



Code of Conduct for Directors

September 2022

Code of Conduct for Directors

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Code of Conduct for Directors

1. Introduction

The *Canada Infrastructure Bank Act* provides that the Board of Directors of the Canada Infrastructure Bank is composed of the Chairperson and no fewer than eight, but no more than 11, other Directors. The Chairperson is appointed by the Governor in Council to hold office during pleasure for a term that the Governor in Council considers appropriate. All other Directors are appointed by the Governor in Council to hold office during pleasure for terms not to exceed four years in a manner that will ensure, to the extent possible, that the terms of not more than one half of the directors expire in any one year.

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

The purpose of this Code of Conduct for Directors (the “**Code of Conduct**”) is to assist Directors in understanding, and to promote adherence to, the standards of conduct and ethical behaviour expected of them.

Capitalized terms used but not otherwise defined in this Code of Conduct are defined in the Board Governance Manual.

2. Scope and Principles

This Code of Conduct applies to all Directors. The principles outlined in this Code are intended to:

- codify the standards of conduct by which all directors are expected to follow in the exercise of their duties as directors of the CIB;
- foster a culture of honesty and accountability; and
- promote public confidence and trust in the integrity, objectivity and impartiality of the CIB.

This Code of Conduct also incorporates the Board’s procedures for the identification of real, potential or perceived conflicts of interest and procedures to resolve such conflicts with the view 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 procedures are set out in **Appendix A to this Code of Conduct**.

No code can offer a complete guide to cover all possible situations that may occur. Every Director must exercise judgment in applying the standards of conduct to any particular situation. It is the individual responsibility of every Director to comply with this Code of Conduct and respect the mandates and policies that apply to Directors.

Directors are encouraged to consult with the Chairperson or the Corporate Secretary for questions or guidance.

Public Office Holders

Directors are designated as “**Public Office Holders**” under the *Conflict of Interest Act*. This Code of Conduct supplements and should be read together with the *Conflict of Interest Act*. **Appendix B** contains excerpts from the *Conflict of Interest Act* that are relevant to the conduct of directors and have been incorporated by reference in this Code of Conduct.

Moreover, directors are expected to adhere to the *Guidelines for the Political Activities of Public Office Holders* released by the Privy Council Office on November 27, 2015.¹

3. Expected Standards of Conduct and Ethical Behaviour

Directors in exercising their powers and in discharging their duties must comply with the provisions of the *Canada Infrastructure Bank Act*, the *Financial Administration Act* (Canada), the *Conflict of Interest Act* and any other applicable laws, regulations, by-laws, resolution, guidelines and policies governing their conduct.

Directors must uphold the highest standards of ethical behaviour and business conduct, so that public confidence and trust in the integrity, objectivity and impartiality of the CIB are conserved and enhanced. Directors must avoid any situation which could be perceived as improper or indicate a casual attitude towards compliance with laws, regulations or this Code of Conduct.

Every Director must act honestly, in good faith, and in the best interests of the CIB. In placing the interests of the CIB ahead of their own personal or business interests, every director must:

- be honest in their dealings within the CIB and with others on behalf of the CIB;
- avoid situations where they could profit at the expense of the CIB, or otherwise put themselves in a position of conflict between their own private interests and the best interests of the CIB;
- abstain from taking advantage of business opportunities that belong to the CIB and have come to the attention of the directors by virtue of their office;
- avoid speaking against or undermining any decision of the Board, regardless of whether the director agrees with or votes for that decision; and
- respect the roles of the Chairperson and Chief Executive Officer, who are the official spokespeople of the CIB, and avoid engaging in activity or speaking publicly on matters where this could be perceived as an official act or representation of the CIB unless specifically authorized to do so by the CIB.

Every Director owes a duty of care to the CIB and must exercise the degree of diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

¹ Available on the Open and Accountable Government Webpage (Prime Minister's Office)
https://pm.gc.ca/en/news/backgrounders/2015/11/27/open-and-accountable-government#Part_II

4. Confidentiality

Every Director owes a duty to preserve and protect the confidential information of the CIB. This duty of confidentiality continues even after the Director no longer serves on the Board. Every Director:

- must take and implement all appropriate actions to protect the confidential information in the same way and with the same degree of care as if this confidential information belonged to them or at least in the same manner as a reasonable person would act in its regards;
- must not disclose confidential information to anyone other than persons who are authorized to receive the information; and
- is responsible for taking all reasonable measures to protect the confidentiality of the information to which he or she has access.

The Director's duty of confidentiality applies to all information about the CIB's business, including business plans, agreements, lists of potential proponents and investors, databases, trade secrets, intellectual property as well as information about competitive and strategic matters.

Directors may only disclose confidential information when required by law, in such cases the Director should provide advanced notice of the upcoming disclosure to the Chairperson and the Chief Executive Officer.

5. Conflicts of Interest

Every Director must comply in all respects with the procedures set out in **Appendix A**, which are incorporated and form part of this Code of Conduct.

Every Director must arrange his or her private affairs in a manner designed to avoid any situation in which there is, or may appear to be, a potential conflict of interest. If a conflict of interest does arise between the private interests of a Director and the responsibilities of that Director to the CIB, the Director must immediately take steps to resolve the conflict in a manner satisfactory to the CIB.

The CIB requires full disclosure of all circumstances that could conceivably be construed as a conflict of interest. Every Director must, immediately upon becoming aware of a potential conflict of interest, disclose in writing to the Chairperson and the Corporate Secretary. If a director is in doubt whether a situation involves a potential conflict of interest, the director must immediately seek the advice of the Chairperson or the Corporate Secretary.

Every Director is required to disclose the nature and extent of any conflict of interest at the first meeting of the Board after which the facts leading to the conflict have come to the Director's attention. After disclosing the conflict, the director:

- must not take part in the discussion of the matter or vote on any questions in respect of the matter;
- must immediately leave the meeting and not return until all discussion and voting with respect to the matter giving rise to the conflict is completed; and
- must not attempt, in any way or at any time, to influence the discussion or the voting of the Board on any question relating to the matter giving rise to the conflict.

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 Chairperson and 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.

6. Personal and Family Relationships

A Director who has a personal or family relationship with another director, officer, or employee of the CIB that could affect the credibility of the CIB, or the actions of the Director must inform the Chairperson and the Corporate Secretary of this matter.

A Director who has a personal or family relationship with another director, officer or employee of the CIB must take steps to ensure that the relationship will not affect the credibility or reputation of the CIB.

7. Outside Business Activities

Every Director must declare possible conflicting outside business activities at the time of appointment. Notwithstanding any outside business activities, Directors are required to act in the best interests of the CIB.

A Director who intends to accept a position with any organization that could lead to a conflict of interest or situation prejudicial to the CIB's interests, must discuss the implications of accepting such a position with the Chairperson recognizing that acceptance of such a position may require the Director's resignation from the Board.

8. Gifts and Other Advantages

A "gift or other advantage" is defined in the *Conflict of Interest Act* as:

- an amount of money if there is no obligation to repay it; and
- a service or property, or the use of property or money that is provided without charge or at less than its commercial value.

Gifts or other advantages can take many forms, including meals, accommodation, travel, entertainment and recreation (tickets, passes, etc.), gratuities, business courtesies, transportation, payments, preferential pricing, gift certificates, memberships, discounted sporting or cultural event tickets, and any other similar products, services or benefits.

A Director or family member may not accept any gift or other advantage that might reasonably be seen to have been given to influence the director in the exercise of an official power, duty or function, unless

- it is within the bounds of propriety, a normal expression of courtesy or within the normal standards of hospitality or other benefits of nominal value; or
- it is provided by the CIB.

Gifts or other advantages in excess of normal standards should be refused, where possible, or disclosed to the Chairperson. The Chairperson may require that the benefit, or its reasonable equivalent, be turned over to the CIB for appropriate disposition, devoted to charitable purposes or otherwise disposed of by the Director.

9. Use of the CIB's Property

Directors must make appropriate use of the CIB's property made available to them for the performance of their duties and should not make significant use of these resources for their own personal benefit or purposes.

Directors should ensure all CIB property that may be assigned to them is maintained in good condition and should be able to account for such property. Directors may not dispose of CIB property except in accordance with the guidelines established by the CIB. A director requiring advice, information or assistance in the retention or disposal of CIB property should contact the Corporate Secretary.

10. Insider Trading and Tipping

As part of their duties to the CIB, Directors may obtain access to material undisclosed information in relation to a reporting issuer (as defined under Securities legislation) before this information announced to the public. It is illegal for any Director to trade in the securities of any reporting issuer based on material undisclosed information obtained through their duties to the CIB, or to pass the material undisclosed information on (called "tipping"), intentionally or not, to someone who may then trade in securities of the reporting issuer based on the provided material undisclosed information. Additional guidance on types of events or information which may be material non-public information is provided in the ***Insider Trading and Tipping Policy*** approved by the Board.

11. Reporting Violations

Every Director is expected to report any violation of this Code of Conduct, including violations of laws, rules, regulations of the CIB's policies, which that director becomes aware of or has reasonable grounds for believing has occurred. Reports of any violations must be delivered in person or in writing to the Chairperson. The CIB shall not allow any retaliation against a director who acts in good faith in reporting any such violations.

The Chair of the Human Resources and Governance Committee (or the Chairperson if conflicted) will conduct a confidential investigation of any reported violations and shall recommend to the Board an appropriate response, including corrective action and preventative measures as deemed appropriate.

A Director found to have breached his or her duty by violating the Code will be liable to censure or a recommendation to the Minister that the director be removed from office.

12. Waivers

In extraordinary circumstances, a situation may arise that warrants a waiver of one or more provisions of this Code of Conduct. A Director who believes that a waiver may be appropriate should first consult with the Chairperson. However, a waiver may only be granted by the Board or the Human Resources and Governance Committee to whom authority to grant such waivers is delegated by the approval of this Code of Conduct.

The Director granted the waiver accepts that public disclosure of the waiver may be required by applicable laws, regulations, policies or guidelines.

13. Acknowledgment

Every Director is expected to read and become familiar with this Code of Conduct. To acknowledge their commitment to abide by the provisions of this Code of Conduct, each Director must sign the written form attached as **Appendix C** to this Code of Conduct.

14. Review and Approval

This Code will be reviewed at least once every two (2) years by the Human Resources and Governance Committee, which shall make recommendations to the Board regarding changes to the Code as deemed appropriate.

This Code of Conduct was last reviewed and approved by the Board on September 14, 2022.

Appendix A

Conflict of Interest Rules and Procedures

1. General Responsibility to Avoid Conflicts of Interest

The responsibility for preventing or avoiding real, potential or perceived conflicts of interest rests with each Director. Every Director is expected to organize any private interest in a way that will:

- maintain public confidence and trust in the integrity and objectivity of the CIB; and
- 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.

A Director who is not sure about a specific situation or has questions regarding an aspect of the Policy should contact either the Chairperson or the Corporate Secretary.

2. Interpretation

The following key words are defined to assist Directors in understanding these procedures:

- 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 or 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. 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.

In advance of each meeting, the Corporate Secretary will provide a list of active infrastructure projects for review. Each Director is required to inform the Chairperson and the Corporate Secretary if a project on the list may raise a conflict of interest in relation to the Director's position with another entity or with respect to the Director's private interests.

In addition, at the beginning of each meeting Directors are required to review the agenda and inform the Board if they have an interest in any matter brought before the meeting.

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

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

Thereafter, in the absence of the Director, the Chairperson 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 Chairperson is an interested person, the Chair of the Human Resources and 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. In practice, a Director who has declared a conflict of interest recuses himself or herself from the meeting when a discussion or vote takes place on the matter.

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. Board documents are also screened by the Corporate Secretary to flag companies listed in the Director's annual questionnaire or declaration so that project-related or investment-related documents are withheld from a Director who has declared an interest in a party related to the infrastructure project.

The Corporate Secretary will enter in the minutes of the meeting of the Board or one of its committees, the nature of the director's interest in the transaction, contract, arrangement, policy, program or other matter brought before the Board for discussion.

4. 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 of Directors.

Appendix B

Statutory References

Summary of Rules for Public Office Holders in the *Conflict of Interest Act*, S.C. 2006, c. 9, s. 2

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.

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.

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*.

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 have 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.

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

Summary of the disclosure rules in the *Financial Administration Act*, R.S.C. 1985, c. F-11**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.

Appendix C

Acknowledgement

I acknowledge that as a member of the Board of Directors of the Canada Infrastructure Bank I have received a copy of the Code of Conduct for Directors from the Corporate Secretary, which includes the Board's procedures for the identification and management of real, potential or perceived conflicts of interest.

I have read the above-mentioned Code of Conduct and agree to abide by its provisions.

Director's signature

Director's name (type or print)

Date