

Corporations Act) which would pose an actual or perceived conflict of interest in his capacity as a director of the CAA. The nominator may then decide to withdraw the nomination and, in any event, the board of directors itself shall then decide whether the nominee should be disqualified from appointment to the board of the CAA.

Similarly, if a change or anticipated change in circumstances creates for a director a continuing conflict of interest he shall inform the CAA board of directors and his nominator in writing. The board of directors shall then consult the nominator and promptly decide thereafter whether the appointment should be revoked.

B. Code of Conduct

The board of directors shall adopt a Code of Conduct in its by-laws for directors, officers and employees, designed to prevent real and perceived conflicts of interest.

The Code of Conduct shall be provided to the nominators and published in local media at least 30 days prior to the first annual general meeting of the CAA together with invitations for written and oral comments to be submitted by the public. Subsequently, the Code of Conduct and proposed amendments shall be provided to nominators at least 30 days before each annual general meeting.

The Code shall be no less stringent than the rules respecting conflict-of-interest applicable to a director of a company incorporated under the **Canada Business Corporations Act**.

As a member of the CAA board of directors, each director holds a fiduciary duty to the CAA notwithstanding whatever relationship exists between himself and his **Nominator** (or the so-called "**Appointer**").

C. Non Arm's Length Transactions

The CAA shall obtain prior acceptance by the Minister of Transport that the financial terms and conditions of each intended use and occupancy of airport premises which would not be at arm's length from the CAA would produce for the CAA, gross revenue equivalent to that from an arm's length use and occupancy of the premises.

The annual report shall provide information concerning the parties, the financial particulars and circumstances of each such transaction entered into in the preceding year.