



Code of Ethical Business Conduct for BC Pavilion Corporation Directors and Employees



INTRODUCTION	3
MANAGEMENT’S RESPONSIBILITY	3
EVERY EMPLOYEE’S RESPONSIBILITY	3
RAISING QUESTIONS OR CONCERNS	4
COMPLIANCE WITH THE LAW	4
CONFLICTS OF INTEREST	5
A. Investment Activity	6
B. Workplace Conduct	7
C. Personal Relationships In The Workplace	7
D. Entertainment, Gifts And Benefits	8
E. Outside Interests / Impartiality	9
(i) Public Comments	9
(ii) Political Activity	9
F. Outside Employment And Business Interests	10
FUTURE EMPLOYMENT RESTRICTIONS FOR SENIOR MANAGEMENT	11
STANDARD OF ETHICAL CONDUCT FOR PAVCO DIRECTORS	11
USE OF CORPORATE PROPERTY	11
A. Protection Of Company Assets	11
B. Computer And Communications Systems	11
(i) Access To PavCo Computer Systems	11
(ii) Appropriate Use Of PavCo Computer Systems	12
(iii) Monitoring Of Use Of PavCo Computer Systems	13
CONFLICT OF INTEREST DISCLOSURE [DECLARATIONS]	13
PROTECTION OF GENERAL CORPORATE INFORMATION AND PRIVACY	14
A. Confidential Information	14
B. Breach Of Confidentiality	14
C. Freedom Of Information And Protection Of Privacy Act	14
APPENDIX A – Employee Declaration And Commitment	16
APPENDIX B – Declaration Of Actual Or Potential Conflict Of Interest	17
APPENDIX C – Confidential Reporting Policy	19
APPENDIX D – Future Employment Restrictions For Senior Management Of PavCo ...	24
APPENDIX E – PavCo Code Of Ethical Business Conduct For Directors	26

INTRODUCTION

This *Code of Ethical Business Conduct* (the “Code”) applies to all employees at every level of the BC Pavilion Corporation (“PavCo”), including senior management, at our corporate office, the Vancouver Convention Centre and BC Place. It also applies to the members of the PavCo Board (“Directors”), and to our agents, suppliers, consultants, contractors and business partners. Its primary purposes are to aid in fostering and maintaining a culture of accountability to taxpayers, and to communicate and reinforce desired workplace values and behaviors in every part of our operations.

PavCo expects all employees and Directors to conduct themselves in accordance with this *Code*. If there is a case where the *Code* does not provide the answer to a particular ethical issue or if you have questions about our *Code*, talk to your supervisor or the Director of Human Resources.

MANAGEMENT’S RESPONSIBILITY

As Senior executives, Directors and managers, you play a leadership role in upholding the *Code* at all times and must:

- ensure that all employees who report to you have received and reviewed this *Code*;
- create and maintain a workplace where employees are able to comply with this *Code*;
- take reasonable measures should any breach of this *Code* come to your attention, including:
 - promptly following the appropriate escalation process;
 - implementing any corrective actions if it is within your level of authority and responsibility to do so; and
 - taking the necessary steps to promote a safe environment for employees who report a violation of this *Code*.

EVERY EMPLOYEE’S RESPONSIBILITY

As a PavCo employee, it is your responsibility to:

- understand and conduct yourself in accordance with the *Code*, and PavCo policies, requirements and directives;
- avoid any situation where you would request or enable another PavCo employee to violate the *Code* or any PavCo policy, requirement or directive; and
- cooperate truthfully and fully with any inquiry into a violation of this *Code* or any PavCo policy, standard, guideline, directive or other requirement.

RAISING QUESTIONS OR CONCERNS

If you have questions or concerns about the content of the standards required by this *Code*, please discuss them with your supervisor or your Director of Human Resources.

If you have questions or concerns about the conduct of any PavCo employee, you are encouraged to discuss the matter with your supervisor first and, if necessary, escalate it to senior levels of management in your workplace.

If you are aware or believe that a service provider, retailer or contractor has acted unethically or fraudulently in respect to PavCo you are encouraged to raise your concern with your supervisor, or by email directly with the President & CEO.

However, it is recognized that not everything can, or should, be resolved by the process described above. If you have a question or concern that is sensitive nature where you prefer to remain anonymous, please see PavCo's Confidential Reporting Policy in Appendix C.

For more serious matters, please see PavCo's Confidential Reporting Policy in Appendix C.

COMPLIANCE WITH THE LAW

You are to act at all times in full compliance with both the letter and the spirit of all applicable laws.

No one in PavCo should commit or condone an unethical or illegal act, or instruct another Director, employee, partner or supplier to do so.

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

No Director or employee should create or condone the creation of a false record.

You are not only to comply fully with the law, but are also to avoid any situation which could be perceived as improper or indicate a casual attitude towards compliance. Directors and employees must not engage in or give the appearance of being engaged in any illegal or improper conduct that is in violation of this *Code*.

CONFLICTS OF INTEREST

You are required to avoid any conflict of interest. A conflict of interest is any situation where your personal interest interferes in any way or even appears to interfere with the interests of PavCo and the making of decisions with honesty and integrity.

There are three broad guidelines for avoiding conflict of interest:

1. Any business decision for PavCo is to be based on merit and made strictly in the best interests of PavCo;

2. No personal benefits, whether direct or indirect, are to be gained for you, your family members, friends or an Associate¹ as a result of your business decisions on behalf of PavCo; and
3. You are to avoid any situation that may – or even appear to – create a conflict of interest between your personal interests and those of PavCo.

Every Director and employee should disclose all circumstances that constitute an actual or apparent conflict of interest. Disclosure should be made:

- in the case of Directors, to the Chair of the Board;
- in the case of the Chair of the Board, to the Chair of the *Audit and Governance Committee*;
- in the case of senior management, to the President & CEO;
- in the case of the CEO, to the Chair of the Board;
- in the case of managers, to their Director of Human Resources; and
- in the case of employees, to their manager.

Some conflicts are quite clear, but others are less obvious. PavCo recognizes that its Directors and employees have perfectly legitimate outside interests; however, there may also be situations which could be perceived as a conflict of interest no matter how innocent the intentions of the employee or Director.

Areas of conflict of interest that may arise in the course of our day-to-day work are covered in other sections. Directors or employees who find themselves in an actual or apparent conflict of interest must disclose the conflict and refrain from voting or other actions that impact the outcome of the activity or business transaction. Full disclosure enables the resolution of unclear situations and gives an opportunity to dispose of or appropriately address conflicting interest before any difficulty can arise. More generally, you should excuse yourself from discussions and communication with management and staff where the issues could raise an actual or apparent conflict.

¹ In this Code of Ethical Business Conduct, an "Associate" includes:

- i. Any person closely connected with that person by blood or otherwise and includes a spouse (including common-law spouse), parent, grandparent, brother, sister, child, grandchild and in-law of that person and any other relative of that person or of his or her spouse;
- ii. a trust or estate in which that person, or a person who is an Associate of that person, has a substantial beneficial interest, or in which that person serves as a trustee; or
- iii. a business, firm, corporation, joint venture or partnership in which that person, or a person who is an Associate of that person, beneficially owns, directly or indirectly, any share(s).

The following are examples of circumstances where a Director's or employee's private interests would be in conflict with the interests of PavCo:

- Use of PavCo property or equipment or your position, office, or PavCo affiliation to pursue personal interests or the interests of another organization;
- Where you are under obligation to a person who might benefit from or seek to gain special consideration or favour;
- In the performance of your official duties, you are in the position to give preferential treatment to an individual, corporation, or organization, including a non-profit organization, in which you, or a relative or friend, has an interest, financial or otherwise;
- You are in the position to benefit from, or can be reasonably perceived by the public to have benefited from, the use of information acquired solely by reason of your employment with PavCo;
- You are in the position to benefit from, or can be reasonably perceived by the public to have benefited from, a transaction over which you can influence decisions (e.g., sales, purchases, contracts, approvals, or hiring);

The following provides a more detailed discussion of circumstances where a conflict of interest could arise and how PavCo expects its Directors and employees to behave.

a. INVESTMENT ACTIVITY

Through your employment at PavCo you may be a party to, or have influence over decisions or you may be aware of information that is not available to the public. You must always ensure that you are not providing, or being perceived to be providing, a unique investment advantage for yourself or anyone you know based on your access to PavCo information or decisions.

If you have any direct or indirect business relations or direct or indirect investments that are, or could be perceived to be, a conflict of interest, you are required to disclose this information by checking boxes #2, 3 or 5, as appropriate, and recording the details in Section I of your Declaration Form. Any conditions imposed by PavCo must be recorded in Section II of your Declaration Form.

b. WORKPLACE CONDUCT

Employees are to treat each other with respect and dignity and must not engage in discriminatory conduct prohibited by the Human Rights Code. The prohibited grounds are race, colour, ancestry, place of origin, religion, family status, marital status, physical disability, mental disability, sex, sexual orientation, age, political belief or conviction of a criminal or summary offence unrelated to the individual's employment.

Further, your conduct in the workplace must meet acceptable social standards and must contribute to a positive work environment. Bullying or any other inappropriate conduct compromising the integrity of the PavCo will not be tolerated.

All employees may expect and have the responsibility to contribute to a safe workplace. Violence in the workplace is unacceptable. Violence is any use of physical force on an individual that causes or could cause injury and includes an attempt or threatened use of force.

You must report any incident of violence. Any employee who becomes aware of a threat must report that threat if there is reasonable cause to believe that the threat poses a risk of injury. Any incident or threat of violence in the workplace must be addressed immediately.

You must report a safety hazard or unsafe condition or act in accordance with the provisions of the WorkSafeBC Occupational Health and Safety Regulations.

c. PERSONAL RELATIONSHIPS IN THE WORKPLACE

Conflicts of interest arising out of personal relationships in the workplace must be avoided.

Employees and Directors must never have influence, input or decision-making over the hiring, evaluation, promotion or establishment of terms and conditions of employment of anyone with whom they have a close personal relationship. This includes influence over the hiring, evaluation or retention of contractors.

Employees and contractors in close personal relationships must not be employed or retained in positions where the company requires that the incumbents be unrelated for risk management or audit purposes (e.g. a close personal relationship between two employees who are jointly required to approve a type of financial transaction for risk management purposes).

Close personal relationships include, but may not be limited to:

- spouses;
- other intimate relationships;
- parent/guardian/caregiver and child;
- siblings;
- mothers, fathers, brothers- and sisters-in-law;
- cousins, aunts, uncles, nephews, and nieces.

You must not in any way participate in or influence the hiring of an external individual with whom you have a close personal relationship. PavCo will endeavor wherever possible to avoid hiring individuals who have a close personal relationship into the same department, and never within the same direct or indirect reporting line. In circumstances where a close personal relationship develops between two employees in a direct or indirect reporting line, or in other circumstances which may create a real or perceived conflict of interest, both Employees must report the existence of the relationship without delay to their manager(s). Failure to report such a relationship openly and promptly may result in disciplinary action, up to and including termination. If you are in doubt as to whether a close personal relationship falls within this policy, you should err on the side of disclosure and seek advice.

d. ENTERTAINMENT, GIFTS AND BENEFITS

You are not to solicit a gift, benefit, or service on behalf of yourself, your Associates, other employees or PavCo. It is essential to fair business practices that all those who associate with PavCo, as suppliers, contractors or Directors, have access to PavCo on equal terms.

You cannot accept entertainment, gifts, benefits (including cash, preferred loans, securities or secret commissions) or favours that create or appear to create a favoured position for doing business with PavCo. Any firm offering such inducement shall be asked to cease.

You cannot offer or solicit gifts or favours in order to secure preferential treatment for yourself, your Associates, or PavCo.

Gifts and entertainment are only to be accepted or offered in the normal exchanges common to established business relationships for PavCo. An exchange of such gifts shall create no sense of obligation.

The following four criteria, when taken together, are intended to guide the judgment of those who are considering the acceptance of a gift:

- the benefit is of nominal value [under \$100],
- the exchange creates no obligation,
- reciprocation is easy, and
- it occurs infrequently.

Inappropriate gifts received are to be returned to the donor. Full and immediate disclosure of borderline cases will always be taken as good-faith compliance with these standards.

e. OUTSIDE INTERESTS / IMPARTIALITY

(i) Public Comments

You may comment on public issues but must not engage in any activity or speak publicly where this could be perceived as an official act or representation on behalf of PavCo (unless authorized to do so).

Employees and Directors must not jeopardize the perception of impartiality in the performance of their duties through making public comments or entering into public debate regarding PavCo. You must not use your position in PavCo to lend weight to the public expression of your personal opinions.

(ii) Political Activity

You may participate in political activities including membership in a political party, supporting a candidate for elected office, or seeking elected office. Employees' and Directors' political activities, however, must be clearly separated from activities related to their employment or appointment.

If engaging in political activities, you must remain impartial and retain the perception of impartiality in relation to your duties and responsibilities. Employees must not engage in political activities during working hours or use government facilities, equipment, or resources in support of these activities.

Partisan politics are not to be introduced into the workplace; however, informal private discussions among co-workers are acceptable.

You may engage in political activity in federal, provincial and municipal elections. However, political activity such as canvassing or soliciting funds on behalf of any political party is not permitted in the workplace.

Employees who run as a candidate in a federal, provincial or any local government election must be on an unpaid leave of absence from PavCo, approved by the President and CEO. Leave approval is at PavCo's discretion. This restriction does not apply to Directors.

If you are elected to either a provincial or federal position, you must immediately resign your position as an employee or Director at PavCo. If you are elected to a municipal position, you must disclose this by checking box #7 and adding the details in Section I of your Declaration Form. A leave of absence may not be necessary provided you can ensure that the interests or activities of this political office do not conflict with the interests of PavCo. PavCo may need to place constraints on your employment to ensure there are no conflicts of interest or perception of a conflict of interest. Such constraints must be recorded in Section II of your Declaration Form.

If you have a family member who holds or is elected to a federal, provincial or municipal position, you are required to disclose these details by checking box #7 and adding the details in Section I of your Declaration Form. PavCo may need to place constraints on your employment to ensure there are no conflicts of interest or perception of a conflict of interest. Such constraints will be recorded in Section II of your Declaration Form.

f. OUTSIDE EMPLOYMENT and BUSINESS INTERESTS

You may have alternate employment, participate in a business, or receive funds for personal activities outside your employment at PavCo, provided it does not:

- interfere with the performance of their duties as a PavCo employee;
- bring PavCo or the BC Government into disrepute;
- represent a conflict of interest or create the reasonable perception of a conflict of interest;
- appear to be an official act or to represent PavCo or BC Government opinion or policy;
- involve the unauthorized use of work time or PavCo premises, services, equipment, or supplies; or
- gain an advantage that is derived from their employment with PavCo.

For full time staff, alternate employment and or business activities totaling more than 15 hours per week must be reported to PavCo.

You may not hold a significant financial interest, either directly or through a family member or associate, or hold or accept a position as an officer or director in an organization that has a relationship with PavCo, unless that interest has been fully disclosed and addressed to PavCo's satisfaction. A "significant financial interest" in this context is any interest substantial enough to be perceived to influence the decisions of PavCo or be perceived to result in personal gain for you.

Any significant financial interest circumstances must be disclosed in Section I of your Declaration Form by checking box #2 (if the interest is personal or through an associate) or box #5 (if the interest is through a family member) and recording the details. Details of any conditions imposed by PavCo must be recorded in Section II of your Declaration Form.

FUTURE EMPLOYMENT RESTRICTIONS FOR SENIOR MANAGEMENT

Senior Management of PavCo is subject to future employment restrictions after their employment with PavCo as described in Appendix D to this Code.

STANDARDS OF ETHICAL CONDUCT FOR PAVCO DIRECTORS

In addition to the provisions of PavCo's Code of Ethical Business Conduct, PavCo Directors are also subject to the *Standards of Ethical Conduct for PavCo Directors* as found in Appendix E.

USE OF CORPORATE PROPERTY

a. PROTECTION OF COMPANY ASSETS

As a PavCo employee, you are responsible for the appropriate care and protection of all PavCo property associated with your duties, including exercising reasonable safeguards to prevent theft or damage. PavCo's property (including computer hardware, computer software, communications devices managed by PavCo, and office supplies) should only be used for PavCo business and should not be removed from PavCo's premises without authorization.

b. COMPUTER AND COMMUNICATIONS SYSTEMS

(i) Access to PavCo Computer Systems

Computer systems, data, programs and communication systems are the property of PavCo. If you have access to PavCo's computing and communication devices, you are expected to use them in a responsible manner for the benefit of PavCo. Do not disclose your computer system passwords and/or user identification to anyone or allow anyone to access the PavCo computer system via your access.

(ii) Appropriate Use of PavCo Computer Systems**Business Use**

You may only use PavCo computer systems and the information contained within them for PavCo business purposes. You must not:

- engage in commercial activities, other than those on behalf of PavCo;
- use PavCo systems to gain access to other information systems to which you do not have authorized access;
- download malicious code;
- test information systems controls unless specifically authorized to do so in writing by the Information Services Department;
- exploit systems vulnerabilities to gain access to unauthorized access to other systems or data;
- use personal, unlicensed or pirated software on PavCo systems; or
- any activity which will harm or put systems at risk.

Information transmitted through PavCo resources, including emails, implies affiliation with PavCo. Professionalism should therefore always be foremost in your mind when deciding whether to communicate and share information through PavCo's computing and communication devices and systems. This is especially true of the Internet and PavCo's internal networks and systems.

You are encouraged to use the Internet when it is appropriate for business purposes. However, the infrastructure required to provide this access represents a sizeable commitment of PavCo's resources. You should avoid unnecessary and/or inappropriate Internet use as it causes network and server congestion, incurs additional costs and puts PavCo's computer resources at risk.

Personal Use

Reasonable personal use of PavCo's computing and communication systems are permissible as long as usage:

- does not interfere with PavCo business;
- is done on personal time, such as a break or after work hours;

- Is not any of the following:
- Audio or video broadcasts of a continuous nature;
- Internet chat groups;
- Internet email services; or
- Downloading of any software not related to the role for which you are employed by PavCo.

You must never use PavCo equipment or services to receive, view or distribute illegal, offensive or pornographic material.

(iii) Monitoring Use of PavCo Computer Systems

PavCo is able to monitor and record all email, Internet use and files stored in private areas of our network in accordance with applicable law. You should at no time expect privacy when using PavCo's computing resources, whether you are accessing them on site or from a remote location. PavCo reserves the right to monitor and review any material created, stored, sent, or received on its network.

CONFLICT OF INTEREST DISCLOSURE [DECLARATIONS]

Whether or not a conflict of interest exists, you must complete a Declaration Form and return it to Human Resources within 2 weeks of the start of your employment. Your Declaration Form will be treated with confidentiality and will be held in your personnel file.

You must annually review and revise if necessary your Declaration Form so that you and your supervisor can discuss and address any potential conflict of interest issues. This procedure is part of your performance review.

In addition to the annual review, you must, immediately upon becoming aware of a conflict or an apparent conflict of interest, disclose the conflict to your supervisor. This requirement exists even if you do not become aware of the conflict until after a transaction is complete. An updated or new Declaration Form may be necessary.

If you are in doubt whether a situation involves a conflict, you must immediately seek the advice of your supervisor. If your supervisor is not available, contact the individual whom your supervisor reports to.

Unless otherwise instructed, you or you and your supervisor must immediately identify and implement steps to resolve the conflict or remove the perception that it could exist.

PROTECTION OF GENERAL CORPORATE INFORMATION AND PRIVACY

a. CONFIDENTIAL INFORMATION

Confidential information, in any form, that employees receive through their employment must not be disclosed, released, or transmitted to anyone other than persons who are authorized to receive the information. Employees who are in doubt as to whether certain information is confidential must ask the appropriate authority before disclosing, releasing, or transmitting it.

If you are sharing sensitive corporate information with anyone outside of PavCo during the course of business, you must ensure that you have the proper documentation in place (such as a nondisclosure agreement) to protect this information. When in doubt, ask your supervisor or contact PavCo's Corporate Office for assistance. Board members should seek guidance from the Board Chair or the General Counsel.

PavCo's information remains the property of PavCo throughout and beyond your employment with PavCo. It must be safeguarded and should not be removed from PavCo premises without authorization. You are expected to safeguard any mobile devices, laptops or portable memory sticks carrying PavCo information. Such devices should never be left unattended in vulnerable locations, including locked vehicles. You must report all losses of any device that may contain PavCo information to your Supervisor or Information Systems Manager.

As a PavCo employee, you should safeguard confidential information by keeping such information secure and limiting access to only those who 'need to know' in order to do their job. Do not discuss confidential information in public areas such as elevators, boarding lounges and aircraft or over mobile phones in public places where you could be overheard.

Confidential information that employees receive through their employment must not be used by an employee for the purpose of furthering any private interest, or as a means of making personal gains.

b. BREACH OF CONFIDENTIALITY

A breach of confidentiality, whether unintended or deliberate, may result in disciplinary action against you, up to and including immediate termination of your employment.

c. FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT

PavCo is also required to comply with the information access and protection of privacy requirements established in B.C.'s *Freedom of Information and Protection of Privacy Act* (FIPPA). FIPPA grants the Office of the Information and Privacy Commissioner the power to audit or investigate PavCo's freedom of information and privacy protection practices

and to order changes where there are findings of non-compliance.

Records created by you may be subject to an access to information request and if requested, you are required to provide them to PavCo's Freedom of Information Administrator, who will apply FIPPA in PavCo's response to the request.

APPENDICES

APPENDIX A: PAVCO EMPLOYEE DECLARATION and COMMITMENT

APPENDIX B: DECLARATION RE CONFLICT OF INTEREST

APPENDIX C: PAVCO CONFIDENTIAL REPORTING POLICY

APPENDIX D: FUTURE EMPLOYMENT RESTRICTIONS FOR SENIOR MANAGEMENT

APPENDIX E: STANDARDS OF ETHICAL CONDUCT FOR PAVCO DIRECTORS

Appendix A – PavCo Employee Declaration and Commitment

Last Name: _____

First Name: _____

Position: _____

DECLARATION:

I, the undersigned, declare that I have read and understood the *Code of Ethical Business Conduct* for PavCo employees and all related policies. I agree to comply with these standards, any amendments thereto, provided such amendments have been brought to my attention.

I declare that I have completed and submitted the Appendix B Declaration of Actual or Potential Conflict of Interest and have informed my Supervisor of any known or potential conflicts of interest involving me.

I declare to the best of my knowledge and belief that I have no other actual or potential conflict of interest apart from those stated in Appendix B.

I agree to report any new information that may present an actual or potential conflict of interest as soon as I become aware of it.

Signatures:

Employee

Date

Witness

Date

Completed forms must be forwarded to Human Resources.
(A copy of this form will be kept in the employee’s contract file.)

Appendix B – Declaration of Actual or Potential Conflict of Interest

Last Name: _____

First Name: _____

Position: _____

SECTION I.

Please check the appropriate box:

1. To the best of my knowledge and belief I do not have an actual, perceived or potential conflict of interest.

2. I am directly or indirectly involved in another enterprise or occupation that is or could be perceived as being in conflict with the interests of PavCo. (Fill in 'Details' section below.)

3. I have direct or indirect investments or business relations that are or could be perceived as being in conflict with the interests of PavCo. (Fill in 'Details' section below.)

4. I have a personal relationship with a PavCo employee or PavCo service provider employee that is or could be perceived as being in conflict with the interests of PavCo. (Fill in 'Details' section below.)

5. I have a family member whose circumstance places me or could be perceived as placing me in conflict with the interests of PavCo. (Fill in 'Details' section below.)

6. I currently hold, or have been offered, a board appointment for a "for profit" organization or for a society that is or could be perceived as being in conflict with the interests of PavCo (Fill in 'Details' section below.)

7. I have been elected to a municipal political position and/or I have a family member who has been elected to a federal, provincial or municipal position (Fill in 'Details' section below.)

8. Other. (Fill in 'Details' section below.)

SECTION II.

Conditions to be imposed to mitigate or eliminate any potential or perceived conflict of interest situation:

(Use separate page and attach if additional space required)

Signatures:

Employee/Director: _____

Date: _____

Employee's Supervisor: _____
[or Board Chair for declaration of a Director]

Date: _____

Completed forms must be forwarded to Human Resources. (A copy of this form will be kept in the employee's file)

Appendix C – PavCo Confidential Reporting Policy

PURPOSE

PavCo is committed to the highest possible standards of ethical, moral and legal business conduct. In line with this commitment and PavCo's regard for open communication, this policy aims to provide an avenue for employees to raise concerns and to provide reassurance that they will be protected from reprisals or adverse treatment for sharing their concerns in good faith.

POLICY

1.0 Overview

1.1 PavCo's Confidential Reporting Policy (the "*Policy*") is intended to encourage and enable employees and others to resolve concerns within the organization, rather than seeking resolution outside. It is intended to cover serious concerns that:

- May lead to incorrect financial reporting;
- Are unlawful;
- Are not in line with PavCo's policies, including the People Policies or *Code of Ethical Business Conduct*; or
- Are otherwise unethical, improper, or constitute suspicious conduct or abuse.

If you have a serious concern about any of the above situations, you should feel safe reporting the matter to the appropriate individuals under this *Policy*.

1.2 Employees are often the first to recognize that there may be something inappropriate that is occurring within the workplace. Staff may sometimes be reluctant to express their concerns if they feel that it would be disloyal to their fellow staff members or the management team. They may be concerned about potential consequences for raising the issue. Some may feel that it is easier to ignore the concern rather than reporting it.

1.3 PavCo believes that one of the strongest deterrents against wrongdoing is the likelihood that such acts will be reported and investigated thoroughly, and that those in the wrong will be found accountable and the matter promptly resolved.

2.0 Confidentiality

2.1 Every reasonable effort will be made to protect the complainant's identity. Violations or suspected violations may be submitted confidentially. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

2.2 Employees should put their names to allegations because adequate follow-up is not possible unless the source of the information is identified. Anonymous concerns cannot generally be investigated, but consideration will be given to:

- The seriousness of the issue raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

2.3 The General Counsel (PavCo's internal lawyer) is responsible for investigating and resolving all reported complaints and allegations concerning violations of the *Code of Ethical Business Conduct* and other concerns raised under this *Policy*. Concerns may otherwise be raised directly with the Chair of the *Audit and Governance Committee* of PavCo as provided below.

The General Counsel will not disclose the identity of the complainant to any other individual within PavCo unless under rare circumstances as are required by law or with the consent of the complainant. The employee's identity would only need to be revealed at the appropriate time if they were required to be a witness. Advice on this procedure would be provided at the appropriate time.

The General Counsel has direct access to the *Audit and Governance Committee* of the Board of Directors and is required to report to the Committee on compliance activity.

3.0 RAISING A CONCERN

3.1 PavCo appreciates that the decision to report a concern can be a difficult one to make.

3.2 Wherever practical, employees should share their concerns with their supervisor. If the employee is not comfortable speaking with their supervisor or is not satisfied with the response, the employee should speak with a human resources or other management representative. Supervisors and managers are required to report suspected violations of the *Code of Ethical Business Conduct* to the General Counsel, who has responsibility to investigate all reported violations.

If dissatisfied or uncomfortable with the foregoing process, individuals may contact the General Counsel directly and, anonymously if preferred, as follows:

1. **By EMAIL** to the General Counsel at ShareMyConcerns@bcpavco.com, using a non- work place email address which does not disclose their identity. To further preserve anonymity, this email account will only be monitored by the General Counsel. Individuals who prefer a response to their concern will choose this option.
2. **By VOICEMAIL**, using the caller identity block function of their cell phone to leave a confidential voicemail for the General Counsel at (604) 647-7227, including contact information.

3. **By MAIL**, providing a letter addressed to:

B.C. Pavilion Corporation
Suite 200 – 999 Canada Place
Vancouver, BC V6C 3C1

Attention: General Counsel
PERSONAL & CONFIDENTIAL

Or

Attention: Chair, Audit and Governance Committee
PERSONAL & CONFIDENTIAL

Employment-related concerns should continue to be reported through your supervisor, Human Resources representative, or to the General Counsel.

3.3 Timing

The earlier a concern is expressed, the easier it is to take action. Concerns not raised within a reasonable time may not be pursued if, in the discretion of the General Counsel, the delay compromises an investigation into the matter.

3.4 Evidence

Although the employee is not expected to prove the truth of an allegation, the employee needs to demonstrate that there are sufficient grounds for concern.

3.5 How the Complaint Will Be Handled

The course of action taken to handle a complaint will depend on the nature of the concern. The General Counsel provides a report to the *Audit and Governance Committee* on each complaint and on actions taken.

Initial inquiries will be made to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved by agreed action without the need for investigation. The General Counsel will promptly acknowledge receipt of the reported violation or suspected violation. Reports will be promptly investigated and appropriate corrective action will be taken if warranted.

3.6 Report to Complainant

The complainant will receive follow-up on their concern as follows:

- Acknowledgment that the concern was received;
- Informing whether initial inquiries have been made;
- Informing whether further investigations will follow; and
- Conclusion of the file

3.7 Further Information

Further contact between the complainant and PavCo will depend on the nature of the issue and the clarity of information provided. Further information may be sought from the complainant. After receiving a report from the General Counsel, the *Audit and Governance Committee* will address all reported concerns regarding corporate accounting practices, internal controls or auditing.

3.8 Malicious, Misleading, or False Allegations

Please note that it is a violation of PavCo's *Code of Ethical Business Conduct* to submit a report that is known to be false or malicious. Persons who submit such a report, without a reasonable belief as to truth or accuracy of the report, will not be protected by this *Policy* and may be subject to discipline, including termination of employment.

3.9 Protection Against Retaliation

PavCo will not retaliate and will not permit any employee to retaliate against any employee who makes a good faith report under this *Policy*, or who assists in or cooperates in an ensuing investigation. Employees found to have engaged in retaliatory behavior or who fail to maintain an employee's anonymity if requested may be subject to discipline including termination of employment. Any employee who feels that he or she has been subjected to any behavior that violates this *Policy* should immediately report such behavior to their supervisor, Human Resources representative, or the General Counsel.

No person may directly or indirectly use or attempt to use their official authority or influence of their position or office for the purpose of interfering with the right of an employee to make a complaint to about matters within the scope of this *Policy*.

PavCo may take whatever action may be needed to prevent and correct activities that violate this *Policy*.

4.0 OTHER RECOURSE

Where an Employee believes that the matter requires a resolution and it has not been reasonably resolved by PavCo under this *Policy*, the employee may then refer the allegation to the appropriate authority.

If the employee decides to pursue the matter further then:

- Allegations of criminal activity are to be referred to the police;
- Allegations of a misuse of public funds are to be referred to the Auditor General;
- Allegations of a danger to public health must be brought to the attention of health authorities; and
- Allegations of a significant danger to the environment must be brought to the attention of the Deputy Minister, Ministry of Environment.

Appendix D – Future Employment Restrictions for Senior Management of PavCo

APPLICATION

This Policy is supplemental to the PavCo *Code of Ethical Business Conduct* and is applicable to all senior management employed in the position of Vice-President and above with PavCo.

DEFINITIONS

In this Policy:

‘Confidential information’ means information that is unavailable to the public.

‘Outside entity’ means a person or entity other than a ‘Public Sector Employer’ as the term is defined in the Public Sector Employers Act [RSBC 1996, C.384].

BEFORE LEAVING PUBLIC SERVICE WITH PAVCO

In addition to the terms of your existing employment contract with PavCo, the following are conditions of your employment with PavCo:

- a. You must not allow yourself to be influenced in carrying out your employment responsibilities by prospects for or an offer of:
 - i. employment as an employee of an outside entity, or
 - ii. remuneration or other reward from an outside entity for doing anything for it in a capacity other than as an employee of the outside entity.
- b. You must immediately disclose to the President & CEO, (or, in the case of the President & CEO, disclose to the Board Chair):
 - i. any offer described in paragraph (a) above, if the offer does or could place you in a conflict of interest situation; or
 - ii. your acceptance of any offer described in paragraph (a) above.

AFTER LEAVING PUBLIC SERVICE WITH PAVCO

The following are conditions of your employment with PavCo:

- a. After your employment ends, you must not disclose confidential information that you obtained through your employment with PavCo;
- b. If you had a substantial involvement in dealings with an outside entity at any time during the year immediately preceding the end of your employment then, for a year after the end of your employment with PavCo, you must not:
 - i. accept an offer of employment, an appointment to the Board of Directors or a contract to provide services to that outside entity; or
 - ii. lobby or otherwise make representations for that outside entity to the government; or

- iii. give counsel to that outside entity, for its commercial purposes, concerning the programs or policies of any organization or ministry of the government in which you were employed at any time during the year immediately preceding the termination of your employment.
- c. Until one year after your employment with PavCo ends, you:
 - i. must not lobby or otherwise make representations for any outside entity to PavCo, or the Ministry of Transportation and Infrastructure, at any time during the year immediately preceding the termination of your employment; or
 - ii. act for an outside entity in connection with any ongoing proceedings, transaction, negotiation or case in which the outside entity and PavCo are involved:
 - if you, during your former employment with PavCo, acted for or advised PavCo concerning the proceedings, transaction, negotiation or case; and
 - acting for the outside entity in that connection would result in the receipt by the outside entity of a private or commercial benefit or of any benefit not for general application.

REDUCTION OF ONE-YEAR LIMITATION

For PavCo employees other than the President & CEO, the CEO may reduce the one-year restriction, upon your application, after considering the following:

- a. the circumstances under which your employment ended;
- b. your general employment prospects;
- c. the significance to the government of information you possessed by virtue of your position with PavCo;
- d. the desirability of a rapid transfer of your skills to an employer other than PavCo;
- e. the degree to which the new employer might gain unfair commercial advantage by hiring you;
- f. the authority and influence you possessed while employed by PavCo; and
- g. the disposition of other cases.

The CEO will promptly declare any granted reductions to the Chair of the Board of Directors.

For the President & CEO, the Chair of PavCo's Board of Directors may reduce the one-year restriction, upon application, after considering the above noted items (a) through (g), and will promptly declare any granted reduction to the provincial Minister responsible for PavCo.

Appendix E – Standards of Ethical Conduct for PavCo Directors

The purpose of this Schedule is to expound upon the PavCo *Code of Ethical Business Conduct* as it relates specifically to the duties and obligations of PavCo Directors.

There are several situations particular to Directors that may give rise to a conflict of interest in addition to those described in the PavCo *Code of Ethical Business Conduct*. The most common are accepting gifts, favours or kickbacks from suppliers, close or family relationships with outside suppliers, passing confidential information to competitors or other interested parties or using privileged information inappropriately. The following are some examples of the types of conduct and situations that can lead to a conflict of interest:

- i. influencing PavCo to lease equipment from a business owned by an Associate² of the Director;
- ii. participating in a decision by PavCo to hire or promote an Associate of the Director;
- iii. influencing PavCo to make all its travel arrangements through a travel agency owned by an Associate of the Director;
- iv. influencing or participating in a decision of PavCo that will directly or indirectly result in the Director's or Associate's own financial gain.

A director shall not take personal advantage of an opportunity available to PavCo unless PavCo has clearly and irrevocably decided against pursuing the opportunity, and the opportunity is also available to the public.

A director shall not use his or her position with PavCo to solicit clients for the Director's business, or a business operated by a close friend, family director, business associate, corporation, union or partnership of the Director, or a person to whom the Director owes an obligation.

A Director shall fully disclose all circumstances that could conceivably be construed as a conflict of interest.

² As defined in the PavCo Code of Ethical Business Conduct, "Associate" includes:

- i. Any person closely connected with that person by blood or otherwise and includes a spouse (including common-law spouse), parent, grandparent, brother, sister, child, grandchild and in-law of that person and any other relative of that person or of his or her spouse;
- ii. a trust or estate in which that person, or a person who is an Associate of that person, has a substantial beneficial interest, or in which that person serves as a trustee; or
- iii. a business, firm, corporation, joint venture or partnership in which that person, or a person who is an Associate of that person, beneficially owns, directly or indirectly, any share(s).

DISCLOSURE

Annual and Ongoing Disclosure

- a. Each Director shall within sixty (60) days of his or her appointment and annually thereafter prior to March 31 of each year, complete and file with the Compliance Officer, a Disclosure Statement in the form prescribed by the *Audit and Governance Committee*. It is the responsibility of each Director to ensure that the information provided in the Disclosure Statement is kept current and is amended from time to time as any change in the information to be disclosed occurs. Full disclosure enables Directors to resolve unclear situations and gives an opportunity to eliminate conflicting interests before any difficulty can arise.
- b. A Director shall, immediately upon becoming aware of a potential conflict of interest situation, disclose the conflict in writing to the Audit and Governance Committee. This requirement exists even if the Director does not become aware of the conflict until after a transaction is complete.
- c. If a Director is in doubt whether a situation involves a conflict, the Director shall immediately seek the advice of the *Audit and Governance Committee*. If appropriate, the Chair of the *Audit and Governance Committee* shall seek advice from PavCo's Compliance Officer or General Counsel.
- d. Unless otherwise directed by the, a Director shall immediately take steps to resolve the conflict or remove the suspicion that it exists.
- e. If a Director is concerned that another Director is in a conflict of interest situation, the director shall immediately bring his or her concern to the other Director's attention and request that the conflict be declared. If the other Director refuses to declare the conflict, the Director shall immediately bring his or her concern to the attention of the *Audit and Governance Committee*.

Disclosure concerning meetings of the Board of Directors

- f. If a member of the *Audit and Governance Committee* is the subject of any matter(s) being discussed or resolved by the *Audit and Governance Committee* pursuant to this Policy, such member shall not attend the meeting(s) or portions of the meeting(s) where such matter(s) are discussed or resolved, and the Chair shall appoint another Director to take the place of such member on the *Audit and Governance Committee* when such matter(s) are discussed or resolved.

g. A Director shall also disclose the nature and extent of any conflict at the first meeting of the Board after which the facts leading to the conflict have come to that Director's attention. After disclosing the conflict, the Director:

- i. shall not take part in the discussion of the matter or vote on any questions in respect of the matter (although the Director may be counted in the quorum present at the board meeting);
- ii. if the meeting is open to the public, may remain in the room, but shall not take part in that portion of the meeting during which the matter giving rise to the conflict is under discussion, and shall leave the room prior to any vote on the matter giving rise to the conflict;
- iii. shall, if the meeting is not open to the public, 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
- iv. shall 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.

ADMINISTRATION AND RESOLUTION

a. The *Audit and Governance Committee* has the responsibility for the administration and resolution of any matters arising out of this policy.

b. The *Audit and Governance Committee* shall appoint a Compliance Officer and may give the Compliance Officer such powers as the *Audit and Governance Committee* determines and which may at any time be revoked, modified or supplemented by the Committee. The Compliance Officer shall, in addition to doing that which is required:

- i. ensure that every Director files a Disclosure Statement at the prescribed time,
- ii. submit to the Chair of the *Audit and Governance Committee*, along with the copies of the Disclosure Statements, a summary of apparent conflicts and make a presentation to the *Audit and Governance Committee* of such items that may require resolution,
- iii. on an ongoing basis review the contracts and transactions of PavCo for apparent conflicts, and

OUTSIDE BUSINESS INTERESTS

- a. Directors shall declare possible conflicting outside business activities at the time of appointment. Notwithstanding any outside activities, Directors are required to act in the best interest of PavCo.
- b. No Director shall hold a significant financial interest either directly or through an Associate, or hold or accept a position as an officer or director in an organization in a material relationship with PavCo, where by virtue of his or her position in PavCo, the Director could in any way benefit the other organization by influencing the purchasing, selling or other decisions of PavCo, unless that interest has been fully disclosed in writing to the *Audit and Governance Committee*. This also applies to interests in companies that may compete with PavCo in all of its areas of activity.

CONFIDENTIAL INFORMATION

- a. Confidential information includes proprietary technical, business, financial, legal, or any other information that PavCo treats as confidential.
- b. Directors shall not either during or following the termination of an appointment disclose such information to any outside person unless authorized.
- c. Directors shall never disclose or use confidential information gained by virtue of their association with PavCo for personal gain, or to benefit friends or Associates.
- d. If in doubt about what is considered confidential, a Director shall seek guidance from the Board Chair, General Counsel or the Compliance Officer.

INVESTMENT ACTIVITY

Directors shall not, either directly or through Associates, acquire or dispose of any interest including publicly traded shares, in any company while having undisclosed confidential information obtained in the course of work at PavCo which could reasonably affect the value of such securities.

TRANSACTIONS ENTERED INTO ON BEHALF OF THE CORPORATION

No contract or transaction may be entered into, by a Director, on behalf of PavCo with a government person, or an associate thereof, unless approved by the *Audit and Governance Committee*.

BREACH

A Director found to have breached his/her duty by violating the minimum standards set out in the PavCo *Code of Ethical Business Conduct* and these standards for Directors may be liable to censure or a recommendation by the Board of Directors to the responsible Minister for dismissal.

WHERE TO SEEK CLARIFICATION

The *Audit and Governance Committee* or Compliance Officer is responsible to provide guidance on any item concerning standards of ethical behaviour.

PAVCO CONFLICT OF INTEREST & RELATED THIRD PARTY TRANSACTIONS DISCLOSURE STATEMENT FOR DIRECTORS

GUIDELINES:

- This Annual Disclosure Statement is made pursuant to the PavCo Code of Ethical Business Conduct and the included *Appendix E - Standards of Ethical Business Conduct for PavCo Directors*. Reference should be made to the Code of Conduct for definitions of terms.
- All portions of this Disclosure Statement must be completed. If the answer is "none" or "nil", it should be so indicated.

TO: THE COMPLIANCE OFFICER, PavCo

The following is, to the best of my knowledge, a complete and full disclosure of my current interests and those of my Associates as defined in the *Code of Ethical Business Conduct*. I acknowledge my responsibility to ensure that the following information is kept current and is amended without delay upon any change in the information as provided:

A. Describe the nature and extent of interest in any existing or proposed transaction with PavCo:

B. Offices held in or employment with any business, firm, corporation or organization whereby an interest may be created which conflicts or may conflict with my duty as a Director of PavCo:

C. Ownership or possession of any interest in any business, firm, corporation or property whereby an interest may be created which conflicts or may conflict with my duty as a Director of PavCo:

I ACKNOWLEDGE that I have read and considered both the PavCo *Code of Ethical Business Conduct* (as amended _____) and *Appendix E to the Code - Standards of Ethical Conduct for PavCo Directors*, and agree to conduct myself in accordance with their requirements.

Dated this _____ day of _____, 20____

Name: _____

Signature: _____