and
- (f) to provide other related assistance and services, such as education of the Board on conflict of interest matters.

4 CONFIDENTIALITY

The Conduct Review Advisor must sign a confidentiality agreement upon his or her appointment. The Advisor is expected to maintain confidentiality with respect to information disclosed to him or her in the course of performing his or her duties, subject to the reporting and disclosure requirements in sections 5 and 6 of this Terms of Reference.

5 REPORTING

The Conduct Review Advisor will provide an annual report (or more periodic as may be requested) to the Board with an overview of the Advisor's activities, specific cases, and systemic issues.

6 PROTOCOL AND PROCEDURE FOR DISCLOSURE

6.1 DISCLOSURE TO CONDUCT REVIEW ADVISOR

At the time of appointment as a Director of the Board, each Director will meet with the Conduct Review Advisor:

- (a) to disclose to, and discuss with, the Advisor private interests that the Director and his or her spouse, dependent children, or associates have to assist the Director in determining whether such private interests could result in an actual, potential, or perceived conflict of interest under this Code, and to specifically provide guidance in completing the Personal Information Form (PIF) for Directors; and
- (b) to discuss any steps that should be taken to avoid or manage such conflicts of interest.

In addition, each Director will meet with the Advisor annually, usually in July or August to update and review his or her disclosures for the purposes set out above. The Corporate Secretary will establish procedures to facilitate these meetings and disclosures.

¹⁴ See Code of Conduct and Conflict of Interest Guidelines for IBC Board of Directors, section 6.4.2.

In meeting with individual Directors, the Conduct Review Advisor will explain the extent to which, in his or her judgement, it may be necessary to disclose information provided directly to the Board Chair, and in the completion of the PIF.

6.2 ENCOURAGEMENT TO REPORT TO BOARD CHAIR

If the Advisor is of the opinion that the circumstances give rise to a conflict of interest, or are a breach or possible breach of this Code, or is of the view that the disclosed circumstances are likely to negatively impact IBC or the reputation of IBC, or impair the independence, integrity or public confidence in IBC's operations, the Advisor will encourage the Director to report the circumstances to the Board Chair.

If the disclosing Director is reluctant to report the circumstances, the Advisor will offer to provide assistance in making this report by attending with the Director, by reporting the circumstances on that Director's behalf, or by any other means the Advisor considers to be appropriate in the circumstances.

6.3 ADVISOR CONCLUSION

If the disclosing Director has indicated an intention not to report the circumstances to the Board Chair, the Conduct Review Advisor:

- (a) will record the advice and offers of assistance given and provide a copy of the record to the disclosing Director; and
- (b) will assess whether the disclosed circumstances are likely to negatively impact IBC or the reputation of IBC, or impair the independence, integrity or public confidence in IBC's operations.

If the Conduct Review Advisor is of the view that the disclosed circumstances are likely to negatively impact IBC or the reputation of IBC, or impair the independence, integrity or public confidence in IBC's operations, the Conduct Review Advisor, after first advising the disclosing Director of this conclusion and the Conduct Review Advisor's intent to discuss the disclosed circumstances with the Board Chair, will and is directed and authorized to discuss and disclose such disclosed circumstances with the Board Chair.

6.4 PROTECTION OF PRIVACY

If the Conduct Review Advisor discusses these disclosed circumstances with the Board Chair, the Advisor and the Board Chair will make reasonable efforts to protect the privacy of the disclosing Director. However, this privacy may not be protected in all cases, including if the disclosing Director appears to have deliberately misrepresented the disclosed circumstances.

6.5 INVESTIGATION

The Advisor may recommend to the Board Chair that an investigation be conducted into the disclosed circumstances.

7 PROTOCOL IN RESPECT OF CONDUCT REVIEW ADVISOR CONFLICTS

Where the Conduct Review Advisor holds private interests, or occupies a position or office, which have the potential to place him or her in a conflict of interest, or has the potential to otherwise compromise the integrity of the role, conduct or advice of the Advisor, the following shall apply:

- (a) the Conduct Review Advisor will inform the Board Chair of the circumstances in question;
- (b) the Board Chair will ensure that the Directors are informed of the conflict;
- (c) the Board Chair will arrange for alternate advice for the Directors in relation to the specific matter;
and
- (d) in all other respects, the Conduct Review Advisor's appointment will continue.

APPENDIX C: PERSONAL INFORMATION FORM

As part of your commitment as a director (Director) of the Board of Infrastructure BC Inc. (IBC), you are required to acknowledge that you have read and understand IBC's Code of Conduct and Conflict of Interest Guidelines for Directors (the Code) and will comply with it. In addition, you are required to disclose your directorships, trusteeships, private interests and other information relevant to IBC's conflict of interest procedures for Directors.

You are required to complete this form upon joining the Board of IBC and annually thereafter, prior to IBC's strategic planning session (generally held in September).

Note: In filling out this form, we are relying on your professionalism, common sense and honesty. Circumstances that could lead a reasonable person to question your objectivity, or whether an unfair advantage has been created, or constitute a potential conflict of interest, should be disclosed in this form. Disclosure of an interest on this form does not automatically mean that a conflict is present, or that you will be unable to perform your designated role as a Director. If you are in doubt about whether an interest should be disclosed, you are encouraged to disclose that information.

NAME OF DIRECTOR:

1. DATE OF COMPLETION

I am completing this Personal Information Form: (Check one)

<input type="checkbox"/> On appointment to the Board of IBC, as of [Date]
<input type="checkbox"/> Annual Declaration, as of [Date]

2. DECLARATION

- a) I have read and understand the Code;
- b) I agree to comply with all of its terms and conduct myself according to the principles and guidelines set out in the Code; and
- c) I have complied with the Code since my last declaration [if applicable].

3. CONFLICT OF INTEREST

A conflict of interest arises when you have one or more personal or private interests which can conflict with or influence the objective exercise or proper discharge of your duties to IBC. Such conflicts of interest can be actual, potential, or perceived.

A conflict of interest may take a number of forms. It may be financial or non-financial. It may be direct or indirect. It may be professional or family related.

A conflict of interest may arise from directorships or other employment; interests in business enterprises or professional practices; share ownership; beneficial interests in trusts; existing professional or personal associations with IBC; professional associations or relationships with other organizations; personal associations with other groups or organizations; or family relationships.

Every director of IBC must disclose any duty or interest that may give rise to an actual, potential, or perceived conflict with his or her duty or interest to IBC.

3.1. Corporate Interests

In order to understand the duties you, your spouse, or your dependent children may have to other organizations, please disclose the identity of all organizations where you, your spouse, or your dependent children are a director, appointed or elected officer, trustee, or other similar authoritative position (including their active subsidiaries).

The following is a list of every organization¹⁵ with which I am, or my spouse or my dependent children¹⁶ are, affiliated as described in this section (*please indicate if not applicable*):

Name and Nature of Organization	Term of Service	Position or Office

¹⁵ Please list subsidiaries if relevant and applicable.

¹⁶ Definition of "spouse" and "dependent children" can be found under Code of Conduct and Conflict of Interest Guidelines, Section 3

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Other than described above, neither I nor my spouse or my dependent children are affiliated with any other organization (***please check***).

3.2. Private Interests

If you have a private interest as described in the Code, it poses a risk when it may create an actual, potential, or perceived conflict of interest situation. This section requires you to disclose the nature of any interests you, your spouse, your dependent children, or your associates, as applicable, hold that may conflict with your responsibilities to IBC.

Please complete the following:

- a) I, my spouse, my dependent children, or any trustee or nominee on my or their behalf, own or possess, directly or indirectly, the following interests (i.e., shares or business interests) (*please indicate if not applicable*):

Interest	Name and Nature of Organization

- b) I, my spouse, or my dependent children receive financial remuneration (either for services performed by me or them, as an owner or part owner, trustee, or employee or otherwise) from the following sources (*please indicate if not applicable*):

Nature of Remuneration	Name and Nature of Organization

- c) I, my spouse, my dependent children, or, to the best of my knowledge and belief, my associates¹⁷ have a material interest in the following existing or proposed *transactions* with IBC or in the following existing or proposed *projects* in respect of which IBC is consulting or providing advice (*please indicate if not applicable*):

Interest	Nature of Transaction

- Other than described above, neither I, my spouse, or my dependent children, nor, to the best of my knowledge and belief, my associates have any private interests that create an actual, potential, or perceived conflict of interest (***please check***).

4. INTEGRITY AND PUBLIC ACCOUNTABILITY

It is important that IBC be aware of any matter that may cause embarrassment to IBC or hinder your performance as a Director.

In addition to the information disclosed above, the following facts or matters, if publicly disclosed, may cause embarrassment to IBC or hinder my performance as a Director (*please indicate if not applicable*):

¹⁷ Definition of "associate" can be found under Code of Conduct and Conflict of Interest Guidelines, Section 3

Other than as described above, there are no other facts or matters, if publicly disclosed, may cause embarrassment to IBC or hinder my performance as a Director (***please check***).

5. CONFIDENTIALITY

All information provided to IBC will be considered to be supplied in confidence. Under certain circumstances, some information may be released subject to the provisions of the *Freedom of Information and Protection of Privacy Act* or other applicable laws.

This Personal Information Form will be kept for a minimum of 2 years after an individual ceases to be a director of IBC.

6. ACKNOWLEDGEMENT

I hereby declare that the information provided herein is complete and correct to the best of my knowledge and belief. **If, at any time following the signing of this Acknowledgement, there are changes to the information given herein, either by way of additions or deletions, I will forthwith file with IBC a supplementary disclosure statement describing such changes.**

Name [Please Print or Type]:

Signature: _____

Date: _____