

# CCWIPP TRUSTEES INVESTMENT-RELATED CONFLICTS OF INTEREST POLICY

## I. PURPOSE AND OBJECT

The purpose of this policy is to prescribe rules and procedures governing investment related conflicts of interest on the part of the CCWIPP Trustees and any "related entities". "Related entities" are defined below. This policy shall form an Appendix to the Statement of Investment Policies and Procedures ("SIP & P"). The object of the policy is to avoid conflicts of interest and to identify and disclose any which may arise, as well as to prescribe an appropriate code of conduct for all Trustees with respect to investment matters. The policy will further regulate relations with service providers of CCWIPP or any of its investment corporations and will establish certain basic disclosure rules. This policy applies to the Trustees in addition to the SIP & P and the requirements of the *Pension Benefits Act* (the "PBA"), Schedule III of the Federal Pension Benefits Standards Act Regulations ("Schedule III"), and other laws applicable to CCWIPP investments.

## II. APPLICATION

This policy is binding on all Trustees, when they assume the position of Trustee and any "Related Parties" as defined below and should be provided to every new Trustee by the plan administrator. Further, the Trustees in their discretion may designate employees of CCWIPP or of any investment corporation or other legal entity controlled by CCWIPP (an "Investment Corporation") to which all or parts of this policy may apply. It may be amended from time to time by a majority resolution of the Board of Trustees. Trustees must comply with its terms. Violation of any of its terms may result in action being taken against the applicable Trustee by the full Board, up to and including seeking removal of such Trustee by the party appointing the Trustee.

For purposes of this policy a "Related Party", in relation to a Trustee or any employee designated by the Trustees, shall mean:

- (a) A spouse as defined in PBA or any person with whom the individual is living in a relationship outside of marriage;
- (b) Any relative of the Trustee who lives in the same residence;
- (c) A trust, of which the Trustee or a spouse or relative of the Trustee who lives in the same residence, is a beneficiary, but does not include a registered pension plan or any trust established pursuant to a collective agreement;
- (d) A company over which the Trustee or the Trustee's spouse exercises control;
- (e) A business partner of the Trustee.

### III. GENERAL PRINCIPLES

1. The duty of loyalty of the Trustees is first and foremost to the beneficiaries of the pension plan. Trustees must avoid conflicts of interest with respect to their fiduciary responsibilities in accordance with this policy and the conflict of interest provisions of any other applicable policy or document of the Board of Trustees, as well as the CCWIPP Trust Agreement.
2. Trustees shall maintain high ethical conduct at all times, and conduct themselves with integrity.
3. Trustees are subject to the provisions of the CCWIPP Trust Agreement which precludes Trustees from receiving any compensation in connection with their role as Trustees other than reimbursement for reasonable expenses. Further, Trustees shall comply with paragraph 22 of the SIP & P which states:

"Each, person, firm or organization having dealings with the Pension Plan and/or Pension Fund and each member of the Board of Trustees, and any Committee and Sub-Committee thereof is required and obligated to report and disclose details of all and any conflict of interest or possible or perceived conflict of interest involving the administration of the Pension Plan and/or the investment of the Pension Fund. Such report and disclosure shall be made immediately to the Chairperson of the Board of Trustees.

The Board of Trustees shall determine if a conflict or possible or perceived conflict of interest has or might occur.

If the Board of Trustees determines that a conflict or possible or perceived conflict of interest has or might occur, the person, firm or organization in conflict shall, where applicable, be prohibited from participating in all or any discussion and the decision making process concerning the area of actual, possible or perceived conflict of interest".

4. Trustees shall not exercise their duties as Trustees where there may be a conflict of interest or appearance of a conflict of interest. A conflict of interest is understood to be a situation where a relationship exists that could reasonably be expected to diminish the independence or judgment of the Trustees in performance of Trustee obligations. Specifically, Trustees may not participate in decisions which might result in personal economic advantage to them or Related Parties, other than decisions pertaining to their status as ordinary beneficiaries of the Pension Plan.
5. Trustees shall not abuse their position or use the prestige or influence of the office of Trustee for private gain or advantage or the private gain or advantage of a Related Party.
6. Trustees shall not use confidential information available to them by virtue of being a Trustee for personal or private gain or advantage, or private gain or advantage of a Related Party.

7. Where a conflict of interest arises, it must be declared at the first opportunity and the affected Trustee shall not vote on the issue. Trustees may have access to Fund counsel at any time for advice regarding a potential conflict of interest.

#### **IV. TRUSTEE REMUNERATION AND REIMBURSEMENT**

8. Trustees shall not receive remuneration or compensation for services as a Trustee or as a result of his or her appointment as an officer or director of any corporation or legal entity in which the Trustees have invested (an "Investee Corporation") or an Investment Corporation, as defined in section II of this document.
9. Subject to section 12, where a Trustee is acting as a director or officer of a corporation in relation to a CCWIPP investment, and such corporation ordinarily pays fees or other remuneration to its officers, or directors, a Trustee shall decline such compensation or remuneration. Where the requirements of the entity require payment of some form of remuneration to the Trustee, the Trustee shall arrange to transfer such remuneration to CCWIPP.
10. Subject to section 12, where a Trustee receives stock options as a result of serving as a director, officer or in some other position of an Investee Corporation, such Trustee shall advise the Chair of the Investment Committee and the Administrator. Where possible, such options shall be transferred to CCWIPP, failing which the Trustee shall not exercise such options. The Investment Committee may determine whether or not to accept the transfer of the options or to allow them to expire.
11. Trustees may receive reimbursement for reasonable expenses from CCWIPP, any Investment Corporation or any Investee Corporation. Where reimbursement is received from an Investee Corporation, the particulars of such reimbursement shall be disclosed to the Administrator. Reimbursement by an Investment Corporation or by CCWIPP shall be made pursuant to the expense reimbursement policy adopted by the Trustees from time to time.
12. Where a Trustee holds the position of an officer or a director of a corporation or other entity prior to becoming a Trustee, and such corporation is or becomes an Investee Corporation, such Trustee may continue as an officer or director of such Investee Corporation on the same terms as his or her previous participation, provided that:
  - (a) The Trustee discloses his position and remuneration, if any, to the Board of Trustees; and
  - (b) The Trustee is not a member of the CCWIPP Investment Committee and does not participate in any discussion or votes on any matters pertaining to the Investee Corporation.
13. A Trustee may be reimbursed by CCWIPP for any adverse income tax consequences as a result of compliance with this policy.

## V. GENERAL CONFLICT RULES – BUSINESS TRANSACTIONS

14. Neither a Trustee, nor a Related Party shall:
- (a) engage directly or indirectly in any business transaction or private arrangement for personal profit or benefit which arises from his or her position with CCWIPP, or act upon confidential or non-public information which he or she gains by reason of such position, or by affiliation with a person in such positions;
  - (b) accept goods or services from a third party provider of CCWIPP on terms that are more favourable than those generally available to the public;
  - (c) divulge confidential or non-public information to any unauthorized person or release such information in advance of authorization for its release;
  - (d) have direct or indirect business or financial dealings which conflict or appear to conflict with their official duties and responsibilities; or
  - (e) accept any remuneration, gift or benefit from a third party provider under circumstances from which it reasonably could be inferred that the gift or other consideration was intended to influence the Trustee in his or her official duties or was intended as a reward for any actions performed by the Trustee. Nothing herein shall preclude any Trustees from participating in any social or educational event on behalf of the Board of Trustees that is sponsored by a service provider or Investee Corporation, provided that the Board members are engaging in an educational or promotional event that is in the best interest of CCWIPP and that any promotional items that the Trustees may receive from such providers are of nominal value.

## VI. TRUSTEE INVESTMENT HOLDINGS

15. Trustees and their spouses shall not:
- (a) trade in any securities that are issued by an Investee Corporation other than a corporation traded on a "public exchange" as defined in Schedule III of the *Pension Benefits Standards Act* (Canada) ("Schedule III");
  - (b) trade in securities of an Investee Corporation on a "public exchange" as defined in Schedule III where CCWIPP or any Investment Corporation has a investment holding in excess of 3% of the issued common shares or other voting securities of such Investee Corporation.
16. The names of corporations and other entities referred to in sub-paragraphs 15 (a) and (b) ("Precluded Investments") shall be identified by the Investment Committee or its agents and notification shall be provided to the Trustees of the list of Precluded Investments forthwith upon the promulgation of this policy, and updated on a regular basis, as changes occur.

17. Where a Trustee or his spouse holds an interest in a Precluded Investment which he or she obtained prior to becoming a Trustee or prior to promulgation of this policy, such Trustee shall disclose his or her interest to the Administrator and shall not trade in any such Precluded Investment without first notifying and obtaining the consent of the Board of Trustees to the trade. Consent will be granted unless there is a significant event impending which would result in postponement of the consent. Such Trustee shall be precluded from any discussions or decisions by the Board of Trustees or Investment Committee in respect of the Precluded Investment.
18. Where a Trustee or his or her spouse is considering trading an interest in a business entity other than a corporation traded on a "public exchange" as defined in Schedule III, that can or does provide goods or services to pension funds:
  - (a) they shall make a request of the administrator to determine whether the organization is a service provider of CCWIPP;
  - (b) where the organization is a service provider, there shall be no trading of such interest unless approved by the Board of Trustees.

## **VII. EXCEPTIONS**

The Board of Trustees, acting together, may approve exceptions to this policy on the basis of individual events or transactions where, in their opinion, no material conflict of interest is likely to arise and the interests of CCWIPP or any Investment Corporation will not be adversely affected in any way. Examples of exceptions may include trading in securities as a result of a break down of a spousal relationship, a Trustee or Related Party becoming an executor or administrator of an estate or such other extraordinary circumstances that may require an individual exception.