

Directors Code of Conduct

PURPOSE & OBJECTIVE

The purpose of this document is to establish guidelines for conduct required of all members of the Board of Directors (the Board) of The Global Transportation Hub Authority (GTHA). The objective is to assist the Board to more effectively fulfill its statutory and fiduciary obligations and maintain a reputation for the highest standards of public trust and confidence in serving the interests of all stakeholders. Directors are entitled to seek legal independent counsel to support their fulfillment of these obligations. If legal independent counsel is needed, any expense incurred by a director will be indemnified by the GTHA.

The following guidelines are not intended to be exhaustive. If issues outside the explicit guidelines arise, they should be addressed in accordance with the general principles in this document or through the exercise of sound business and ethical judgment. These guidelines are supplementary to any statutory or common law duties and obligations, or any other standards of conduct applicable to directors.

APPLICATION

These guidelines govern the operation and corporate conduct of any individual appointed to the GTHA Board of Directors, including elected officials.

Members of the Legislative Assembly who are appointed to the GTHA Board of Directors are also governed by *The Members' Conflict of Interest Act* and, where there is a conflict between these guidelines and the legislation, the member is governed by the legislation.

PRINCIPLES

The Board is committed to conducting business in an environment which:

- recognizes that the GTHA is an agent of the provincial government, and that Directors must act in the best interests of the GTHA while taking into account the public policy and business objectives of the corporation;
- appreciates that public enterprise plays a vital role in the provincial economy and in the lives of Saskatchewan people;
- conducts business in a socially and environmentally responsible manner, working for the betterment of all Saskatchewan people;
- values the trust of customers, employees and stakeholders, demonstrating honesty, integrity, fairness and respect in all activities;

- thrives on cooperation, coordination and the pursuit of common goals within the public sector;
- values workforce diversity and supports employees in achieving corporate and personal potential;
- operates in a businesslike and financially responsible way, measuring and monitoring corporate operations to continuously improve performance; and
- recognizes the directors' role within the corporation to provide leadership and direction respecting these guidelines and similar guidelines applicable to corporate employees.

FUDICIARY DUTIES

Duty of Loyalty

The duty of loyalty requires directors to act honestly and in good faith, with a view to the best interests of the corporation.

Corporate Opportunities

Directors must not take personal advantage of, or divert to their own benefit, commercial opportunities they learn about in the course of carrying out their duties as a Director.

A Director must not engage in any financial transactions, contracts, or private arrangements for personal profit, which accrue from or are based upon the Director's fiduciary position or authority, or upon confidential or non-public information the Director gains by reason of such position or authority.

Duty to Protect Confidential Information

Directors are bound by their fiduciary duty to the corporation to maintain the confidentiality of information received by them in their capacity as Directors. Information which is confidential, proprietary to the corporation or non-public must not be divulged to anyone other than persons who are authorized to receive the information.

Duty to Avoid Conflicts of Interest

As a fiduciary of the corporation, Directors must avoid any conflict of interest, or the appearance of a conflict, by placing the interests of the GTHA ahead of their own personal interests, or the interests of any associate. Directors must attempt to avoid not only actual conflict, but the potential for conflict.

For example, a Director who is a party to a material contract or a proposed material contract with the GTHA, or who is an associate of any person who is a party to a material contract or a proposed material contract with the GTHA, is in a potential conflict of interest.

As well, Directors who engage in outside activities that call into question, or may be perceived as calling into question, their ability to carry out their duties in an impartial manner are in a potential conflict with their duty to the corporation

Although some Directors may be appointed to the Board as a representative of an interest group or region, Directors continue to hold the same duties to the corporation even when those duties conflict with the wishes of the interest group or region. Directors must clearly understand that, even if appointed to another interest group, their primary duty is to act in the best interests of the corporation.

This is not an exhaustive list of all potential conflicts of interest. Directors are encouraged to consult the Governance & Human Resources (HR) Committee or legal independent counsel, should they require further direction respecting the existence of a conflict or potential conflict of interest.

*Post Service
Restrictions*

After Directors cease to serve on the GTHA Board, they must refrain from taking improper advantage of their previous Directorship. For example, Directors must continue to observe the duty to protect confidential information after they leave the GTHA Board, unless the Director has received written authorization from the GTHA Board to disclose the information. As well, Directors must not use corporate information or opportunities acquired as a result of their directorship for personal gain.

**REGULATORY
DUTIES**

Various federal and provincial statutes impose or extend liability to directors (e.g., labor standards legislation). Directors must be satisfied that management has implemented appropriate safeguards to ensure the corporation complies with such legislation.

**ETHICAL
GUIDELINES**

In fulfilling their duties and obligations, Directors should adhere to the following guidelines.

*Preferential
Treatment
Corporate Property*

Directors must not act in their official role to assist organizations or persons in their dealings with the corporation if this may result in preferential treatment to that organization or person.

Directors must not use corporate property or services to pursue their private interests or the interests of an associate. Corporate property includes real and tangible items such as land, buildings, furniture, fixtures, equipment and vehicles, and intangible items

such as data, computer systems, reports, information, corporate opportunities, proprietary rights, patents, trademarks, copyrights, logos, name and reputation.

*Gifts,
Benefits and
Entertainment*

Directors must not solicit or accept benefits, entertainment or gifts in exchange for, or as a condition of the exercise of, their duties or as an inducement for performing an act associated with the Director's duties or responsibilities with the corporation.

Public Comment

The Board should have a policy governing the circumstances in which a Director is authorized to speak publicly, where such public comment could be perceived as an official act or representation of the corporation. Unless the policy states otherwise, the Chair of the Board should act as the spokesperson for the Board. Directors should not speak publicly where their comments are likely to bring the corporation into disrepute or adversely affect its business activities.

Political Activities

Every Director is free to participate in political activities. However, any political activities must be clearly separated from activities related to the Director's official position. In relation to the exercise of their duties and responsibilities, Directors must remain impartial and retain the perception of impartiality.

*Board Independence
of Management*

The Board should establish appropriate structures and procedures to enable it to exercise objective judgment on corporate affairs independent of management. At minimum, Board independence requires that a sufficient number of Directors not be employed by the corporation, and not be closely related to the corporation or its management through significant economic, family or other ties. This guideline does not prevent interest group representatives from being appointed as Directors.

**COMPLIANCE
MEASURES**

The Board should be familiar with the range of actions that can be taken to respond to a conflict of interest or ethical issue. Although not exhaustive, the following is a list of actions that may be taken to remedy or avoid a conflict or ethical issue. Suggested remedies may not be sufficient to respond to every conflict or ethical issue and directors should consult with the Governance & HR Committee for further guidance respecting appropriate actions.

Disclosure of Interests

A first step in avoiding or responding to a conflict of interest is to disclose the interest. Financial assets or investments which are directly or indirectly connected to the nature of a Director's work should be disclosed in writing to the corporation through the *Directors Conflict of Interest Questionnaire and Declaration Form*, or by having entered into the minutes of the meeting of Directors the nature and the extent of the interest. Other areas referenced in the guidelines where a conflict of interest may arise (e.g., outside activities, gifts) should be disclosed to the Governance & HR Committee.

Abstaining from the Vote

A Director who has reasonable grounds to believe that a conflict of interest, or a perceived conflict of interest, exists in a matter Should, if present at a meeting of directors considering the matter:

- Disclose the general nature of the conflict of interest;
- Abstain from voting on the matter; and,
- Consult the Board as to whether or not it is appropriate to leave the meeting during discussion of the matter.

Approval to Participate

Where a conflict has been disclosed by the Director, the Director may continue to participate in a decision despite the conflict by obtaining the prior approval of the Board. Approval to participate should be noted in the minutes of the meeting of Directors.

Resignation of Other Office

Where a conflict of interest exists related to a Director's appointment, office or position with another organization, and disclosure of such conflict and abstaining from voting on the related matter before the Board does not resolve the conflict, the conflict may be addressed by the Director resigning from the other office or position, or from the corporation.

Material Contracts

Where a Director's interests conflict or may be perceived to conflict, with the interests of the corporation, best practice states that the Director must disclose such conflict of interest in accordance with specific statutory requirements, and any additional guidelines or standards applicable to the Director.

In the case of a material contract, the Director should disclose in writing to the corporation, or request to have entered in the minutes of the meeting of Directors, the nature and extent of the Director's interest or the interest of the Director's associate. The Director should abstain from voting, and the remainder of the Board should make a decision respecting the material contract.

Outside Activities

Where a director's outside activity may result in a conflict of interest or a perception of conflict, the director should disclose the activity to the Governance & HR Committee. The Governance & HR Committee should determine whether a conflict or perceived conflict exists and, if so, should advise the director to refrain from the activity or take other appropriate action to remedy the conflict or perceived conflict.

Gifts/Benefits

Directors may accept gifts, hospitality or other benefits associated with their official duties and responsibilities if such gifts, hospitality or other benefits:

- Are within the bounds of propriety, a normal expression of courtesy or within the normal standards of hospitality;
- Would not raise questions about the director's objectivity;
- Impartiality; and,
- Do not compromise the integrity of the corporation.

An improper gift or benefit should be returned to the person offering it as soon as practicable. If there is no opportunity to return an improper gift or benefit, or where the return may be perceived as offensive for cultural or other reasons, the gift or benefit must, as soon as practicable, be disclosed and turned over to the corporation to make a suitable disposition of the item.

Post Service Restrictions

The GTHA Board may wish to use confidentiality agreements with Directors to govern the use of confidential information after the Director ceases to be a member of the Board. When a Director leaves the corporation's Board, the corporation should provide a written reminder of the director's responsibility not to make use of confidential information or take improper advantage of knowledge gained due to the directors' previous position with the corporation's Board.

**ADMINISTRATION
ENFORCEMENT OF
GUIDELINES**

The Board of Directors is responsible for ensuring that and individual directors comply with these guidelines. The Board should designate the Governance & HR Committee to administer, monitor and enforce these guidelines. The Governance & HR Committee should:

- provide central responsibility for administering these Guidelines;
- advise Directors on conflicts of interest, including actions for avoiding a conflict of interest; and
- monitor and report annually to the Board concerning compliance with these guidelines.

The Board must also ensure that the Governance & HR Committee is empowered to instigate an investigation of breaches of these guidelines.

Allegations of Wrongdoing

Directors have a duty to report to the Chair of the Governance & HR Committee, Chair of the Board or President & CEO of the GTHA any activity which:

- They believe contravenes the law;
- Represents a breach of these guidelines or the GTHA's code of conduct or conflict of interest Guidelines;
- Represents a misuse of GTHA funds or assets; or
- Represents a danger to public health, safety or the Environment.

The GTHA and its Board of Directors should treat any reports of such wrongdoing in confidence unless disclosure of the information is authorized and permitted by law. Directors should not be subject to reprisals for bringing forward, in good faith, allegations of wrongdoing.

CONSEQUENCES OF A BREACH

In the event of a breach of the legislation or the *Directors' Code Of Conduct*, or a failure to remedy or disclose a conflict of interest, the consequences should reflect the nature, magnitude and seriousness of the breach. The following are examples of possible consequences for a director found to be in breach of this *Code*:

- The Director may be offered the opportunity to resign from the corporation Board;
- The Director's appointment to the Board may be terminated;
- The Director may be required to make full restitution to the corporation;
- The corporation may consider taking legal action against the Director; or,
- If in breach of the law, the Director's action will be reported to the proper authority.

This is not an exhaustive list, and does not preclude any other course of action that might be available to government or the corporation for a breach of these guidelines.

EFFECTIVE DATE

The *Directors' Code of Conduct* comes into effect August 6, 2013.

ANNUAL RENEWAL

The *Directors' Code of Conduct* is to be signed and renewed annually with each Director of the Board.

GTHA DIRECTOR'S CODE OF CONDUCT AFFIRMATION

I understand that as a member of the Global Transportation Hub Authority ("GTHA"), I have fiduciary duties and obligations to the GTHA in respect to GTHA Directors' Code of Conduct ("Code"). I hereby affirm that I have reviewed and understand the Code and that I am in complete compliance with the Code.

Director's Signature

Printed Name of Director

Date Acknowledged