



BOARD OF DIRECTORS CODE OF CONDUCT

September 2024

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1. Introduction

1.1 The objective of Defence Construction Canada's (DCC) Board Code of Conduct (Board Code) is to outline the standards of conduct that members of DCC's Board of Directors are expected to follow in the exercise of their duties as Directors of DCC.

1.2 This Board Code supplements and should be read together with the *Conflict of Interest Act* and guidelines governing the ethical conduct and political activities of public office holders as released by the Privy Council Office. No code can cover all possible situations that may occur, and Directors are expected to exercise judgment in applying the standards of conduct to any particular situation. Directors are encouraged to consult with the Chair of DCC's Board of Directors or DCC's Corporate Secretariat for guidance.

2. Application

2.1 The Board Code applies to the members of the Board of Directors of DCC. Under the *Conflict of Interest Act*, Directors of DCC are considered Public Officer Holders and DCC's President & Chief Executive Officer (CEO) is a Reporting Public Officer Holder.

3. Role of Directors

3.1 DCC Directors are appointed by the Minister of Public Services and Procurement, with the approval of the Governor in Council. The Board of Directors is responsible for the management of the businesses, activities and other affairs of the Corporation. The Board has delegated authority for the day to day management of Corporate activities to DCC's President & CEO. Directors are expected to be familiar with the Board Code and to adhere to the standards of conduct. It is the individual responsibility of each Director of DCC to comply with the Board Code.

4. Standards of Conduct

4.1 DCC's Governance and Human Resources Committee (Governance Committee) is responsible for setting the standards of business conduct contained in the Board Code and updating these standards as it deems appropriate to reflect changes in the legal and regulatory framework applicable to DCC, the business practices within the industries in which it operates, DCC's own business practices and the prevailing ethical standards of the communities in which DCC operates. These business standards will be comparable but no less than the standards set in DCC's Code of Business Conduct for employees and DCC's Procurement Code of Conduct for suppliers.

4.2 Standards: The key standards of conduct include: duty of loyalty; duty of care; and conflict of interest.

4.3 *Duties*: Every DCC director in exercising his or her powers and in discharging his or her duties shall comply with the provisions of the *Defence Production Act* (DPA), the *Financial Administration Act* (FAA), the *Conflict of Interest Act* (COIA), and any other applicable laws, regulations, By-laws, resolution, Privy Council Office guidelines and policies and shall:

- 4.3.1 act honestly and in good faith with a view to the best interest of DCC; and
- 4.3.2 exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

4.4 As part of the more general obligations set out above, every DCC director shall:

- 4.4.1 exercise his or her director's powers for the purpose for which they were intended;
- 4.4.2 protect the security and confidentiality of DCC's personnel, Client-Partners and Corporate information;
- 4.4.3 ensure that the director's personal interest and his or her duty to DCC are not brought into conflict; and
- 4.4.4 ensure that the director does not obtain or receive, directly or indirectly, a personal profit, gain or benefit, other than the compensation set forth in the Board Profile, as a result of his or her relationship with DCC.

4.5 *Conflict*: In discharging the general duty of loyalty to DCC, Members are to comply with Section 116 of the FAA. Members shall disclose the nature and extent of their interest, in writing, to DCC's Corporate Secretary, or request to have that interest entered in the Minutes of the meeting of the Board of Directors at which the contract or transaction is first considered. In addition, such director shall be recused from the meeting, if required by the Board of Directors, while the discussion on the material contract or transaction or proposed material contract or transaction is taking place and shall refrain from voting on the subject under consideration, but this shall not prevent the Board of Directors from calling him or her into the meeting to answer any questions regarding the matter under discussion nor shall it release the director from his or her obligations to inform the Board of Directors of what he or she knows of the situation and of any concerns.

4.6 However, because it may be impractical for a director or officer who serves as a director or officer of another entity or who has a material interest in another entity to know that the entity is entering into a material contract or transaction with DCC (and therefore to give notice of every such material contract or transaction), it is sufficient for the director to deliver a general notice to the Corporate Secretary of DCC, declaring that he or she is a director or officer or has a material interest in an entity and is to be regarded as interested in any contract or transaction made with that entity.

4.7 No Director or member of his or her family shall accept any gift or advantage, including from a trust, which might reasonably be seen to have been given to influence the Director in the exercise of an official power, duty or function, with limited exceptions. Similarly, Directors may not offer or solicit gifts or favours in order to secure preferential treatment for themselves or DCC. Immediately inform the Corporate Secretary if you have inadvertently accepted a gift that you should have declined.

5. Confidentiality & Communications

5.1 Directors shall maintain confidential all information related to DCC and its Client-Partners unless it becomes generally known to the public or is required by law or a court order to be disclosed. This obligation continues after the termination of their mandate as director.

Communications:

5.2 It is important that DCC communicate consistently with its stakeholders and with the media. Accordingly, only the Chair and the CEO shall represent DCC in its discussion with government Ministers and other government officials. Directors shall refrain from any and all public discussions, in the media or otherwise, regarding DCC's business, affairs, policies or organization. Only DCC's Chair or CEO will issue statements or make comments regarding DCC's position on any given subject.

5.3 Requests for interviews or for other information related to DCC's policies, finances, employees or Government appointments, shall be referred to the Chair of the Board, DCC's President & CEO or DCC's Corporate Secretary. DCC Board members are not to communicate with any media or external parties without obtaining prior approval from the Chair of the Board.

5.4 DCC records are subject to the *Access to Information Act*.

6. Disclosure

6.1 Directors are required to report to the Board Chair, or the Governance Committee, or DCC's Corporate Secretary:

- 6.1.1 the conduct of another Director of DCC whom the Director has reasonable grounds to believe has done something unethical or illegal;
- 6.1.2 breaches of this Board Code, including violations of laws, rules, regulations or DCC's policies.

7. Violations

7.1 DCC's Governance Committee shall conduct a confidential investigation of any reported violations and shall recommend to the Chair of the Board an appropriate response, including corrective action and preventative measures. Any decision on behalf of DCC with respect to the application or interpretation of the Board Code will be made by the Board Chair. If the Board Chair considers corrective or preventative action to be appropriate, recommendations may be made to the Minister, Public Services and Procurement, or other appropriate person.

7.2 Where the matter relates to the Board Chair, the decision will be made by the Chair of the Governance Committee.

8. Waivers

8.1 No provision of this Board Code may be waived with respect to any Director, except with the approval of the Board of Directors or the Governance Committee to whom authority to grant such waivers is delegated by the approval of this Board Code.

9. Process

9.1 *Initial Briefing*: DCC's Corporate Secretary shall brief and counsel newly appointed Board members on the Board Code, along with all other orientation topics.

9.2 *Annual Update*: Directors shall review and sign DCC's Annual Declaration regarding the *Conflict of Interest Act* and this Board Code each September.

9.3 *Board Code Review*: DCC's Governance Committee shall review and reassess the adequacy of the Board Code at least once every three years and make such amendments to the document as it may deem appropriate.

Reviewed by the Governance Committee on June 3, 2024

Approved by the Board of Directors on September 27, 2024