

## CONFLICT OF INTEREST POLICY FOR DIRECTORS

### 1. Scope

The Canada Infrastructure Bank ("**CIB**") is committed to the highest levels of integrity, objectivity and impartiality. Members of the Board of Directors (the "**Board**") of the CIB are expected to conduct their relationships with each other, the CIB and external parties with independence, objectivity and honesty.

To confirm this commitment, the Board has adopted a conflict of interest policy ("**Policy**"), which applies to all members of the Board (individually a "director"). The purpose of the Policy is to:

- outline how directors must handle situations and behaviours that could lead to either a real, potential or perceived conflict of interest; and
- assist directors in identifying, minimizing and resolving real, potential or perceived conflicts of interest, so they can effectively exercise their duties on behalf of the CIB.

The responsibility for preventing or avoiding real, potential or perceived conflicts of interest rests with each director. A director who is not sure about a specific situation or has questions regarding an aspect of the Policy should contact either the Chair of the Board or the Corporate Secretary.

### 2. Interpretation

The following key words are defined to assist directors in understanding the Policy:

- A "real conflict of interest" arises when the interests of a director, or of a family member or interested person, or a duty to some other person of entity, interferes with, or appears to interfere with, their duties and responsibilities to the CIB.
- A "potential conflict of interest" will occur when a director exercises a duty or function that provides an opportunity to further his private interests or those of his family members or interested persons or to improperly further another person's private interests, even if the CIB is not adversely affected by the conduct.
- A "perceived conflict of interest" arises when a well-informed person would reasonably conclude that a conflict of interest exists, even if this is not the case.
- A director is "disinterested" if he or she has no conflict of interest with respect to a transaction, contract, arrangement, policy, program or other matter considered by the Board.
- With respect to a director, "family members" means a person in a familial relationship and includes a spouse or equivalent, live-in partner, dependent, child, stepchild, parent, foster parent, mother-in-law or father-in-law, grandparent, sibling, sister-in-law or brother-in-law, or any other such person whether or not they reside in the same household as the director.
- An "interested person" means someone having a close personal or business relationship with a director.

### 3. Avoiding Conflicts of Interest

Every director is expected to organize any private interest in a way that will (i) maintain public confidence and trust in the integrity and objectivity of the Bank; and (ii) allow the director to identify, disclose and, where reasonably possible, eliminate any real, potential or perceived conflict of interest.

Directors may not use their position in a manner that may create a conflict of interest or an appearance of conflict of interest between their personal interests and the interests of the CIB. Directors must take all possible steps to prevent and resolve any real, potential or perceived conflict of interest between their responsibilities to the CIB and their private interests in favour of the CIB and the public interest.

Every director is a "public office holder" under the *Conflict of Interest Act* and must, in addition to this Policy, comply with their obligations specified in the *Conflict of Interest Act*, which are summarized in Appendix "A".

## 4. Procedures to Manage Conflicts of Interest

### (a) General Disclosure of the Director's Private Interests

Upon joining the Board, every director will be required to complete a form that includes the following disclosure:

- the names and address of all corporations, trusts, partnerships or other entities; (i) for which the director serves as a director, trustee or officer; (ii) over which the director exercises control; (iii) for which the director beneficially owns more than 10% of the voting rights; or (iv) for which the director has the ability to influence decisions; and
- information about any other private interest that may be relevant to the CIB's efforts to maintain public confidence and trust in the CIB.

### (b) Duty to Disclose

A director who has or expects to have a real or potential conflict of interest in connection with any proposed transaction, contract, arrangement, policy, program or other matter being considered by the CIB must promptly disclose the existence of this conflict of interest. The director must disclose all relevant facts relating to the conflict of interest in writing to the Corporate Secretary.

Perceived conflicts of interest can be just as damaging to the public confidence and trust in the integrity and objectivity of the CIB. A director must promptly disclose the existence of any perceived conflict of interest, which will be treated as equivalent to a conflict of interest until such time as the matter is investigated and the doubt is removed. When in doubt, directors must disclose all relevant facts related to a perceived conflict of interest in writing to the Corporate Secretary.

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 CIB, it is sufficient for the director to deliver a general notice to the Corporate Secretary, declaring that he or she is 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.

If any director has reason to believe that another director has a real, potential or perceived conflict of interest, the director with such belief must inform the Corporate Secretary, including disclosing the relevant facts relating to this belief.

### (c) Determining Whether a Conflict of Interest Exists

After disclosure of a real, potential or perceived conflict of interest, the Corporate Secretary will promptly inform the Chair of the Board (if disinterested) and provide the Chair of the Board with all information disclosed by the director related to the conflict. At the discretion of the Chair of the Board, the director may present further information regarding, or otherwise discuss with the Chair of the Board, the conflict.

Thereafter, in the absence of the director, the Chair of the Board will determine whether or not the circumstances disclosed by the director constitute a conflict of interest. This determination will be reported to the disinterested directors at the next Board meeting and prior to the disinterested directors approving or adopting, as applicable, the transaction, contract, arrangement, policy, program or other matter giving rise to the conflict of interest.

If the Chair of the Board is an interested person, the Chair of the Governance Committee will have the responsibility for the procedures in this section.

#### (d) Duty to Abstain

After disclosing the existence of a conflict of interest, the director must refrain from participating in any discussions or debate related to the transaction, contract, arrangement, policy, program or other matter considered by the Board.

The director must abstain from voting on any matter in which the director has a conflict of interest. However, for greater certainty, the director may vote on a resolution to approve a contract described in section 116 of the *Financial Administration Act* (Canada).

#### (e) Role of the Corporate Secretary

Where a director has disclosed a conflict of interest, the Corporate Secretary will not provide any documentation to the director related to the transaction, contract, arrangement, policy, program or other 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 transaction, contract, arrangement, policy, program or other matter brought before the Board for discussion.

### 5. Systematic Conflicts of Interest

A director may have a systematic conflict of interest if he or she has or takes on executive responsibilities with an entity whose objectives and mandates may be in conflict with, or may reasonably be perceived to be in conflict with, the objectives and mandates of the CIB. A director who finds himself or herself in this situation will be expected to resign from the Board.

### 6. Review and Approval

This Policy was last reviewed and approved by the Board on February 2, 2021.

## Appendix "A"

### *Conflict of Interest Act*, S.C. 2006, c. 9, s. 2

#### Summary of Rules for Public Office Holders

#### 1. Conflict of interest

Public office holders are in a conflict of interest when they exercise an official power, duty or function that provides an opportunity to further their private interests or those of their relatives or friends or to improperly further another person's private interests.

#### 2. General duties

As a general duty, "public office holders" must arrange their private affairs to prevent conflicts of interest and must recuse themselves from participating any discussion, decision, debate or vote on any matter that would involve a conflict of interest.

Compliance with the *Conflict of Interest Act* is a condition of appointment as a public office holder.

#### 3. Prohibited activities while holding office

The *Conflict of Interest Act* expressly prohibits public office holders from:

- participating in decisions that would involve a conflict of interest;
- providing preferential treatment to any person or organization based on the identity of the person or organization representing them;
- using information that is not available to the public to further private interests;
- using their position to seek to influence a decision in order to further private interests;
- being influenced in exercising their duties by offers of outside employment;
- accepting any gift or other advantage that might reasonably be seen to have been given to influence them in exercising their official duties;
- entering into a contract or employment relationship, in the exercise of their official duties, with a spouse, common-law partner, child, sibling or parent, or permitting the entity for which they work to do so;
- personally soliciting funds if it places them in a conflict of interest; and
- taking any action aimed at circumventing the *Conflict of Interest Act*.

#### 4. Post-employment prohibited activities

In addition, the *Conflict of Interest Act* prohibits former public office holders from:

- acting in a manner that takes improper advantage to their previous office;

- acting for or on behalf of any person or organization in connection with any specific proceeding, transaction, negotiation or case where the Crown is a party and where they had acted for, or provided advice to, the Crown while in public office; and
- providing advice to clients, business associates or employers using information that was acquired in the course of their official duties and that is not available to the public.

## 5. Administration and enforcement

The Conflict of Interest and Ethics Commissioner may conduct an examination:

- On the written request of a Senator or Member of the House of Commons who has reasonable grounds to believe that a public office holder or former public office holder has contravened the *Conflict of Interest Act*; or
- On her own initiative if she has reason to believe that a public office holder or former public office holder has contravened the *Conflict of Interest Act*.

This summary is intended as a quick reference. Accordingly, directors may consult with the Conflict of Interest and Ethics Commission with respect to their obligations under the *Conflict of Interest Act*. The Commissioner's office may be contacted at:

Office of the Conflict of Interest and Ethics Commissioner  
Parliament of Canada  
Centre Block, P.O. Box 16  
Ottawa ON K1A 0A6

Telephone: 613-995-0721  
E-mail: [ciec-ccie@parl.gc.ca](mailto:ciec-ccie@parl.gc.ca)

## Appendix “B”

### *Financial Administration Act, R.S.C. 1985, c. F-11*

#### Summary of Conflict of Interest Disclosure Rules

##### Disclosure of interest in contract

**116. (1)** A director or officer of a Crown corporation who

- (a) is a party to a material contract or proposed material contract with the corporation, or
- (b) 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 corporation,

shall disclose in writing to the corporation or request to have entered in the minutes of a meeting of the board of directors thereof the nature and extent of his interest.

##### Time for disclosure by director

**116. (2)** The disclosure required by subsection (1) shall be made, in the case of a director,

- (a) at the meeting of the board of directors at which the proposed contract is first considered;
- (b) if the director was not then interested in the proposed contract, at the first meeting of the board of directors after he becomes so interested;
- (c) if the director becomes interested after the contract is made, at the first meeting of the board of directors after he becomes so interested; or
- (d) if the director was interested in the contract before becoming a director, at the first meeting of the board of directors after he becomes a director.

##### Time for disclosure by director or officer

**116. (4)** If a material contract or proposed material contract is one that, in the ordinary course of the business or activity of the Crown corporation, would not require approval by the board of directors, a director or officer shall disclose in writing to the corporation or request to have entered in the minutes of a meeting of the board of directors the nature and extent of his interest forthwith after the director or officer becomes aware of the contract or proposed contract.

##### Voting

**116. (5)** A director referred to in subsection (1) shall not vote on any resolution to approve the contract unless the contract is

- (a) an arrangement by way of security for money lent to or obligations undertaken by him for the benefit of the Crown corporation or a subsidiary of the Crown corporation;
- (b) one relating primarily to his remuneration or benefits as a director, officer, employee or agent of the Crown corporation or a subsidiary of the Crown corporation;

- (c) one for indemnity or insurance under section 119; or
- (d) one with an affiliate of the Crown corporation.

## **Continuing disclosure**

**116. (6)** For the purposes of this section, a general notice to the board of directors by a director or officer, declaring that he is a director or officer of or has a material interest in a person and is to be regarded as interested in any contract made with that person, is a sufficient declaration of interest in relation to any contract so made.

## **Application to court**

**118. (1)** Where a director or an officer of a Crown corporation fails to disclose his interest in a material contract in accordance with section 116, a court may, on application of the corporation or on behalf of the Crown, set aside the contract on such terms as it thinks fit.