

**PRINCE RUPERT PORT AUTHORITY**

**LETTERS PATENT**

CANADA

SUPPLEMENTARY LETTERS PATENT  
issued to the  
PRINCE RUPERT PORT AUTHORITY

BY THE MINISTER OF TRANSPORT

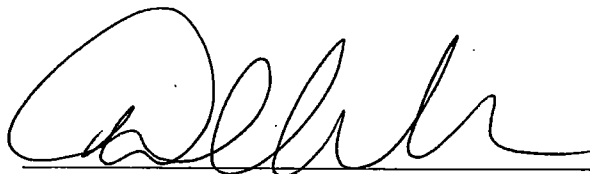
**WHEREAS** Letters Patent were issued by the Minister of Transport for the Prince Rupert Port Authority (the "Authority") under the authority of the *Canada Marine Act* effective May 1, 1999;

**WHEREAS** the Authority has requested Supplementary Letters Patent be issued to replace section 2.2 of the Letters Patent to change the street address for the registered office of the Authority;

**NOW THEREFORE** under the authority of section 9 of the *Canada Marine Act*, the Letters Patent are amended by replacing section 2.2 of the Letters Patent with the following:

**2.2 Registered Office of Authority.** The registered office of the Authority is located at 200 – 215 Cow Bay Road, Prince Rupert, British Columbia, V8J 1A2.

**ISSUED** under my hand to be effective this 20th day of February, 2003.



The Honourable David M. Collenette, P.C., M.P.  
Minister of Transport

Received and filed under  
No. 149710  
In Registry of Legal  
Services Transport Canada

25/2/03

Reçu et classé sous  
No. ....  
au Bureau d'enregistrement  
du Service juridique de  
Transports Canada

**CANADA**  
**SUPPLEMENTARY LETTERS PATENT**  
issued to the  
**PRINCE RUPERT PORT AUTHORITY**

**BY THE MINISTER OF TRANSPORT, INFRASTRUCTURE AND COMMUNITIES**

**WHEREAS** Letters Patent were issued by the Minister of Transport for the Prince Rupert Port Authority (the "Authority") under the authority of the *Canada Marine Act* effective May 1, 1999;

**WHEREAS** Schedule B of the Letters Patent describes the federal real property managed by the Authority;

**WHEREAS** a parcel of federal real property referred to as Lot 1 (Plan 8208) was inadvertently not included in Schedule B;

**AND WHEREAS** the board of directors of the Authority has requested the Minister of Transport, Infrastructure and Communities to issue Supplementary Letters Patent to correct the omission;

**NOW THEREFORE** under the authority of section 9 of the *Canada Marine Act*, the Letters Patent are amended by adding to the end of the list of properties described in paragraph 2 of Schedule B of the Letters Patent and before the "save and except" provision that concludes paragraph 2 the federal real property described as follows:

PID Number	Description
012-940-364	Lot 1 (Plan 8208) District Lot 1992 Range 5 Coast District Plan 1617

Issued under my hand to be effective this 24 day of July, 2006.



The Honourable Lawrence Cannon, P.C., M.P.  
Minister of Transport, Infrastructure and Communities

Received and filed under  
No. 149710  
in Registry of Legal  
Services Transport Canada

218106

Reçu et classé sous  
No. 149710  
au Bureau d'enregistrement  
du Service juridique de  
Transports Canada

**CANADA**  
**SUPPLEMENTARY LETTERS PATENT**  
**issued to the**  
**PRINCE RUPERT PORT AUTHORITY**

**BY THE MINISTER OF TRANSPORT, INFRASTRUCTURE AND COMMUNITIES**

**WHEREAS** Letters Patent were issued by the Minister of Transport for the Prince Rupert Port Authority (the "Authority") under the authority of the *Canada Marine Act* effective May 1, 1999;

**WHEREAS** Schedule B of the Letters Patent describes the federal real property managed by the Authority;

**WHEREAS** Schedule B describes in paragraph 3 a leasehold interest granted pursuant to a lease between Kaien Consumers Credit Union and Prince Rupert Port Corporation that was cancelled by the Authority effective May 31, 2002;

**AND WHEREAS** the board of directors of the Authority has requested the Minister of Transport, Infrastructure and Communities to issue Supplementary Letters Patent to delete the leasehold interest;

**NOW THEREFORE** under the authority of section 9 of the *Canada Marine Act*, the Letters Patent are amended by deleting from paragraph 3 of Schedule B the leasehold interest described as follows:

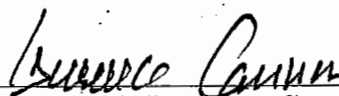
<b>INTEREST</b>	<b>LANDS TO WHICH INTEREST RELATES</b>
Leasehold interest granted pursuant to a lease dated August 22, 1988 between Kaien Consumers Credit Union and Prince Rupert Port Corporation, as renewed pursuant to a letter agreement dated February 28, 1994 between Kaien Consumers Credit Union and Prince Rupert Port Corporation and a letter agreement dated April 4, 1997 between Northern Savings Credit Union and Prince Rupert Port Corporation.	Lots 18-24 inclusive section 1, Block 18 District Lot 251 Range 5 Coast District Plan 923

Received and filed under  
No. 149710  
in Registry of Legal  
Services Transport Canada

2/8/02

Reçu et classé sous  
No. \_\_\_\_\_  
au Bureau d'enregistrement  
du Service juridique des  
Transports Canada

Issued under my hand to be effective this 24 day of July, 2006.

A handwritten signature in dark ink, appearing to read "Lawrence Cannon", is written over a horizontal line.

The Honourable Lawrence Cannon, P.C., M.P.  
Minister of Transport, Infrastructure and Communities

**CANADA**  
**SUPPLEMENTARY LETTERS PATENT**  
**issued to the**  
**PRINCE RUPERT PORT AUTHORITY**

**BY THE MINISTER OF TRANSPORT**

**WHEREAS** Letters Patent were issued by the Minister of Transport ("Minister") for the Prince Rupert Port Authority ("Authority") under the authority of the *Canada Marine Act* ("Act"), effective May 1, 1999;

**WHEREAS** Schedule C of the Letters Patent describes the real property, other than federal real property, held or occupied by the Authority;

**WHEREAS** pursuant to subsection 46(2.1) of the Act, the Authority wishes to acquire the real property described below from J.S. McMillan Fisheries Ltd.;

**WHEREAS** the board of directors of the Authority has requested that the Minister issue Supplementary Letters Patent to authorize the Authority to acquire the real property described below and to amend Schedule C of the Letters Patent to reflect the acquisition of the said real property;

**AND WHEREAS** the Minister is satisfied that the amendments to the Letters Patent of the Authority are consistent with the Act;

**NOW THEREFORE**, pursuant to subsections 9(1) and 46(2.1) of the *Canada Marine Act*, I authorize the Authority to acquire the said real property and I amend the Letters Patent as follows:

**1. Schedule C of the Letters Patent is amended by striking out the phrase " (Intentionally deleted) ".**

**2. Schedule C of the Letters Patent is amended by adding the following after the heading "DESCRIPTION OF OTHER REAL PROPERTY":**

PID Number	Description
017-574-145	Lot 1 Waterfront Block A and Waterfront Block R1 District Lot 1992 and of Water Lot in front of Waterfront Block A Range 5 Coast District Plan PRP13155
011-818-107	Lot 1 Waterfront Block B District Lot 1992 Range 5 Coast District Plan 3664
011-582-766	Lot 2 Waterfront Block B District Lot 1992 Range 5 Coast District Plan 4423

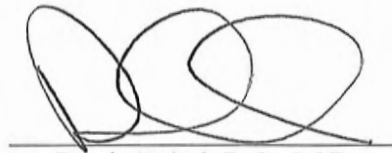
Received and filed under  
No. 149716  
in Registry of Legal  
Services Transport Canada

8/6/12

Reçu et classé sous  
No. 149716  
au Bureau d'enregistrement  
du Service Juridique de  
Transports Canada

**3. The amendments to the Letters Patent are to be effective on the date of registration in the Prince Rupert Land Title Office of the documents evidencing this land transaction.**

Issued under my hand this    1    day of    June    , 2012.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Denis Lebel, P.C., M.P.  
Minister of Transport

**CANADA**  
**SUPPLEMENTARY LETTERS PATENT**  
**issued to the**  
**PRINCE RUPERT PORT AUTHORITY**

**BY THE MINISTER OF TRANSPORT**

**WHEREAS** letters patent were issued by the Minister of Transport ("Minister") for the Prince Rupert Port Authority ("Authority") under the authority of the *Canada Marine Act* ("Act"), effective May 1, 1999;

**WHEREAS** the board of directors of the Authority has requested that the Minister issue supplementary letters patent for the purpose of increasing the borrowing limit set out in section 9.2 of the letters patent from \$22,000,000 to \$75,000,000;

**WHEREAS**, by Order in Council P.C. 2012-1640 of December 6, 2012, the Governor in Council, pursuant to subsection 8(5) of the Act, approved the provisions of the proposed supplementary letters patent increasing the aggregate limit on the power of the Authority to borrow money on its credit for port purposes;

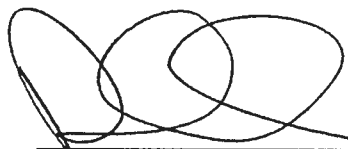
**AND WHEREAS** the Minister is satisfied that the amendment to the letters patent of the Authority is consistent with the Act;

**NOW THEREFORE** under the authority of section 9 of the Act, the letters patent are amended as follows:

**1. Section 9.2 of the letters patent issued to the Authority is replaced by the following:**

**9.2 Restriction on Incurrence of Borrowing.** The Authority shall not incur any item of Borrowing so that the aggregate Borrowing of the Authority would exceed \$75,000,000.

Issued under my hand to be effective this            day of **DEC 13 2012**, 2012.



\_\_\_\_\_  
Denis Lebel, P.C., M.P.  
Minister of Transport



**CANADA**  
**SUPPLEMENTARY LETTERS PATENT**  
**Issued to**  
**PRINCE RUPERT PORT AUTHORITY**

**BY THE MINISTER OF TRANSPORT**

**WHEREAS** letters patent were issued by the Minister of Transport (“Minister”) for the Prince Rupert Port Authority (“Authority”), under the authority of the *Canada Marine Act* (“Act”), effective May 1, 1999;

**WHEREAS** Schedule C of the letters patent sets out the real property, other than federal real property, held or occupied by the Authority;

**WHEREAS** pursuant to subsection 46(2.1) of the Act, the Authority wishes to lease as lessee the real property described as parcel identifier number 010-910-182 (“Real Property”) from the Canadian National Railway Company;

**WHEREAS** the board of directors of the Authority has requested that the Minister authorize the acquisition of a leasehold interest in the Real Property and issue supplementary letters patent to set out the leasehold interest in the Real Property in Schedule C of the letters patent of the Authority;

**AND WHEREAS** the Minister is satisfied that the amendment to the letters patent of the Authority is consistent with the Act;

**NOW THEREFORE**, pursuant to subsections 9(1) and 46(2.1) of the Act, I authorize the Authority to acquire a leasehold interest in the Real Property and I amend the letters patent as follows:


**1. Schedule C of the letters patent of the Authority is amended by adding the following at the end of that Schedule:**

The following other interests in land, to the extent they are interests in land:

INTEREST	LANDS TO WHICH INTEREST RELATES
Leasehold interest granted pursuant to a lease between the Canadian National Railway Company and the Prince Rupert Port Authority	Parcel Identifier 010-910-182, being Part of Lot 2, District Lot 1992, Range 5, Coast District Plan 4658

**2. The amendment to the letters patent takes effect on the date of signature of the lease.**

ISSUED under my hand this       day of ~~FEB~~ <sup>FEB</sup> 25 2013 , 2013.

  
\_\_\_\_\_  
Denis Lebel, P.C., M.P.  
Minister of Transport

**CANADA**  
**SUPPLEMENTARY LETTERS PATENT**  
**Issued to**  
**PRINCE RUPERT PORT AUTHORITY**

**BY THE MINISTER OF TRANSPORT**

**WHEREAS** letters patent were issued by the Minister of Transport ("Minister") for the Prince Rupert Port Authority ("Authority"), under the authority of the *Canada Marine Act* ("Act"), effective May 1, 1999;

**WHEREAS** Schedule C of the letters patent sets out the real property, other than federal real property, held or occupied by the Authority;

**WHEREAS** pursuant to subsection 46(2.1) of the Act, the Authority wishes to license as licensee the real property described below ("Real Property") from the Canadian National Railway Company;

**WHEREAS** the board of directors of the Authority has requested that the Minister issue supplementary letters patent to set out the real property to which the license relates in Schedule C of the letters patent;

**AND WHEREAS** the Minister is satisfied that the amendment to the letters patent is consistent with the Act;

**NOW THEREFORE**, pursuant to subsection 9(1) of the Act, the letters patent as are amended as follows:

**1. Schedule C of the letters patent is amended by adding the following at the end of that Schedule:**

The following real property occupied by the Authority as a result of licenses granted to the Authority:

LICENSE	REAL PROPERTY TO WHICH LICENSE RELATES
License granted by the Canadian National Railway Company to the Authority under the Westview Road License Agreement	<p><u>FIRSTLY</u></p> <p>All that part of the Remainder of Waterfront Block E, District Lots 251 and 1992, Range 5, Coast District, Plan 923 and part of the Remainder of Waterlot in front of Waterfront Block E, Range 5, Coast District shown green on Plan 1161 registered in the New Westminster Land Title Office and more particularly described thus:</p> <p>Beginning at the southeasterly corner of the Remainder of Lot 1, Waterfront Block E, District Lot 251 and of Water Lot in front of Waterfront Block E, Range 5, Coast District, Plan PRP13264 coinciding with the southwesterly corner of a portion of road dedicated by Plan BCP42388.</p> <p>Thence southeasterly along the southerly boundary of said road dedicated by Plan BCP42388 133° 47' 44", 4.180 metres to the point of commencement.</p> <p>Thence southwesterly 228° 19' 30", 113.834 metres to a point. Thence southwesterly 227° 07' 00", 100.396 metres to a point. Thence southwesterly 223° 47' 00", 727.694 metres to a point. Thence southwesterly 222° 26' 00", 56.500 metres more or less to a point of intersection with the northeasterly boundary of</p>

Assigned Lot A of Waterfront Block E and Water Lot in Front of Waterfront Block E, District Lot 1992, Range 5, Coast District, Plan 1479, said point being southwesterly  $216^{\circ} 39' 00''$ , 65.494 metres more or less from the northeasterly corner of said Assigned Lot A of Waterfront Block E and Water Lot in Front of Waterfront Block E, District Lot 1992, Range 5, Coast District, Plan 1479.

Thence southwesterly  $216^{\circ} 39' 00''$ , 49.266 metres more or less along the northeasterly boundary of Assigned Lot A of Waterfront Block E and Water Lot in Front of Waterfront Block E, District Lot 1992, Range 5, Coast District, Plan 1479 to a point of curve.

Thence tangentially on a circular curve to the right of radius 233.017 metres a distance of 23.805 metres.

Thence northeasterly  $46^{\circ} 55' 00''$ , 18.547 metres to a point.

Thence northeasterly  $42^{\circ} 26' 00''$ , 110.700 metres to a point.

Thence northeasterly  $43^{\circ} 47' 00''$ , 727.384 metres to a point.

Thence northeasterly  $47^{\circ} 07' 00''$ , 100.095 metres to a point.

Thence northeasterly  $48^{\circ} 19' 30''$ , 114.368 metres more or less to a point of intersection with said southerly boundary of road dedicated by Plan BCP42388.

Thence northwesterly along the southerly boundary of said road dedicated on Plan BCP42388  $313^{\circ} 31' 12''$ , 2.507 metres to a point.

Thence northwesterly along the southerly boundary of said road dedicated on Plan BCP42388  $313^{\circ} 47' 44''$ , 5.118 metres more or less to the point of commencement.

Said part containing an area of 0.787 hectares more or less.

#### SECONDLY

All that part of the Remainder of Waterfront Block E, District Lots 251 and 1992, Range 5, Coast District, Plan 923 registered in the New Westminster Land Title Office and more particularly described thus:

Beginning at the southwesterly corner of road dedicated by Plan PRP46986 named Bill Murray Drive.

Thence northeasterly  $43^{\circ} 49' 46''$ , 5.680 metres to a point on the westerly boundary of road dedicated by Plan PRP46986 named Bill Murray Drive being the point of commencement.

Thence northwesterly  $313^{\circ} 49' 46''$ , 18.571 metres more or less to a point of intersection with the easterly boundary of road dedicated by Plan PRP46986.

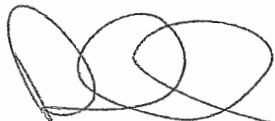
Thence northeasterly along the easterly boundary of said road dedicated by Plan PRP46986  $43^{\circ} 49' 46''$ , 7.600 metres to a point.

Thence southeasterly  $133^{\circ} 49' 46''$ , 18.571 metres more or less to a point of intersection with the westerly boundary of road dedicated by Plan PRP46986 named Bill Murray Drive.

	<p>Thence southwesterly along the westerly boundary of road dedicated by Plan PRP46986 named Bill Murray Drive 223° 49' 46", 7.600 metres more or less to the point of commencement.</p> <p>Said part containing an area of 141 square metres more or less.</p>
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2. The supplementary letters patent take effect on the date of signature of the license agreement.

ISSUED under my hand this      day of ~~MAY~~ - 7 2013 , 2013.



Denis Lebel, P.C., M.P.  
Minister of Transport



Department of Justice  
Canada

Ministère de la Justice  
Canada

Legal Services, Transport Canada  
Tower C, Place de Ville  
17<sup>th</sup> Floor  
330 Sparks Street  
Ottawa, Ontario  
K1A 0N8

Services juridiques, Transports Canada  
Tour C, Place de Ville  
17<sup>e</sup> étage  
330, rue Sparks  
Ottawa (Ontario)  
K1A 0N8

Tel. #: (613) 990-5797  
Fax #: (613) 990-5777

October 8 2014

Andrew P. Mayer  
Vice-President, Commercial and Regulatory Affairs  
Prince Rupert Port Authority  
200 - 215 Cow Bay Rd.  
Prince Rupert, British Columbia, Canada  
V8J 1A2

Dear Mr. Mayer:

You have informed Transport Canada that a third party that may be involved in a transaction that relates to federal real property managed by the Prince Rupert Port Authority has reviewed the Authority's letters patent and has questioned whether this property has at all times been managed by the Authority.

The property in question are the lands commonly known as Lelu Island, or more specifically Parcel Identifier: 017-006-813, District Lot 501 Range 5 Coast District.

This property forms part of the lands that were acquired by Canada from the Province of British Columbia [via provincial OICs 777/72 (March 1, 1972) and 566/83 (March 24, 1983) and accepted by federal OIC P.C.1972-557 (March 23, 1972) and P.C.1983-3717 (November 24, 1983)], and is included in the lands described at Section 1 of Schedule B of the Authority's letters patent, being federal real property managed by the Authority.

The third party has questioned the wording at Subsection 1(i), which excepts certain lands from the lands described above that subsection.

This subsection reads:

- (i) lands situated within the area described above registered in the name of a person other than the Authority, Prince Rupert Port Corporation, Canada Ports Corporation, the National Harbours Board, the Crown in Right of Canada, Her Majesty the Queen in Right of Canada, Her Majesty the Queen in Right of the Dominion of Canada, His Majesty the King in Right of Canada, His Majesty the King in Right of the Dominion of Canada, or any other name used to designate Her Majesty; and (Emphasis added)

It appears that the term "registered" is the source of the confusion, as although these lands were acquired from BC some time ago, title to the lands continued to show in the BC Land Titles Office as being registered in the name of BC, until recently when the title was corrected to identify Canada as the rightful owner. It is to be noted that BC never took issue with this title correction, thereby acknowledging that the lands were validly transferred to Canada as set out above.

I understand that the third party has suggested that the word "registered" is to be interpreted to mean registered in the provincial land registry, whereby it concludes that as the lands were not registered in the

Canada

name of Canada, but rather BC, these lands cannot be considered to be under the management of the Authority.

Although a moot question for the transaction itself as the lands are now registered in the name of Canada, I can nevertheless confirm that it is the opinion of this Legal Services that the lands in question have either been managed by the Authority since its continuation as a port authority under the Canada Marine Act in May 1999, or were under the administration of the Authority's predecessors, the Prince Rupert Port Corporation or the Canada Ports Corporation, both agent Crown corporations, and this, since the date of the transfer of these lands to Canada from BC or shortly after this date.

There is no obligation for Canada to register title to its lands in provincial land registries, and in fact, until more recently, Canada did not avail itself of the provincial land registry systems. This is the reason that the word "registered" cannot mean registered in the provincial land registry, but rather I would interpret this word to mean "held by". This word is commonly used in the letters patent of other port authorities.

I trust that my email will provide the necessary comfort to the third party who has raised this question.

Regards,

Lee Anne Graston  
A/Senior Legal Counsel  
Transport Canada Legal Services

**CANADA MARINE ACT**  
**SUPPLEMENTARY LETTERS PATENT**  
**Issued to**  
**PRINCE RUPERT PORT AUTHORITY**

**BY THE MINISTER OF TRANSPORT**

**WHEREAS** letters patent were issued by the Minister of Transport ("Minister") for the Prince Rupert Port Authority ("Authority") under the authority of the *Canada Marine Act* ("Act"), effective May 1, 1999;

**WHEREAS** Schedule C of the letters patent sets out the real property, other than federal real property, held or occupied by the Authority;

**WHEREAS** pursuant to subsection 46(2.1) of the Act, the Authority wishes to acquire real property bearing PID Numbers 029-577-721 and 029-577-675;

**WHEREAS** the board of directors of the Authority has requested that the Minister issue supplementary letters patent to set out the said real property in Schedule C of the letters patent;

**AND WHEREAS** the Minister is satisfied that the amendment to the letters patent is consistent with the Act;

**NOW THEREFORE**, pursuant to subsection 9(1) of the Act, the letters patent are amended as follows:

- Schedule C of the letters patent of the Prince Rupert Port Authority is amended by adding the following after PID Number 011-582-766 and its corresponding description:**

PID NUMBER	DESCRIPTION
029-577-721	Lot A, District Lot 251, Range 5, Coast District, Plan EPP50729
029-577-675	Lot 2, District Lot 251, Range 5, Coast District, Plan EPP50137

- These supplementary letters patent take effect, for each PID number mentioned above, on the date of registration in the Prince Rupert Land Title Office of the document evidencing the transfer of the real property to the Authority.**

ISSUED this 25<sup>th</sup> day of January , 2016.

  
The Honourable Marc Garneau, P.C., M.P.  
Minister of Transport

Received and filed under  
No. 149710  
in Registry of Legal  
Services Transport Canada

Reçu et classé sous  
No. \_\_\_\_\_  
au Bureau d'enregistrement  
du Service juridique de  
Transports Canada

28/1/16



**CANADA MARINE ACT**  
**SUPPLEMENTARY LETTERS PATENT**  
**Issued to**  
**PRINCE RUPERT PORT AUTHORITY**

**BY THE MINISTER OF TRANSPORT**

**WHEREAS** letters patent were issued by the Minister of Transport (“Minister”) for the Prince Rupert Port Authority (“Authority”) under the authority of the *Canada Marine Act* (“Act”), effective May 1, 1999;

**WHEREAS** Article 4 of the letters patent contains provisions relating to the appointment of directors of the Authority and section 7.1 of the letters patent sets out the extent to which the Authority may undertake port related activities referred to in paragraph 28(2)(a) of the Act;

**WHEREAS**, pursuant to subsection 9(1) of the Act, the Minister wishes to issue, on his own initiative, supplementary letters patent to the Authority to

- (a) amend Article 4 of the letters patent to make provisions consistent with provisions of the Act, to remove provisions that duplicate provisions in the Act, and to increase consistency of letters patent provisions among all port authorities in Canada; and
- (b) amend section 7.1 of the letters patent to add dredging as an activity permitted under subsection 7.1(j) of the letters patent with the purpose of ensuring that dredging is permitted at each port authority in Canada;

**WHEREAS**, pursuant to subsection 9(2) of the Act, notice of the proposed changes to the letters patent was given in writing to the board of directors of the Authority;

**AND WHEREAS** the Minister is satisfied that the amendments to the letters patent are consistent with the Act,

**NOW THEREFORE**, pursuant to subsection 9(1) of the Act, the letters patent are amended as follows:

**1. Section 4.1 of the letters patent of the Prince Rupert Port Authority is deleted.**

**2. Subsection 4.2(c) of the letters patent is replaced by the following:**

- (c) a Senator or a member of the House of Commons;
- (c.1) an officer or employee of the federal public administration, a federal Crown corporation or a port authority;

**3. Section 4.5 of the letters patent is deleted.**

**4. Sections 4.7 to 4.14 of the letters patent are deleted.**



**5. Subsections 4.17(b) and (c) of the letters patent are replaced by the following:**

(b) at least six (6) months prior to the expiry of the term of a director appointed by the Governor in Council under subsection 4.6(a), by the municipalities under subsection 4.6(b) and by the province under subsection 4.6(c), of these Letters Patent, provide notice to the relevant Appointing Body, that the term of its appointee on the Board is about to expire and requesting an appointment;

(c) at least six (6) months prior to the expiry of the term of a User Director, provide notice to the Minister with a copy to the PUNC that the term of such director is about to expire and requesting an appointment;

**6. Sections 4.23 and 4.24 of the letters patent are deleted.**

**7. Paragraph 7.1(j)(ii) of the letters patent is replaced by the following:**

(ii) dredging, waste and dredgeate disposal and sale of dredgeate (except that contaminated waste and contaminated dredgeate disposal services can be provided only for users of the port in connection with their use of the port and its facilities);

**8. These supplementary letters patent take effect on the date of issuance.**

ISSUED this 19<sup>th</sup> day of April, 2016.



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The Honourable Marc Garneau, P.C., M.P.  
Minister of Transport

**CANADA MARINE ACT**  
**SUPPLEMENTARY LETTERS PATENT**  
**issued to**  
**PRINCE RUPERT PORT AUTHORITY**

**BY THE MINISTER OF TRANSPORT**

**WHEREAS** letters patent were issued by the Minister of Transport ("Minister") for the Prince Rupert Port Authority ("Authority") under the authority of the *Canada Marine Act* ("Act"), effective May 1, 1999;

**WHEREAS** section 9.2 of the letters patent sets out a limit on the power of the Authority to borrow money on its credit for port purposes ("borrowing limit");

**WHEREAS** the board of directors of the Authority has requested that the Minister issue supplementary letters patent to increase the borrowing limit set out in section 9.2 of the letters patent from \$75 million to \$139 million;

**WHEREAS**, by Order in Council P.C. 2018-0362 of March 26, 2018, the Governor in Council, pursuant to subsection 8(5) of the Act, approved a proposed supplementary letters patent provision increasing the aggregate limit on the power of the Authority to borrow money on its credit for port purposes;

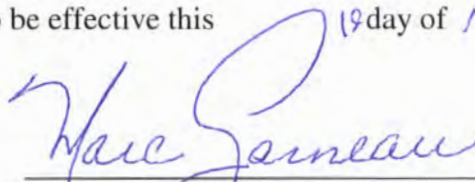
**AND WHEREAS** the Minister is satisfied that the amendment to the letters patent is consistent with the Act;

**NOW THEREFORE**, under the authority of subsection 9(1) of the Act, the letters patent are amended as follows:

**1. Section 9.2 of the letters patent issued to the Prince Rupert Port Authority is replaced by the following:**

**9.2 Restriction on Incurrence of Borrowing.** The Authority shall not incur any item of Borrowing so that the aggregate Borrowing of the Authority would exceed \$139,000,000.

ISSUED under my hand to be effective this 19 day of APRIL, 2018.

  
The Honourable Marc Garneau, P.C., M.P.  
Minister of Transport

**CANADA MARINE ACT**  
**SUPPLEMENTARY LETTERS PATENT**  
Issued to  
**PRINCE RUPERT PORT AUTHORITY**  
**BY THE MINISTER OF TRANSPORT**

**WHEREAS** letters patent were issued by the Minister of Transport (“Minister”) for the Prince Rupert Port Authority (“Authority”) under the authority of the *Canada Marine Act* (“Act”), effective May 1, 1999;

**WHEREAS** Schedule B of the letters patent sets out the federal real property managed by the Authority;

**WHEREAS** pursuant to subparagraph 46(1)(b)(i) of the Act and authorized by way of Order in Council P.C. 1989-24/534 dated March 30, 1989, the Authority wishes to complete a real property exchange with the Canadian National Railway Company.

**WHEREAS** the board of directors of the Authority has requested that the Minister issue supplementary letters patent amending Schedule B of the letters patent to reflect the said exchange;

**AND WHEREAS** the Minister is satisfied that the amendments to the letters patent of the Authority are consistent with the Act;

**NOW THEREFORE**, pursuant to subsection 9(1) of the Act, the letters patent are amended as follows:

**1. Schedule B of the letters patent is amended:**

By deleting the following:

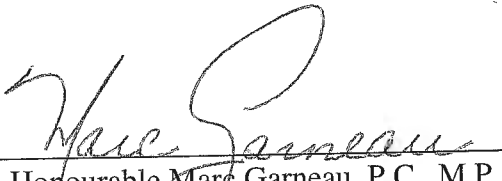
PID Number	Description
006-807-135	Lot 1 District Lot 1992 Range 5 Coast District Plan 8795
008-989-486	Lot A District Lot 1992 Range 5 Coast District Plan 7735

And replacing it with the following:

PID Number	Description
006-807-135	Part of Lot 1, District Lot 1992, Range 5, Coast District, Plan 8795, Except Plan EPP61538
008-989-486	Part of Lot A, District Lot 1992, Range 5, Coast District, Plan 7735, Except Plan EPP61538

**2. These supplementary letters patent take effect on the date of registration of the title, in the Prince Rupert Land Title Office, of each parcel of land subject to this exchange.**

ISSUED this 29 day of November, 2018.

  
The Honourable Marc Garneau, P.C., M.P.  
Minister of Transport

Received and filed under No. 149710  
in the Registry of Transport & Infrastructure  
Canada Legal Services  
Reçu et classé sous No. \_\_\_\_\_  
au Bureau du Registre des services juridiques  
de Transports et Infrastructure Canada

19/12/18

**CANADA MARINE ACT  
PRINCE RUPERT PORT AUTHORITY  
SUPPLEMENTARY LETTERS PATENT**

**WHEREAS** letters patent were issued by the Minister of Transport ("Minister") for the Prince Rupert Port Authority ("Authority") under the authority of the *Canada Marine Act* ("Act"), effective May 1, 1999;

**WHEREAS** Schedule C of the letters patent sets out the real property, other than federal real property, held or occupied by the Authority;

**WHEREAS**, pursuant to subsection 46(2.1) of the Act, the Authority wishes to acquire real property known as Stapledon Island and bearing PID number 012-454-885;

**WHEREAS** the board of directors of the Authority has requested that the Minister issue supplementary letters patent to set out the said real property in Schedule C of the letters patent;

**AND WHEREAS** the Minister is satisfied that the amendment to the letters patent is consistent with the Act,

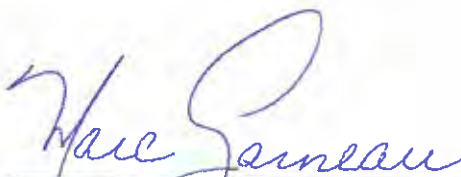
**NOW THEREFORE**, pursuant to subsection 9(1) of the Act, the letters patent are amended as follows:

- Schedule C of the letters patent is amended by adding the following after PID number 029-577-675 and its corresponding description:**

PID Number	Description
012-454-885	Block 4, District lot 642, range 5, Coast District Plan 3010, and known as Stapledon Island

- These supplementary letters patent take effect on the date of registration in the Prince Rupert Land Title Office of the document evidencing the transfer of the real property to the Authority.**

ISSUED this 30 day of January, 2020

  
The Honourable Marc Garneau, P.C., M.P.  
Minister of Transport

**CANADA MARINE ACT  
PRINCE RUPERT PORT AUTHORITY  
SUPPLEMENTARY LETTERS PATENT**

**WHEREAS** letters patent were issued by the Minister of Transport ("Minister") for the Prince Rupert Port Authority ("Authority") under the authority of the *Canada Marine Act* ("Act"), effective May 1, 1999;

**WHEREAS** Schedule B of the letters patent sets out the federal real property managed by the Authority, and sets out interests in land, to the extent they are interests in land, in accordance with the *Federal Real Property Act*;

**WHEREAS** the Authority wishes to amend Schedule B of its letters patent to reflect a statutory right of way granted by the Canadian National Railway Company (CN) to the Authority over land own by CN (CN Lands), pursuant to a Land Tenure Agreement between the parties, dated July 5, 2019;

**WHEREAS** the board of directors of the Authority has requested that the Minister issue supplementary letters patent amending Schedule B of its letters patent to reflect this amendment;

**AND WHEREAS** the Minister is satisfied that the amendment to the letters patent is consistent with the Act,

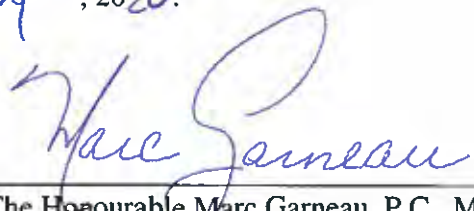
**NOW THEREFORE**, pursuant to subsection 9(1) of the Act, the letters patent are amended as follows:

- 1. Schedule B of the letters patent is amended by adding the following to the end of the table in paragraph 3:**

INTEREST	LANDS TO WHICH INTEREST RELATES
Statutory right of way granted by the Canadian National Railway Company (CN) to the Authority over land owned by CN (CN Lands), pursuant to a Land Tenure Agreement between the parties, dated July 5, 2019, and effective on the date of issuance of these supplementary letters patent.	A statutory right of way over CN Lands which can be described as follow: 1) PID 015-330-061, District Lot 6564, Range 5, Coast District, Except Plan 2096; and 2) PID 012-164-372, Part 74.96 Acres of District Lot 1992, Range 5, Coast District, Plan 1167

- 2. These supplementary letters patent take effect on the date of issuance.**

ISSUED this 30 day of January, 2020.

  
The Honourable Marc Garneau, P.C., M.P.  
Minister of Transport



**PRINCE RUPERT PORT AUTHORITY  
LETTERS PATENT**

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## SCHEDULES

- A DESCRIPTION OF NAVIGABLE WATERS
- B DESCRIPTION OF FEDERAL REAL PROPERTY
- C DESCRIPTION OF OTHER REAL PROPERTY
- D CLASSES OF USERS
- E INITIAL MEMBERS OF THE PORT USER NOMINATING COMMITTEE
- F CODE OF CONDUCT



**CANADA**

**LETTERS PATENT**

**issued to**

**the PRINCE RUPERT PORT AUTHORITY**

**BY THE MINISTER OF TRANSPORT:**

WHEREAS subsection 12(1) of the *Canada Marine Act* provides that the port authorities set out in the schedule to that Act on the day that section comes into force are automatically continued or deemed to be incorporated and that the Minister of Transport shall issue them letters patent that set out the information required by subsection 8(2) of that Act;

AND WHEREAS the *Canada Marine Act* received Royal Assent on the 11th day of June, 1998 and comes into force with respect to the Prince Rupert Port Authority on the 1st day of May, 1999;

NOW KNOW YOU that under the authority of the *Canada Marine Act*, by these letters patent, the Prince Rupert Port Authority is automatically continued under the Act as follows:

**ARTICLE 1**

**EFFECTIVE DATE, DEFINITIONS AND INTERPRETATION**

**1.1 Effective Date.** These Letters Patent take effect on the 1st day of May, 1999.

**1.2 Definitions.** In these Letters Patent, unless the context otherwise requires, terms used herein shall have the meaning ascribed to such terms in the Act and in addition:

"Act" means the *Canada Marine Act* as amended from time to time; (*Loi*)

"Appointing Body" means, in relation to a director, the body, entity or authority appointing such director; (*Organisme de nomination*)

"Authority" means the port authority continued by the Letters Patent; (*Administration*)

"Board" means the board of directors of the Authority; (*Conseil*)

"Borrowing" has the meaning ascribed to such term in section 9.3; (*Emprunts*)

"Capital Investment" means in relation to a Subsidiary, an amount equal to the aggregate of the aggregate potential liability of the Authority pursuant to the terms of a Permitted Indemnity or Guarantee and any contribution of cash or property made by the Authority to such Subsidiary whether by way of outstanding shareholder loan, subscription for shares, gift or otherwise, other than contributions by the Authority to the Subsidiary by way of a

lease or licence of property held or administered by the Authority for fair market value;  
(*Capital engagé*)

"Capitalized Lease Liabilities" means all monetary obligations of the Authority under any leasing or similar arrangements which, in accordance with GAAP, would be classified as capitalized leases and the amount of such obligations for the purposes of calculating Borrowing shall be the capitalized amount thereof, determined in accordance with GAAP;  
(*Passif de contrat de location-acquisition*)

"Classes of Users" means the classes of users for the purposes of subparagraph 8(2)(f)(iv) of the Act which are described in the annexed Schedule D; (*Catégories d'utilisateurs*)

"Code of Conduct" means the code of conduct governing the conduct of directors and officers set forth in the annexed Schedule F; (*Code de déontologie*)

"Conduct Committee" has the meaning ascribed to such term in section 4.16; (*Comité de déontologie*)

"Contingent Liability" means any agreement, undertaking or arrangement by which the Authority guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor or otherwise to assure a creditor against loss) the indebtedness, obligation or any other liability of any other person or entity (other than by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions. The amount of any obligation under any Contingent Liability shall (subject to any limitation set forth therein) be deemed to be the outstanding principal amount (or maximum principal amount, if larger) of the debt, obligation or other liability guaranteed thereby; (*Éléments de passif éventuel*)

"Director" means a member of the Board; (*Administrator*)

"Fair Market Value" means for a good, service, facility or right, the amount which would be paid or received by an arm's length third party acting free from compulsion or duress in an open market for a comparable good, service, right or facility available on comparable terms;  
(*Juste valeur marchande*)

"Fiscal Year" means the fiscal year of the Authority, as established by the Authority from time to time; (*Exercice*)

"GAAP" means generally accepted accounting principles in Canada; (*PCGR*)

"Gross Revenue Charge" has the meaning ascribed to such term in section 6.2; (*Frais sur les revenus bruts*)

"Her Majesty" means Her Majesty in Right of Canada; (*Sa Majesté*)

"Letters Patent" means these letters patent as amended by supplementary letters patent, if any, and includes any schedules hereto and thereto; (*Lettres patentes*)

"Minister" means the Minister of Transport; (*Ministre*)

"Officer" means an officer of the Authority; (*Dirigeant*)

"Permitted Indemnity or Guarantee" means financial assistance given by the Authority for the benefit of any Subsidiary, whether by way of indemnity, guarantee or otherwise which financial assistance must state the aggregate potential liability of the Authority in dollar terms; (*Procédure judiciaire importante*)

"Port User Nominating Committee" or "PUNC" means the advisory committee described in sections 4.17 to 4.22; (*Comité de mise en candidature des utilisateurs du port*)

"Regulations" means the regulations made under the Act; (*Règlement*)

"Significant Legal Proceedings" means legal proceedings for which the Authority or any Subsidiary has been served with written notice of commencement of legal proceedings where such notice claims damages in excess of \$250,000; (*Procédure judiciaire importante*)

"Subsidiary" means any wholly-owned subsidiary of the Authority incorporated from time to time in accordance with the Act and these Letters Patent; (*Filiale*)

"Sufficient Return" means monies paid to the Authority in a Fiscal Year by a Subsidiary in which the Authority has made a Capital Investment in an amount no less than the annual yield which would have been received by the Authority had it invested an amount equal to the Capital Investment, less the amount of the aggregate potential liability of the Authority pursuant to the terms of any Permitted Indemnity or Guarantee, if any, comprised in such Capital Investment, in non-callable Government of Canada bonds, issued at par, in Canada on the closest issue date to the date upon which the Capital Investment was made by the Authority and maturing ten years from the date of issue; (*Rendement suffisant*)

"User Director" means a director to be appointed pursuant to subsection 4.6(d). (*Administrateurs représentatifs des utilisateurs*)

**1.3 Conflicts with Act or Regulation.** If there is any conflict between the Letters Patent and the Act or Regulations, the Act or Regulations shall prevail.

**1.4 Conflicts with By-laws.** If there is any conflict between the Letters Patent and the by-laws of the Authority, the Letters Patent shall prevail.

## **ARTICLE 2**

### **DESCRIPTION OF AUTHORITY**

**2.1 Name of Authority.** The corporate name of the Authority is the Prince Rupert Port Authority.

**2.2 Registered Office of Authority.** The registered office of the Authority is located at 110 3rd Avenue West, Prince Rupert, British Columbia, V8J 1K8.

## **ARTICLE 3**

### **DESCRIPTIONS OF NAVIGABLE WATERS AND PROPERTY**

**3.1 Description of Navigable Waters.** The description of the navigable waters that are within the jurisdiction of the Authority is set out in Schedule A hereto.

**3.2 Description of Federal Real Property.** The federal real property that is managed by the Authority is described in Schedule B hereto.

**3.3 Description of Other Real Property.** The real property other than federal real property held or occupied by the Authority is set out in Schedule C hereto.

**3.4 Estoppel Respecting Property Descriptions.** The descriptions of federal real property, real property other than federal real property and navigable waters referred to in this Article shall not be interpreted as a representation, warranty or admission and shall not operate as an estoppel by or against any person in respect of title, including aboriginal title, to such property.

## **ARTICLE 4**

### **DIRECTORS AND DIRECTORS' MEETINGS**

**4.1 General Duties of the Board.** The Board is responsible for the management of the activities of the Authority.

**4.2 Qualifications of Directors.** The following individuals may not be directors:

- (a) an individual who is a mayor, councillor, officer or employee of one of the municipalities described in subsection 4.6(b) below;
- (b) an individual who is a member of the legislature of the province of British Columbia or an officer or employee of the public service or of a Crown corporation of British Columbia;
- (c) a Senator or a member of Parliament or an officer or employee of the federal public service or of a federal Crown corporation;

- (d) an individual who is not a resident Canadian, as defined in subsection 2(1) of the *Canada Business Corporations Act*;
- (e) an individual who is a director, officer or employee of a person who is a user of the port;
- (f) an individual who is under 18 years of age;
- (g) an individual who has been declared mentally incompetent by a court in Canada or elsewhere; or
- (h) an undischarged bankrupt.

**4.3 Number of Directors.** The Board shall consist of seven (7) directors.

**4.4 Quorum for Meeting of Directors.** The quorum necessary for the transaction of business at a meeting of the Board shall be a majority of the number of directors in office of which the Authority has actual knowledge of their appointment. A quorum of directors may exercise all powers of the Board.

**4.5 Effective Date of Appointment.** The appointment of a director shall be effected in such manner and at such time as the Appointing Body considers appropriate.

**4.6 Appointment of Directors.** The directors of the Authority shall be appointed to hold office as follows:

- (a) the Governor in Council appoints one individual nominated by the Minister;
- (b) the City of Prince Rupert and the District of Port Edward appoint one individual;
- (c) the province of British Columbia appoints one individual; and
- (d) the Governor in Council appoints the four remaining individuals nominated by the Minister in consultation with the users selected by the Minister or the classes of users.

**4.7 Terms of Directors.** The term of each director shall be three (3) years; provided, however, that:

- (a) the initial term of the nominee of the province of British Columbia made pursuant to subsection 4.6(c) shall be for a period of two years;
- (b) the initial term of the nominee of the City of Prince Rupert and District of Port Edward made pursuant to subsection 4.6(b) shall be for a period of one year; and

- (c) the initial term of two of the remaining individuals nominated by the Minister and appointed by the Governor in Council pursuant to subsection 4.6(d) shall be:
  - (i) for one of the nominees, a period of one year; and
  - (ii) for one of the nominees, a period of two years.

A director appointed to fill a premature vacancy on the Board shall be appointed by the Appointing Body appointing her or his predecessor and shall hold office for the unexpired term of her or his predecessor.

**4.8 Renewal Term.** The term of a director may be renewed once only; no person is eligible to be appointed as a director within 12 months after the expiration of their term or renewed term.

**4.9 Ceasing to Hold Office.** A director shall cease to hold office when:

- (a) the director dies or resigns;
- (b) the director is removed for cause pursuant to the provisions of paragraph 19(1)(b) of the Act;
- (c) the director is no longer qualified to hold the office of director under section 4.2; or
- (d) the term of office of the director expires.

**4.10 Resignation of Directors.** A director may resign his or her office as a director by sending to the Authority a written resignation which shall become effective on the date received by the Authority or on the date specified in the resignation, whichever is later.

**4.11 Removal of Directors.** Any director may be removed for cause at any time pursuant to the provisions of paragraph 19(1)(b) of the Act.

**4.12 Remuneration of Directors and Chief Executive Officer.** The Board shall fix the remuneration of the directors, chairperson and the chief executive officer of the Authority.

**4.13 Chairperson of the Board.** The Board shall elect a chairperson from among their number.

**4.14 Appointment of Officers.** The Board shall appoint a chief executive officer, who shall not be a director, and such other officers that the Board considers appropriate.

**4.15 Committees of the Board.** The Board may appoint from their number one or more committees of the Board, however designated, and delegate to any such committee any of the powers of the Board except the Board shall not delegate to any committee the power to:

- (a) fill a vacancy in the office of the auditor of the Authority;
- (b) issue debt obligations except in the manner and on the terms authorized by the Board;
- (c) approve the audited financial statements of the Authority;
- (d) adopt, amend or repeal by-laws; or
- (e) authorize or ratify any activity carried on or to be carried on or any power exercised or to be exercised by a Subsidiary.

**4.16 Appointment of Conduct Committee.** The Board shall appoint from their number a committee (the "Conduct Committee") comprised of not less than three directors. The Conduct Committee shall be responsible for administering the Code of Conduct.

**4.17 Duties of the Board Respecting Appointment of Directors.** The Board shall perform the following functions:

- (a) develop and annually update a long-term plan for the composition of the Board, in terms of the optimal combination of skills, background or experience, which plan shall take into consideration the skills, background and experience of existing directors, retirement dates and the strategic direction of the Authority;
- (b) at least four months prior to the expiry of the term of a director appointed by the Governor in Council under subsection 4.6(a), by the municipalities under subsection 4.6(b) and by the province under subsection 4.6(c), of these Letters Patent, provide notice to the relevant Appointing Body, that the term of its appointee on the Board is about to expire and requesting an appointment;
- (c) at least four months prior to the expiry of the term of a User Director, provide notice to the Minister with a copy to the PUNC that the term of such director is about to expire and requesting an appointment;
- (d) provide to the PUNC and to each Appointing Body the notice described in subsection 4.17(b) above, a current copy of the plan described in subsection 4.17(a) and also provide a profile of the skills, background and experience of the continuing directors;
- (e) in the event a User Director ceases to hold office, the Chair of the Board shall forthwith provide to the Minister and the PUNC, and if any other director ceases to hold office, the Chair of the Board shall forthwith provide to the Appointing Body, a written request for a new appointment to fill such vacancy together with a copy of the plan described in subsection 4.17(a) and the profile described in subsection 4.17(d);

- (f) review directors' compensation; and
- (g) throughout the entire selection process described in section 4.20 and until such time as the Governor in Council has made the required appointments to the Board, shall make its members available to answer any questions or inquiries from the Minister regarding the background, experience or skills required at the Board level.

**4.18 Port User Nominating Committee.** The PUNC shall conduct the activities described in sections 4.19 and 4.20 below, and its members shall serve without remuneration. The PUNC shall not be a committee of the Board for any purpose.

**4.19 Members of Port User Nominating Committee.** The names of the initial members of the PUNC are set forth in Schedule E who shall serve for a term of one year as of May 1, 1999. The initial members of the PUNC will determine a rotational method of replacing its members to ensure a continuum of experienced committee members and to avoid a complete change of all PUNC members at any given time. The members of the PUNC shall fill vacancies on the PUNC such that the PUNC consists of ten members and is representative of the classes of users in the following manner:

- (a) three members to represent the Commodity Shipper users of the Port;
- (b) one member to represent Terminal Operator users of the Port;
- (c) one member to represent the Land Carrier users of the Port;
- (d) one member to represent Sea Carrier users of the Port;
- (e) two members to represent Service Provider users of the Port; and
- (f) one member to represent Commercial Lessees of the Port.

One member of the PUNC shall be a non-voting member appointed by the Board of Directors. When filling a vacancy, the PUNC will request each relevant class of users to provide by a specified date the name(s) of their chosen representative(s) who will sit as PUNC members. If a class of users fails to provide to the Chair of the PUNC the names of the requested representative(s) by such specified date, such representative will be appointed by the PUNC as then constituted, after such manner of consultation with the class of users failing to name a representative, as the PUNC sees fit. The Authority shall maintain a register of all port users of which it has knowledge and annually, or more frequently at the request of the PUNC, forward to the PUNC its most current list of such users.



**4.20 Port User Nominating Committee Activities.** The PUNC shall establish and administer a process for soliciting the names of nominees who would be suitable and qualified candidates to fill vacancies amongst the User Directors, which process shall include:

- (a) adopting and following such other procedures, including advertising by public notice, as the PUNC, in its discretion, deems appropriate to solicit candidate names;
- (b) meeting to review and discuss all candidate submissions taking into consideration the requirements of the Act and the profile of the Board described in subsections 4.17(a) and 4.17(d) respectively as to the skills, background and experience required of prospective directors;
- (c) providing to the Minister the names of at least two candidates which the PUNC would recommend as persons to be nominated by the Minister to fill each User Director vacancy; and
- (d) making its members available to answer any questions or inquiries from the Minister regarding the solicitation process, particulars of candidate submissions received, the background, experience or skills of nominees, the deliberations of the PUNC or any other information which the Minister requests for the purposes of the Minister providing nominations to the Governor in Council pursuant to the provisions of paragraph 14(1)(d) of the Act.

**4.21 Procedure For Port User Nominating Committee.** For the purposes of conducting the activities described in section 4.20 above, the PUNC members shall elect a chairperson from amongst themselves provided such chairperson may not be the non-voting member of the PUNC appointed by Board. Meetings of the PUNC may be held at any time and place and in a manner to be determined by the PUNC members, provided that written notice shall be given to each member at least ten days prior to the meeting unless all members agree to abridge or waive such notice. A majority of the serving members of the PUNC shall constitute a quorum.

**4.22 Scope of Process.** Nothing in the process described in section 4.21 is intended to or shall derogate from, interfere with, or substitute for, any consultation, inquiry, public input or process the Minister chooses to undertake in determining the candidates to be nominated by the Minister pursuant to provisions of paragraph 14(1)(d) of the Act. The Minister, in consultation with users, shall at all times have the flexibility and discretion to nominate as User Directors persons other than those persons recommended by the PUNC to ensure an appropriate mix of Board members at all times.

**4.23 Duties of Directors Respecting Contracting.** The directors shall take all necessary measures to ensure:

- (a) that the Authority and any Subsidiary that enters into a contract, including a contract for the borrowing of money, other than as agent of Her Majesty shall do so in its own name, and that such contract expressly states that the Authority or Subsidiary is entering into the contract on its own behalf and not as agent of Her Majesty; and
- (b) that any subcontract arising directly or indirectly from a contract described in subsection 4.23(a) expressly states that the Authority or Subsidiary, as the case may be, enters into the contract on its own behalf and not as agent of Her Majesty.

**4.24 Business Plan.** The Authority shall annually submit to the Minister in respect of itself and each of its Subsidiaries, a five year business plan containing such information as the Minister may require, including any material changes in respect of information provided in the previous business plan.

## **ARTICLE 5 CODE OF CONDUCT**

**5.1** The Code of Conduct governing the conduct of the directors and officers is set out in Schedule F hereto.

## **ARTICLE 6 GROSS REVENUE CHARGE**

**6.1 Interpretation.** For the purposes of this Article, the following terms shall have the following meanings:

- (a) "**Applicable Tax**" means, with respect to a particular Fiscal Year, the aggregate amount of income tax payable by the Authority and Subsidiaries to Her Majesty but excluding any income tax payable by Subsidiaries whose Revenue for such Fiscal Year is a Permitted Exclusion pursuant to subsection 6.1(d)(ii);
- (b) "**Calculated Gross Revenue**" means, for a particular Fiscal Year, the amount determined by subtracting the amount equal to the aggregate of the Permitted Exclusions for such Fiscal Year from the Revenue for such Fiscal Year;
- (c) "**Disclosure Statement**" has the meaning ascribed to such term in section 6.4;

(d) **"Permitted Exclusions "** means:

- (i) any gains or losses realized by the Authority or a Subsidiary on the sale by the Authority or a Subsidiary of federal real property pursuant to the *Federal Real Property Act*;
- (ii) all Revenue of a Subsidiary provided that:
  - (A) the Subsidiary is subject to pay income tax to Her Majesty on such Revenue; and
  - (B) the Authority has not, at any time, made a Capital Investment in or benefiting the Subsidiary in an amount greater than \$1,000 or, if in excess of such amount:
    - (1) such Capital Investment has yielded a Sufficient Return to the Authority for the relevant Fiscal Year; or
    - (2) the Authority and the Subsidiary are in compliance with such terms and conditions, including any related to financial return, imposed by the Minister at the time the Capital Investment in or benefiting such Subsidiary was made; and
- (iii) the aggregate amount of all reasonable allowances and write-offs of receivables which have been determined by the Authority within the particular Fiscal Year to be collectible or likely to be collectible provided such determination is made in accordance with GAAP; and

(e) **"Revenue"** means the aggregate amount of all revenue recognized by the Authority and all Subsidiaries in accordance with GAAP.

**6.2 Calculation of Gross Revenue Charge.** The Authority shall annually pay to the Minister a charge (the "Gross Revenue Charge") to maintain the Letters Patent in good standing equal to the aggregate of the following amounts:

- (a) 2% of the first \$10,000,000 of Calculated Gross Revenue for the Fiscal Year to which the charge relates;
- (b) 4% of the amount of any Calculated Gross Revenue between \$10,000,001 and \$20,000,000 for the Fiscal Year to which the charge relates;
- (c) 6% of the amount of any Calculated Gross Revenue between \$20,000,001 and \$60,000,000 for the Fiscal Year to which the charge relates;

- (d) 4% of the amount of any Calculated Gross Revenue between \$60,000,001 and \$70,000,000 for the Fiscal Year to which the charge relates; and
- (e) 2% of the amount of any Calculated Gross Revenue in excess of \$70,000,001 for the Fiscal Year to which the charge relates;

less Applicable Tax, if any, for the Fiscal Year to which the charge relates.

**6.3 Payment of Gross Revenue Charge.** The Authority shall pay the Gross Revenue Charge for each Fiscal Year to the Minister no later than 90 days from the end of each Fiscal Year.

**6.4 Disclosure Statement.** The Authority shall include with every Gross Revenue Charge payment a disclosure statement (the "Disclosure Statement") in the form prescribed by the Minister from time to time setting forth, *inter alia*, an itemized list of the sources of revenue comprising the Calculated Gross Revenue and Permitted Exclusions.

**6.5 Acceptance of Payment by Minister.** The acceptance by the Minister of any Gross Revenue Charge payment made hereunder or the issuance of a certificate of good standing pursuant to section 6.10 in respect of such payment shall not preclude the Minister from disputing the calculation, inclusion or omission of any item in connection with the calculation of such Gross Revenue Charge and adjusting the amount of the Gross Revenue Charge payable by the Authority in a particular Fiscal Year pursuant to section 6.7.

**6.6 Audit and Inspection.** In addition to any disclosure required under the Act in connection with a special examination respecting the Authority, the Minister shall be entitled at any time to review the books, records, systems and practices of the Authority and Subsidiaries and take copies and extracts from the books and records of the Authority and Subsidiaries for the purposes of verifying the information contained in the disclosure statement provided by the Authority and Subsidiaries to the Minister pursuant to section 6.4. The Authority and Subsidiaries shall furnish to the Minister all information in its possession or to which it is entitled to possession that may be required by the Minister in connection with an audit and inspection by the Minister.

**6.7 Adjustment of Gross Revenue Charge.** If an audit and investigation conducted pursuant to section 6.6 or a review by the Minister of the Disclosure Statement discloses a difference between the amount which in the Minister's opinion should have been paid by the Authority as Gross Revenue Charge for a particular Fiscal Year and the amount actually paid by the Authority for such Fiscal Year, the Minister may readjust the Gross Revenue Charge payable by the Authority for such Fiscal Year. In the event that the readjustment results in the Authority paying a further amount to the Minister in respect of the Gross Revenue Charge for a particular Fiscal Year, the Minister shall invoice the Authority for such amount. The Authority shall pay the Minister the invoiced amount together with all interest accrued thereon on or before 30 days following the date of receipt of the invoice.

**6.8 Set-Off.** The Minister shall be entitled to set-off any amount owing to Her Majesty by the Authority against any payment owing to the Authority by the Minister in accordance with the provisions of the *Financial Administration Act*. If an audit, investigation or review by the Minister contemplated by section 6.7 discloses amounts owed by the Minister to the Authority, the Authority shall be entitled to set-off such amount against any payment owed to the Minister by the Authority.

**6.9 Interest on Outstanding Amounts.** Interest shall accrue annually on any outstanding balance owing to the Minister in respect of a Gross Revenue Charge payment or any payment to be made by the Authority or the Minister in connection with a readjustment of a Gross Revenue Charge payment, at the interest rate equal to the prime rate of interest established by the Bank of Canada from time to time plus 2%.

**6.10 Certificate of Good Standing.** Forthwith, upon receipt from the Authority of the full amount of the Gross Revenue Charge for a particular Fiscal Year, the Minister shall issue to the Authority a certificate of good standing in a form to be determined by the Minister confirming that the Letters Patent are in good standing as of the date of the certificate. Provided there are no amounts owing to the Minister by the Authority under this Article 6, including any amounts owed pursuant to an adjustment of the Gross Revenue Charge under section 6.7, the Minister shall, upon request by the Authority at any time during a Fiscal Year, issue a certificate of good standing to the Authority confirming the Letters Patent are in good standing as of the date of the certificate.

## **ARTICLE 7**

### **ACTIVITIES AND POWERS OF THE AUTHORITY AND SUBSIDIARIES**

**7.1 Activities of the Authority Related to Certain Port Operations.** To operate the port, the Authority may undertake the port activities referred to in paragraph 28(2)(a) of the Act to the extent specified below:

- (a) development, application, enforcement and amendment of rules, orders, bylaws, practices or procedures and issuance and administration of authorizations respecting use, occupancy or operation of the port and enforcement of Regulations or making of Regulations pursuant to section 63(2) of the Act;
- (b) creation, imposition, collection, remission or reimbursement or other fixing or acceptance of fees or charges authorized by the Act including the fixing of the interest rate that the Authority charges on overdue fees;
- (c) management, leasing or licensing the federal real property described in Schedule B or described as federal real property in any supplementary letters patent, subject to the restrictions contemplated in sections 8.1 and 8.3 and provided such management, leasing or licensing is for, or in connection with, the following:
  - (i) those activities described in sections 7.1 and 7.2;

- (ii) those activities described in section 7.3 provided such activities are carried on by Subsidiaries or other third parties pursuant to leasing or licensing arrangements; and
- (iii) the following uses to the extent such uses are not described as activities in sections 7.1, 7.2 or 7.3:
  - (A) uses related to shipping, navigation, transportation of passengers and goods, handling of goods and storage of goods, including the following uses to or for users of the port in connection with their use of the port and its facilities: marine and marina services; log booming, sorting, storage and salvage; ferry operations; distribution of utilities including the installation of underwater cables; towing or tug services; processing work incidental to the handling or shipping of goods through the port to the extent compatible with the land-use plan for the port; restaurants, retail operations, tourist services and similar tourism-related activities located in passenger terminal facilities provided such uses are related to the transportation of passengers through the port and are compatible with the land-use plan for the port;
  - (B) provision of municipal services or facilities in connection with such federal real property, public parks and recreation and social services; or
  - (C) aquaculture operations; residual office premises; manufacturing or processing of goods to the extent compatible with port operations and the land-use plan for the port and without compromising the ability of the Authority to operate port facilities over the long term; food, beverage and retail services in support of the local tourism industry; the operation of a bed and breakfast; the provision of lodging or accommodation for users of the port, employees and contractors of users of the port and persons engaged in logging operations; waterlots as may be required by abutting residential homeowners for the establishment of private docks for recreational use and private enjoyment; and media productions; and
  - (D) government sponsored economic development initiatives approved by Treasury Board;

provided such uses are carried on by Subsidiaries or other third parties pursuant to leasing or licensing arrangements;

- (d) exchanging federal real property described in Schedule B or described as federal real property in any supplementary letters patent for other real property of comparable market value subject to the issuance of supplementary letters patent that describe the other real property as federal real property;
- (e) granting over federal real property described in Schedule B or described as federal real property in any supplementary letters patent, road allowances or easements, rights of way or licences for utilities, service or access;
- (f) mortgaging, pledging or otherwise creating a security interest in any fixture on federal real property described in Schedule B or as federal real property in any supplementary letters patent provided that:
  - (i) such mortgage, pledge or other security interest charges only the fixture or fixtures acquired, built, restored, enhanced or replaced with the proceeds received by the Authority and secured by such mortgage, pledge or other security interest; and
  - (ii) the party receiving such mortgage, pledge or other security interest agrees that upon the exercise of the right to remove such fixture from the federal real property such exercise shall be conducted in a manner that causes no greater damage or injury to such federal real property and to the other property situated on it or that puts the occupier of the federal real property or the Authority to no greater inconvenience than is necessarily incidental to the removal of the fixture;
- (g) disposition of any fixtures on federal real property described in Schedule B or as federal real property in any supplementary letters patent whether by way of removal, demolition, sale, lease, license or exchange;
- (h) construction, establishment, repair, maintenance, operation, removal or demolition of:
  - (i) disposal sites for carrying out the activities contemplated by section 7.1(j)(ii);
  - (ii) berths, wharfs, anchorages, breakwaters, waterways, fill sites, floats and pilings;
  - (iii) facilities or equipment for finish or assembly work incidental to the handling or shipping of goods;
  - (iv) transportation, terminal, warehousing and other port facilities or equipment; or

- (v) office premises to be utilized by the Authority in the conduct of its activities;

within the port or for users of the port in connection with their use of the port and its facilities;

- (i) operation and maintenance of a seaport, marina, cruise ship passenger terminal, floatplane airport, bus depot or railway:

- (i) within the port; or

- (ii) within or between the municipalities named in section 4.6(b) if for users of the port in connection with their use of the port and its facilities;

- (j) the provision of services or carrying out of activities within the port or to or for users of the port in connection with their use of the port and its facilities as follows:

- (i) environmental assessment, audit, remediation, rehabilitation of marine habitat or other services;

- (ii) waste and dredgate disposal (except that contaminated waste and dredgate disposal services can be provided only for users of the port in connection with their use of the port and its facilities);

- (iii) navigational services and aids;

- (iv) stevedoring services;

- (v) building, design, maintenance, engineering, repair and operation of vessels owned by the Authority or leased by the Authority from third parties;

- (vi) emergency planning and response, including the training of personnel in respect thereto;

- (vii) vehicle parking;

- (viii) redistribution of utilities, including communication facilities;

- (ix) multi-modal facilities and services;

- (x) transport services within the port or within or between the municipalities named in section 4.6(b) to provide access to or from the port and its facilities;



- (xi) providing information and information technology to users of the port;
  - (xii) salvage and seizure;
  - (xiii) warehousing and distribution of goods and services;
  - (xiv) security services and dispatching services;
  - (xv) harbour patrol services for the navigable waters of the port; and
  - (xvi) providing expertise in connection with software or know-how developed in the course of conducting the activities described in the provisions of this section 7.1;
- (k) undertaking research and development related to the activities described in this section 7.1;
  - (l) promoting, marketing, and undertaking public or governmental relations to promote use of the port;
  - (m) producing, coordinating, sponsoring and hosting public or civic events;
  - (n) in pursuing or exercising the remedies available to it as lessor or licensor of premises on federal real property described in Schedule B or described as federal real property in any supplementary letters patent, the conduct of any business or activity from such premises for a period limited to one year unless supplementary letters patent are issued; and
  - (o) carrying on activities described in Article 7.1 on real property other than federal real property described in Schedule C or described as real property other than federal real property in any supplementary letters patent.;

provided that in conducting such activities the Authority shall not enter into or participate in any commitment, agreement or other arrangement whereby the Authority is liable jointly or jointly and severally with any other person for any debt, obligation, claim or liability.

**7.2 Activities of the Authority Necessary to Support Port Operations.** To operate the port, the Authority may undertake the following activities which are deemed necessary to support port operations pursuant to paragraph 28(2)(b) of the Act:

- (a) subject to the provisions of Article 9 below:
  - (i) borrowing money upon the credit of the Authority;

- (ii) limiting or increasing the amount to be borrowed;
- (iii) issuing bonds, debentures or other securities of the Authority;
- (iv) pledging or selling such bonds, debentures or other securities for such sums and at such prices as may be deemed expedient;
- (v) securing any such bonds, debentures or other securities, or any other present or future borrowing or liability of the Authority, by mortgage, charge, pledge or other security interest relating to all or any currently owned or subsequently acquired real and personal, movable and immovable, property and leasehold interests and reversionary interests of the Authority, and the undertaking and rights of the Authority; provided, however, that the Authority may not mortgage, hypothecate, pledge or otherwise create a security interest in federal real property described in Schedule B or described as federal real property in any supplementary letters patent other than to:
  - (A) pledge the revenues of the federal real property described in Schedule B or described as federal real property in any supplementary letters patent; or
  - (B) create, pursuant to the exercise of the powers of the Authority contemplated by section 7.1(f), a mortgage, pledge or other security interest in fixtures on federal real property described in Schedule B or described as federal real property in any supplementary letters patent; and
- (vi) issuing a Permitted Indemnity or Guarantee, provided that the cumulative amount of all such Permitted Indemnities or Guarantees shall at no time exceed one-tenth of the aggregate Borrowing maximum amount specified in section 9.2;

provided that any contract, bond, debenture or financial assistance related to such borrowing, issuance, pledging or securing shall contain a covenant, proviso or acknowledgment from the lender or counterparty that the lender or counterparty shall have no recourse against Her Majesty or any assets of Her Majesty;

- (b) acquisition or disposition of real property other than federal real property subject to the issuance of supplementary letters patent;
- (c) acquisition of real property from Her Majesty subject to the issuance of supplementary letters patent describing such property as real property other than federal real property;

- (d) occupying or holding real property other than federal real property;
- (e) granting over real property other than federal real property road allowances, easements, rights of way or licenses for utilities, service or access;
- (f) renting equipment;
- (g) developing, leasing or licensing real property other than federal real property, for, or in connection with, the activities described in this Article 7;
- (h) carrying on activities described in section 7.2 on federal real property described in Schedule B or described as federal real property in any supplementary letters patent or on real property other than federal real property described in Schedule C or described as real property other than federal real property in any supplementary letters patent;
- (i) acquisition, disposition, holding, leasing or licensing of personal property;
- (j) investing moneys in the Authority's reserves or that it does not immediately require subject to the provisions of the Act, the Regulations and these Letters Patent;
- (k) incorporate a corporation all of whose shares on incorporation would be held by, on behalf of or in trust for the Authority provided that the Authority does not, at any time, make a Capital Investment in a Subsidiary such that the Authority's cumulative Capital Investment in all Subsidiaries exceeds an amount equal to:
  - (i) 50% of the net income of the Authority as shown in the last annual audited financial statements of the Authority submitted to the Minister prior to the making of such Capital Investment, before deducting from such net income the amounts shown in such statements for depreciation and/or amortization and excluding extraordinary items; or
  - (ii) if such statements have not yet been submitted, then 50% of the net income of the predecessor of the Authority as shown in the financial statements included in the last annual report of such predecessor submitted to the Minister prior to the making of such Capital Investment, before deducting from such net income the amounts shown in such statements for depreciation and/or amortization and excluding extraordinary items; and
- (l) in pursuing or exercising the remedies available to it as lessor or licensor of premises on real property other than federal real property described in Schedule C or described as real property other than federal real property in any supplementary letters patent, the conduct of any business or activity from such premises.

**7.3 Activities of Subsidiaries Necessary to Support Port Operations.** A Subsidiary may undertake the following activities which are deemed necessary to support port operations pursuant to paragraph 28(2)(b) of the Act:

- (a) borrowing money on the credit of a Subsidiary;
- (b) limiting or increasing the amount to be so borrowed;
- (c) issuing bonds, debentures or other securities of the Subsidiary;
- (d) pledging or selling such bonds, debentures or other securities for such sums and at such prices as may be deemed expedient;
- (e) securing any bonds, debentures or other securities, or any other present or future borrowing or liability of the Subsidiary, by mortgage, charge, pledge or other security interest relating to all or any currently owned or subsequently acquired real and personal, moveable and immovable property and leasehold interests and reversionary interests of the Subsidiary and the undertaking and rights of the Subsidiary;
- (f) participating as a partner, shareholder or co-venturer in a partnership, corporation, joint venture or similar arrangement in connection with the activities contemplated in this section 7.3 and pledging, selling or securing such participation, interest or investment by mortgage, charge, pledge or other security interest;
- (g) providing expertise to third parties for use outside the boundaries of the port in connection with software or know-how developed in carrying out the activities specified in section 7.1(j)(xvi);
- (h) acquisition, disposition, occupying, holding, developing, leasing or licensing real property other than federal real property for, or in connection with, the activities described in this Article 7;
- (i) carrying on activities described in this section 7.3 on real property other than federal real property;
- (j) leasing or licensing real property from the Authority for, or in connection with, the activities described in this section 7.3;
- (k) construction, establishment and operation of freight forwarding, consolidating, trading, brokerage or load facilities or services and warehousing, storage and handling of cargo, freight and goods outside the port or in connection with persons who are not users of the port;

- (l) construction, establishment and operation of drydock facilities;
- (m) acquisition, disposition, holding, leasing or licensing of personal property;
- (n) carrying out of the activities including provision of services as follows:
  - (i) navigational services and aids;
  - (ii) dispatching services;
  - (iii) emergency planning and response and the training of personnel with respect thereto;
  - (iv) vehicle parking; and
  - (v) multi-modal facilities and services;
 outside the port or in connection with persons who are not users of the port;
- (o) provision of ferry services within the port;
- (p) provision of towing and tug services within the port and Chatham Sound, Dixon Entrance and Hecate Strait;
- (q) provision of tour services and other tourism-related activities in support of the cruise industry; and
- (r) in pursuing or exercising the remedies available to it as lessor or licensor of premises on real property other than federal real property described in Schedule C or described as real property in any supplementary letters patent, the conduct of any business or activity from such premises.

**7.4 Powers of the Authority and Subsidiaries.** The Authority has the power to carry out the activities specified in sections 7.1 and 7.2. The Subsidiaries have the power to carry out the activities specified in Section 7.3.

## ARTICLE 8 LEASING AND CONTRACTING

**8.1 Restriction on Leasing and Licensing.** The Authority shall not grant a lease or licence of federal real property described in Schedule B or described as federal real property in any supplementary letters patent for a term in excess of 60 years, where such lease or license is granted pursuant to sections 7.1(c)(i), 7.1(c)(iii)(A), or 7.1(c)(iii)(B) or for a term in excess of 40

years where such lease or license is granted pursuant to sections 7.1(c)(ii), 7.1(c)(iii)(C) or 7.1(c)(iii)(D) provided however that:

- (a) with the written consent of the Minister the Authority may lease or license such federal real property for a maximum term of 99 years; and
- (b) nothing contained in this section shall restrict the ability of the Authority or a Subsidiary to grant a road allowance, easement, right of way or licence for utilities, services or access for any term.

**8.2 Calculation of Term of Lease or Licence.** For the purposes of section 8.1, "term" shall mean, in relation to a lease or licence, the sum of:

- (a) the number of years for which a lessee or licensee has the right to occupy the demised premises or licensed area; and
- (b) the maximum number of years not included in the calculation under subsection 8.2(a) that, by the exercise of rights or options to renew or extend the lease or licence agreement, the lessee or licensee may occupy the demised premises or licensed area.

**8.3 Fair Market Value Requirement.** The Authority shall ensure that every lease or license of federal real property described in Schedule B or described as federal real property in any supplementary letters patent to be entered into following the effective date of the Letters Patent pursuant to which lessees or licensees conduct activities described in sections 7.1(c)(iii)(C), 7.1(c)(iii)(D), 7.2 or 7.3 shall be for not less than fair market value provided, however, that with the written consent of the Minister, the Authority may lease or license such federal real property for activities described in section 7.1(c)(iii)(D) at less than fair market value.

**8.4 Tendering Requirement Respecting Work Contracts.** The Authority shall establish and implement a written policy respecting the entering into by the Authority of any agreement (a "Work Contract") for the construction, renovation, repair or replacement of a building, structure, facility, work or undertaking, the excavation, filling or development of any real property or the provision of materials in connection therewith. Such policy shall set forth:

- (a) the requirements respecting the publication of a notice or advertisement requesting bids for Work Contracts;
- (b) the policies and procedures respecting bidding for Work Contracts;
- (c) the requirement to provide potential bidders for a Work Contract with reasonable access during normal business hours to the proposed work site for the purposes of assessing the site conditions relevant to the performance of the Work Contract; and

- (d) exceptions to tendering requirements:
  - (i) where there exists only one supplier of the work;
  - (ii) for emergencies;
  - (iii) where the Authority itself performs the work;
  - (iv) where the delay resulting from compliance with formal tendering requirements is reasonably expected to be injurious to the public interest; and
  - (v) for Work Contracts below a value determined by the Board.

## **ARTICLE 9 BORROWING**

**9.1 No Borrowing as an Agent.** The Authority and any Subsidiaries may not borrow money as an agent of Her Majesty. Every contract for the borrowing of money shall contain an acknowledgement of the lender that it shall have no recourse against Her Majesty or any assets of Her Majesty.

**9.2 Restriction on Incurrence of Borrowing.** The Authority shall not incur any item of Borrowing so that the aggregate Borrowing of the Authority would exceed \$22,000,000.

**9.3 Borrowing.** "Borrowing" means the following items for the Authority (adjusted to give effect to the provisions of section 9.4), without duplication, as follows:

- (a) all obligations for borrowed money and all obligations evidenced by bonds, debentures, notes, or other similar instruments on which interest charges are customarily paid, recorded in accordance with GAAP;
- (b) all obligations, contingent or otherwise, relative to the face amount of all letters of credit, whether or not drawn, and bankers' acceptances issued;
- (c) any obligation as lessee under leases which have been or should be, in accordance with GAAP, recorded as Capitalized Lease Liabilities;

- (d) all obligations to pay the deferred purchase price of property or services, and indebtedness (excluding prepaid interest thereon) secured by a lien on property owned or being purchased by the Authority (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by the Authority or is limited in recourse and recorded in the financial statements of the Authority and Subsidiaries for the most recently completed Fiscal Year;
- (e) accrued contingent losses reflected as a charge to income in accordance with GAAP and recorded in the financial statements of the Authority and Subsidiaries for the most recently completed Fiscal Year;
- (f) all Contingent Liabilities of the Authority in respect of any of the foregoing; or
- (g) the amount of the aggregate potential liability of the Authority pursuant to the terms of a Permitted Indemnity or Guarantee.

**9.4 Exclusion of Subsidiaries.** In determining the Borrowing pursuant to section 9.3, any amounts pertaining to Subsidiaries carrying on activities contemplated by paragraph 28(2)(b) of the Act shall be excluded.

**9.5 Certificate of the Authority.** Concurrent with the submission of financial statements to the Minister contemplated by subsection 37(4) of the Act, the Authority shall deliver to the Minister a certificate executed by the chief executive officer of the Authority stating:

- (a) the amount of the aggregate Borrowing of the Authority at the end of the Fiscal Year to which such financial statements relate;
- (b) that the Authority is not in default or has not committed an event of default under any of the terms of its Borrowing except those which it is contesting in good faith or if such default or event of default exists, the particulars thereof;
- (c) that since the date of the last certificate provided hereunder the Authority has not been served with written notice of any Significant Legal Proceedings or, if the Authority has been served, particulars of such legal proceedings;
- (d) if any Capital Investment in a Subsidiary has been made by the Authority during the Fiscal Year to which such financial statements relate, the amount of such Capital Investment, the annual rate of return necessary for such Capital Investment to yield a Sufficient Return and the amounts paid by all Subsidiaries on account of payment of Sufficient Return; and



- (e) that the Authority is not aware of any contract for the borrowing of money in an amount exceeding \$1,000,000 which fails to contain the express statement stipulated in subsection 28(5) of the Act;

provided that the Authority may satisfy its obligations pursuant to this section through delivery to the Minister of a copy of the letter delivered to the auditor of the Authority in connection with the annual audit of the financial statements of the Authority which contains substantially the same information as contemplated by this section.

## **ARTICLE 10 SUBSIDIARIES**

**10.1 Directors' Obligations Respecting Subsidiaries.** The directors shall take all necessary measures to ensure that every Subsidiary:

- (a) has and exercises only the powers authorized in the Letters Patent;
- (b) carries on only the activities authorized in the Letters Patent; and
- (c) does not exercise any power or carry on any activity in a manner contrary to the Letters Patent or the Act.

**10.2 Constatng Documents of Subsidiary.** The constating documents of every Subsidiary shall state that the Subsidiary cannot exercise any power as an agent of Her Majesty.

**10.3 Use of Authority Property and Employees.** Prior to a Subsidiary utilizing the property, services, facilities or employees of the Authority in connection with the Subsidiary's activities or vice versa, the Subsidiary and Authority shall enter into a written agreement whereby the recipient covenants to pay fair market value for use of such property, services, facilities or employees.

**10.4 Mandatory Standby Fee.** Every Subsidiary shall pay and the Authority shall collect from each Subsidiary a one-time guarantee standby fee for each Permitted Indemnity or Guarantee given by or on behalf of the Authority, which fee shall be in an amount not less than one-half of one percent of the maximum dollar amount of such Permitted Indemnity or Guarantee given by the Authority.

**10.5 Prohibition on Indemnities.** Other than Permitted Guarantees or Indemnities, no guarantee, indemnity or other agreement or commitment may be given by or on behalf of the Authority for the discharge of an obligation or liability of a Subsidiary, whether such obligation or liability be contingent or otherwise.

## **ARTICLE 11 FEDERAL OBLIGATIONS**

**11.1 International and Provincial Trade Obligations.** The Authority shall comply with all obligations applicable to the Authority arising under any international agreement, convention or arrangement or any federal-provincial agreement, including:

- (a) Agreement on Internal Trade;
- (b) North American Free Trade Agreement;
- (c) Canada Chile Free Trade Agreement;
- (d) World Trade Organization General Agreement on Trade in Services; and
- (e) Port State Control Agreements;

to which Her Majesty is a party, whether such agreement, convention or arrangement or federal-provincial agreement is entered into before or after the date of issuance of these Letters Patent.

**11.2 Federal Identity.** The Authority shall:

- (a) display the Canadian flag prominently at the port;
- (b) display the "Canada" wordmark on a prominent building at the port; and
- (c) apply the "Canada" wordmark prominently on all the Authority's identity applications.

**11.3 Emergency Preparedness.** The Authority shall, at the request of the Minister and in accordance with applicable policies established by Her Majesty from time to time, provide all the support required by the Minister to fulfil the responsibilities of the Minister under the *Emergency Preparedness Act*, R.S.C. 1985, C.6 (4th Supp.) with respect to the port.

**ARTICLE 12**  
**BY-LAWS**

**12.1 By-Laws.** The directors of the Authority may, by resolution, make, amend or repeal by-laws that regulate the affairs of the Authority or the duties of officers and employees.

ISSUED under my hand to be effective this 1st day of May, 1999.

ORIGINAL SIGNED BY  
ORIGINAL SIGNÉ PAR  
**DAVID M. COLLENETTE**

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The Honourable David M. Collenette, P.C., M.P.  
Minister of Transport

## SCHEDULE A

### PRINCE RUPERT PORT AUTHORITY

#### DESCRIPTION OF NAVIGABLE WATERS

All the waters of Prince Rupert Harbour, British Columbia, including Tuck Inlet, Morse Basin, Wainwright Basin, and Porpoise Harbour, and further including the waters of Chatham Sound,

- (a) lying westward of that line which commences at a point on the mainland in the general vicinity of Phelan Railway Station but more specifically identified by the bearing  $54^{\circ} 12' 4''$  N;  $130^{\circ} 15' 58''$  W (such point being hereinafter called "Point X"), and runs from Point X southwesterly on a straight line in a 200 -True direction to a point in Chatham Sound having the bearing  $54^{\circ} 08' 36''$  N;  $130^{\circ} 18' 10''$  W (such point being hereinafter called "Point 1");
- (b) lying northward of that line which commences at Point 1 and runs westerly in a 270° True direction to another point in Chatham Sound having the bearing  $54^{\circ} 08' 36''$  N;  $130^{\circ} 26' 47''$  W (such point being hereinafter called "Point 2");
- (c) lying eastward of that line which commences at Point 2 and runs northerly in a 360° True direction to a point on Digby Island having the bearing  $54^{\circ} 16' 56''$  N;  $130^{\circ} 26' 47''$  W (such point being hereafter called "Point 3");
- (d) lying eastward of that portion of Digby Island extending from Point 3 in a generally northwesterly direction to a further point on Digby Island having the bearing  $54^{\circ} 18' 30''$  N;  $130^{\circ} 28' 18''$  W (such point being known as "Straith Point" but hereinafter called "Point 4");
- (e) lying eastward of that line which commences at Point 4 and runs northeasterly in a 15° True direction to a point on the mainland having the bearing  $54^{\circ} 20' 09''$  N;  $130^{\circ} 27' 36''$  W (such point being known as "Observation Point" but hereinafter called "Point 5");

the four lines extending, respectively, between Points X and 1, between Points 1 and 2, between Points 2 and 3 and between Points 4 and 5 as abovementioned being each shown in red on copy of Canadian Hydrographic Service Chart 3702, New Edition, dated September 13/63 (Corrected Reprint March 6/70) - as on record with Transport Canada - but the abovementioned line extending between Points 3 and 4 being not so shown in colour on the aforementioned Chart.

## **SCHEDULE B**

### **PRINCE RUPERT PORT AUTHORITY**

#### **DESCRIPTION OF FEDERAL REAL PROPERTY**

1. All those parcels or tracts of land together with all that foreshore and land covered by water situated in Range 5, Coast District and more particularly described as follows:

Commencing at a point on the shore of Inverness Passage at the intersection of the southwesterly boundary of Lot 6565, Range 5 Coast District, being the Right-of-Way of the Canadian National Railway Company, with the southwesterly production of the southeasterly boundary of Willocclough Indian Reserve No. 6 Cut off; thence northwesterly along the westerly boundaries of the lands under Certificate of Title and where no Certificate of Title exists along the natural boundary, to the most northerly corner of Lot 4 of Lots 507 and 7381, Plan 4844; thence N.18°07'W. to the natural boundary of Porpoise Harbour on the northerly shore thereof; thence in a general northerly, westerly and southerly direction along the said natural boundary of Porpoise Harbour on the northerly shore thereof to the most northerly corner of Lot 6535; thence in a general westerly direction along the southeasterly boundaries of the lands under Certificate of Title and where no Certificate of Title exists along the natural boundary of Porpoise Harbour on the northerly shore thereof to the southeast corner of Lot 1992; thence northerly along the westerly boundaries of the land under Certificate of Title, which title includes the foreshore, to the westerly production of the southerly boundary of Waterfront Block A of Lot 1992, Plan 923, Section 2; thence easterly along the said westerly production of the southerly boundary of Waterfront Block A to the southwest corner of said Waterfront Block A; thence northeasterly along the northwesterly boundaries of Waterfront Blocks A,B,C,D,E,F,G, R2 and H of Lots 1992 and 251, Plan 923, Sections 1, 2, 6 and 7 to the northeast corner of said Waterfront Block H; thence easterly and southerly along the northeasterly boundary of Waterfront Block I of Lot 251, Plan 923, Sections 7 and 8 to the southeast corner of said Waterfront Block I; thence northeasterly along the northeasterly production of the southeasterly boundary of said Waterfront Block I to the seaward limit of the foreshore fronting the westerly boundary of Lot 444; thence northerly along the seaward limit of the foreshore fronting the westerly boundary of said Lot 444 to the south boundary of Lot 109; thence westerly along the southerly boundary of said Lot 109 to the southwest corner thereof; thence northwesterly in a straight line to the southeast corner of Lot 269; thence westerly along the southerly boundary of said Lot 269 to the southwest corner thereof being a point on the southerly boundary of Lot 443; thence in a general westerly direction along the southerly boundaries of Lots 443, 7722 (identified as 772 in British Columbia Order in Council No. 566 dated March

27, 1983); and 1991, to the easterly boundary of Sub Lot A of Lot 1991, Plan 1080; thence south to the seaward limit of the foreshore; thence continuing in a general westerly direction along the seaward limit of the foreshore fronting Sub Lot A of Lot 1991, Plan 1080, Lot 1 of Lot 1991 Plan 1350 and Lot 1997 to a point on the seaward limit of the foreshore due south of the southwest corner of Sub Lot A; thence north to the southwest corner of Sub Lot A; thence in a general westerly direction along the southerly boundaries of Lot 1991 and Tsimpsean Indian Reserve No. 2 to a point on the shoreline of Venn Passage, on the easterly production of the southerly boundary of Lot 455; thence southwesterly in a straight line to the most northerly corner of Block 1 of Tsimpsean Indian Reserve No. 2; thence southeasterly along the easterly boundaries of Tsimpsean Indian Reserve No. 2, Lots 1993, 7873 and 7320 to the southeast corner of said Lot 7320; thence in a general southerly and easterly direction along the easterly boundary of Lot 1993 and the northerly boundary of Lot 2049 to the northeast corner of said Lot 2049; thence in a general southerly, westerly and northerly direction along the easterly, southerly and westerly boundaries of Lot 1993 to the intersection with the meridian of 130°27' Western longitude; thence south along the said meridian of 130°27' Western longitude to the parallel of 54°08'30" Northern latitude; thence east along the said parallel of 54°08'30" Northern latitude to a point lying S. 19° W. from and referred to the meridian through the point of commencement; thence No. 19° E. to the said point of commencement, except thereout the following described parcels:

- (a) Those five certain waterlots and parcels or tracts of land and land covered by water lying and being in front of Waterfront Blocks A, C, E, G and I as shown on Plan 1161;
- (b) Lot 4 of Lot 642, Plan 3010 (identified as Plan 1310 in British Columbia Order in Council No. 566 dated March 24, 1983);
- (c) Lot 30 of Waterlot in front of Waterfront Block F, Plan 1487;
- (d) All those unsurveyed Islands in Prince Rupert Harbour known as Wolfe Island, Spire Island, Metford Island and Tuck Island, an unsurveyed Island in Venn Passage known as Verney Island, the unsurveyed and unnamed Islands in Pilsbury Cove and an unsurveyed Island in Chatham Sound known as Snider Island;
- (e) That part of Lot 6564, being the Right-of-Way of the Canadian National Railway Company, across Porpoise Harbour, lying within the above described area;

- (f) Those Islands being part of Waterfront Block I and lying within Waterlot in front of Waterfront Block I;
- (g) Surveyed Islands being Lots 1995, 1996 and adjoining foreshore to both lots, Lot 1998, Lot 1999, Lot 2000 (included in Lot A, Plan 1620), Lot 2001, Lot 2002, Lot 2003, and Vigilante Island and adjoining foreshore thereto; and
- (h) All natural accretions to lands which have occurred at March 24, 1983

and further excepting thereout:

- (i) lands situated within the area described above registered in the name of a person other than the Authority, Prince Rupert Port Corporation, Canada Ports Corporation, the National Harbours Board, the Crown in Right of Canada, Her Majesty the Queen in Right of Canada, Her Majesty the Queen in Right of the Dominion of Canada, His Majesty the King in Right of Canada, His Majesty the King in Right of the Dominion of Canada, or any other name used to designate Her Majesty; and
- (j) federal real property situated within the area described above under the administration of a member of The Queen's Privy Council for Canada other than the Minister of Transport or any successor thereto, if that member has not given consent to the Minister in accordance with paragraph 44(2)(b) of the Act.

2. The following lands, to the extent such lands are not otherwise described in paragraph 1 above:

PID NUMBER	DESCRIPTION
008-989-486	Lot A District Lot 1992 Range 5 Coast District Plan 7735
012-689-815	Lot 1 (Plan 7946) District Lot 1992 Range 5 Coast District Plan 1534
012-690-104	Lot A (Plan 7947) District Lot 1992 Range 5 Coast District Plan 1534
006-807-135	Lot 1 District Lot 1992 Range 5 Coast District Plan 8795
016-316-606	Lot 1 District Lot 1992 Range 5 Coast District Plan 12717
016-626-036	Lot A District Lot 1992 Range 5 Coast District Plan 12793
010-910-506	Lot 1 District Lot 1992 Range 5 Coast District Plan 4658
023-205-482	Lot 1 District Lot 1992 Range 5 Coast District Plan PRP14500
011-022-060	Lot 1 District Lot 1992 Range 5 Coast District Plan 12079
008-541-671	Assigned Lot A of Waterfront Block E and Water Lot in front of Waterfront Block E District Lot 1992 Range 5 Coast District Plan 1479
014-405-997	Lot 1 District Lot 1992 Range 5 Coast District Plan 12385
012-938-700	Block 9 Waterfront Block E District Lot 1992 Range 5 Coast District Plan 1617
005-574-005	Waterfront Block F District Lot 251 Range 5 Coast District, Plan 923 Except Plans 1487, 1948, 3551, 5271, 11761 and Parcel A (see K372)
009-081-526	District Lot 7950 Range 5 Coast District Except Plans 10816 and 12582



009-081-585	District Lot 7951 Range 5 Coast District
009-081-623	District Lot 7952 Range 5 Coast District
009-081-674	District Lot 7953 Range 5 Coast District
015-737-985	Lot 1 District Lot 1992 Range 5 Coast District Plan 12582
015-737-993	Lot 3 District Lot 1992 Range 5 Coast District Plan 12582
015-738-019	Lot 4 District Lot 1992 Range 5 Coast District Plan 12582
015-738-027	Lot 2 District Lots 1992 and 7950 Range 5 Coast District Plan 12582
005-289-785	Lot 1 The Bed of the Prince Rupert Harbour (see K12104) Range 5 Coast District Plan 10476
005-289-815	Lot 1 The Bed of the Prince Rupert Harbour (see K12104) Range 5 Coast District Plan 10477
005-289-921	Lot 1 The Bed of the Prince Rupert Harbour (see K12104) Range 5 Coast District Plan 10480
005-289-904	Lot 1 The Bed of the Prince Rupert Harbour (see K12104) Range 5 Coast District Plan 10479
005-289-939	Lot 1 The Bed of the Prince Rupert Harbour (see K12104) Range 5 Coast District Plan 10481
005-289-955	Lot 1 The Bed of the Prince Rupert Harbour (see K12104) Range 5 Coast District Plan 10482
005-289-980	Lot 1 The Bed of the Prince Rupert Harbour (see K12104) Range 5 Coast District Plan 10483
005-064-961	Lot 1 District Lot 447 and the Bed of the Prince Rupert Harbour (see K12104) Range 5 Coast District Plan 10920
005-295-653	Parcel C District Lot 447 Range 5 Coast District Plan 10471
005-296-005	Parcel E District Lot 447 Range 5 Coast District Plan 10473

005-296-048	Parcel F District Lot 447 Range 5 Coast District Plan 10474
005-296-111	Parcel G District Lot 447 Range 5 Coast District Plan 10475
005-289-882	Parcel 2 (Plan 10834) District Lot 447 and the Bed of the Prince Rupert Harbour (see K12104) Range 5 Coast District Plans 10472 and 10478 except Plan 10920
005-295-441	Parcel A District Lot 6535 Range 5 Coast District Plan 10469
005-295-521	Parcel B District Lot 6535 Range 5 Coast District Plan 10470
005-047-943	Lot 1 of Part of the Bed of Prince Rupert Harbour (see K12104) Range 5 Coast District Plan 10934
005-047-978	Lot 1 of Part of the Bed of Prince Rupert Harbour (see K12104) Range 5 Coast District Plan 10935
005-048-010	Lot 1 of Part of the Bed of Prince Rupert Harbour (see K12104) Range 5 Coast District Plan 10936
005-048-044	Lot 1 of Part of the Bed of Prince Rupert Harbour (see K12104) Range 5 Coast District Plan 10937
005-048-087	Lot 1 of Part of the Bed of Prince Rupert Harbour (see K12104) Range 5 Coast District Plan 10938
005-048-117	Lot 1 of Part of the Bed of Prince Rupert Harbour (see K12104) Range 5 Coast District Plan 10939
005-048-265	Lot 1 of Part of the Bed of Prince Rupert Harbour (see K12104) Range 5 Coast District Plan 10941
005-048-168	Lot 1 of Part of the Bed of Prince Rupert Harbour (see K12104) Range 5 Coast District Plan 10940
005-047-714	Parcel H District Lot 447 Range 5 Coast District Plan 10924
005-047-722	Parcel J District Lot 447 Range 5 Coast District Plan 10925

005-047-846	Parcel N District Lot 447 Range 5 Coast District Plan 10929
005-047-889	Parcel P District Lot 447 Range 5 Coast District Plan 10930
005-047-901	Parcel Q District Lot 447 Range 5 Coast District Plan 10931
005-047-919	Parcel R District Lot 447 Range 5 Coast District Plan 10932
005-047-927	Parcel S District Lot 447 Range 5 Coast District Plan 10933
005-047-765	Parcel K District Lot 6535 Range 5 Coast District Plan 10926
005-047-790	Parcel L District Lot 6535 Range 5 Coast District Plan 10927
005-047-811	Parcel M District Lot 6535 Range 5 Coast District Plan 10928
005-290-015	Lot 1 the Bed of Prince Rupert Harbour (see K12104) Range 5 Coast District Plan 10484
014-967-570	District Lot 447 Range 5 Coast District except Plans 10471 10472 10473 10474 10475 10924 10925 10929 10930 10931 10932 and 10933
015-650-316	District Lot 6535 Range 5 Coast District except Plans 10469 10470 10926 10927 and 10928

save and except the federal real property described above under the administration of a member of The Queen's Privy Council for Canada other than the Minister of Transport or any other successor thereto, where that member has not given consent to the Minister in accordance with paragraph 44(2)(b) of the Act.

3. The following other interests in land, to the extent they are interests in land in accordance with the *Federal Real Property Act*:

INTEREST	LANDS TO WHICH INTEREST RELATES
Leasehold interest granted pursuant to a lease dated August 22, 1988 between Kaien Consumers Credit Union and Prince Rupert Port Corporation, as renewed pursuant to a letter agreement dated February 28, 1994 between Kaien Consumers Credit Union and Prince Rupert Port Corporation and a letter agreement dated April 4, 1997 between Northern Savings Credit Union and Prince Rupert Port Corporation	Lots 18-24 inclusive section 1, Block 18 District Lot 251 Range 5 Coast District Plan 923
Statutory right-of-way granted pursuant to a Statutory Right-of-Way dated December 16, 1982 between B.C. Timber Ltd. and National Harbours Board	<p>Lot 4, District Lots 507 and 7381 Range 5 Coast District Plan 4844</p> <p>Lot 5, except Plan 6056, District Lots 507, 6564 and 7537, Range 5 Coast District Plan 4844</p> <p>Parcel A, District Lot 446, Range 5, Coast District Plan 2060</p>
Easement granted pursuant to Easement Agreement dated October 19, 1983 between Canada Ports Corporation and Canada Ports Corporation	Those portions of Parcel 2 (Plan 10834), Plans 10472 and 10478 and over those portions of Lot 1, Plan 10484 on Plans 10860 and 10861
Right of reversion retained pursuant to Order in Council P.C. 1981-1761 dated June 25, 1981	<p>The lands, waterlots and works situate at North Fairview Bay, Cow Bay, Port Edward and Dodge Cove which are contained in that area outlined in red on National Harbours Board Plans No. PR-31, PR-33, PR-35 and PR-34 dated May 12, 1981, respectively</p> <p>The works situate at South Fairview Bay and Rushbrook which are contained in PR-32 and PR-36 dated May 12, 1981, respectively</p>

4. In addition to the interests described in paragraph 3 above, any other interests in land to the extent they are interests in land, in accordance with the *Federal Real Property Act*, whether or not registered, in any way belonging or appertaining to, or benefitting, any of the lands described in paragraphs 1 and 2 above.

**SCHEDULE C**

**PRINCE RUPERT PORT AUTHORITY**

**DESCRIPTION OF OTHER REAL PROPERTY**

**(Intentionally deleted)**

**SCHEDULE D**  
**PRINCE RUPERT PORT AUTHORITY**  
**CLASSES OF USERS**

Commodity Shippers

Terminal Operators

Land Carriers

Sea Carriers

Service Providers

Commercial Lessees of the Authority

**SCHEDULE E**

**PRINCE RUPERT PORT AUTHORITY**

**INITIAL MEMBERS OF THE PORT USER NOMINATING COMMITTEE**

Stephen Brown

Jeff Burghardt

Graham Dallas

Brian W. Mitchell

Wallace A. Robinson

Mike Shaw

W.M. Steele

Michael Stevenson

Praveen Vohora

Rhoda Witherly



## SCHEDULE F

### PRINCE RUPERT PORT AUTHORITY

#### CODE OF CONDUCT

##### ARTICLE 1

##### OBJECTS AND INTERPRETATION

- 1.1 Object of Code.** The object of this Code is to preserve and enhance public confidence in the integrity and impartiality of directors and officers of the Authority and the business activities and transactions carried on by the Authority by establishing clear conflict of interest rules for directors and officers of the Authority.
- 1.2 Principles.** This Code shall be interpreted in accordance with the following general principles:
- (a) every director and officer shall discharge their duties and arrange their private affairs in such a manner so as to preserve and promote public confidence and trust in the integrity and impartiality of the Authority;
  - (b) the obligations of a director or officer described in subsection 1.2(a) may not always be discharged merely by acting in accordance with the technical requirements of the Act, the Regulations, the Letters Patent, the by-laws and the policies and resolutions of the Board; and
  - (c) public confidence and trust in the integrity and impartiality of the Authority may be as equally compromised by the appearance of a conflict as with the existence of an actual conflict.
- 1.3 Definitions.** In this Code terms used herein shall have the meanings ascribed to them in the Act and the Letters Patent, and in addition the following terms shall have the following meanings:
- (a) **"Gift"** includes any good, service, benefit, hospitality, promise or favour; and
  - (b) **"Related Party"** means with respect to a director or officer of the Authority:
    - (i) a spouse, child, brother, sister or parent of such director or officer;
    - (ii) a relative of such director or officer (other than a spouse, child, brother, sister or parent of such director or officer) or a relative of the spouse of such director or officer if the relative has the same residence as the director or officer;
    - (iii) a corporation, partnership, trust or other entity which is directly or indirectly controlled by such director or officer or by a spouse, child, brother, sister or parent of such director or officer or any combination of such persons; and

- (iv) a partner of such director or officer acting on behalf of a partnership of which the director or officer and the partner are partners.

**1.4 Application of Code.** This Code applies to all directors and officers of the Authority.

**1.5 Scope of Obligations.** Conforming to the specific requirements of this Code shall not absolve a director or officer of responsibility for taking such additional action as may be necessary to conform with any standard of conduct or comply with any duty imposed by the Act, the Regulations, the Letters Patent, the by-laws and the policies and resolutions of the Board or otherwise by law.

**1.6 Acknowledgement by Directors and Officers.** Each director and officer shall acknowledge in writing to the Code of Conduct Committee that:

- (a) they have read and understood this Code;
- (b) to the best of their knowledge they are in compliance with this Code and neither they nor any Related Party to them has a conflict or a potential conflict within the meaning of Article 2 of this Code; and
- (c) in the case of each officer, compliance with this Code is a condition of their employment.

**1.7 Timing of Acknowledgement.** Each director and officer shall deliver the acknowledgement described in section 1.6 of this Code to the Conduct Committee:

- (a) with respect to the directors serving and officers employed on the date the Letters Patent take effect, forthwith upon the Letters Patent taking effect; and
- (b) with respect to all other directors at the time of their appointment and with respect to all other officers at the time of the commencement of their employment.

**1.8 Annual Review.** Each director and officer shall regularly review their obligations under this Code and shall on the 15th day of January of each year provide the Conduct Committee with a written acknowledgement confirming such review and that, to the best of the knowledge of the director or officer:

- (a) they are in compliance with this Code; and
- (b) neither they nor any Related Party to them has a conflict within the meaning of Article 2 of this Code.

## ARTICLE 2 CONFLICTS OF INTEREST

**2.1 Conflicts Generally.** A director or officer shall not allow his or her personal interests or the personal interests of a Related Party to the director or officer to conflict with or to give rise to the appearance of a conflict with the duties and responsibilities of the director or officer to the Authority or the interests of the Authority.

**2.2 Specific Types of Conflicts.** Without restricting the generality of section 2.1, the following represent examples of specific matters which give rise to a conflict or the appearance of a conflict on the part of a director or officer:

- (a) *Competition with the Authority:* A director or officer or a Related Party of a director or officer engages in any activity, or has a material interest in any person which engages in an activity, which is in competition or could reasonably be expected to be in competition with the Authority's present or proposed interests;
- (b) *Transactions with the Authority or a User; Material Interests:* A director or officer or a Related Party of a director or officer:
  - (i) has a material interest in a user;
  - (ii) owes material obligations to the Authority or a user, other than in connection with the duties of the director or officer arising from their position with the Authority;
  - (iii) conducts business with the Authority or a user; or
  - (iv) holds a material interest in a person which conducts business with, or acts as a consultant or advisor to, the Authority or a user;
- (c) *Interest in Material Contract:* A director or officer:
  - (i) is a party to a material contract or proposed material contract with the Authority; or
  - (ii) is a director or officer of or has a material interest in any person who is a party to a material contract or proposed material contract with the Authority; and
- (d) *Acceptance of Offices with Conflicted Entities:* A director or officer accepts an appointment or a nomination for election to an office of, or employment with, any corporation, partnership, foundation, institute, organization, association or other entity, the business or activities of which are, or could reasonably be expected to be, in conflict with the interests of the Authority.

**2.3 Conflicts For Which Approval Satisfactory.** Engaging in the following activities shall be deemed not to give rise to a conflict or the appearance of a conflict on the part of a director or officer within the meaning of Article 2 of this Code provided that the director or officer obtains the written approval of the Conduct Committee prior to engaging in such activities:

- (a) *Acceptance of Offices With Entities Benefiting From Authority:* A director or officer accepts an appointment or a nomination for election to an office of, or employment with, any corporation, partnership, foundation, institute, organization, association or entity, the business or activities of which benefit or could reasonably be expected to benefit from the business of the Authority or decisions made by the Authority; and
- (b) *Use of Authority Property:* A director or officer uses property of the Authority or property managed by the Authority for the personal benefit of the director or officer or a Related Party of the director or officer.

If a director or officer fails to obtain the written approval of the Conduct Committee prior to engaging in any activity described in subsections (a) or (b) of this section, the engagement of the director or officer in such activity shall be deemed to give rise to a conflict of interest within the meaning of Article 2 of this Code.

### ARTICLE 3 DISCLOSURE OF CONFLICTS

- 3.1 **Timing of Disclosure.** Written disclosure of a conflict or an appearance of a conflict shall be made by a director or officer forthwith after the director or officer becomes aware of the conflict or the appearance of a conflict within the meaning of Article 2 of this Code.
- 3.2 **Declaration of Interest.** For the purposes of this Code, a notice in writing to the Conduct Committee by a director or officer providing reasonable particulars of the interest, asset, activity or position giving rise to the conflict or the appearance of a conflict together with such other material information relating to the conflict or the appearance of a conflict as shall be reasonably requested by the Conduct Committee shall be deemed to be disclosure of the conflict or the appearance of a conflict.
- 3.3 **Voting and Participation.** A director or officer who is in conflict within the meaning of Article 2 of this Code shall not participate in discussions or vote on any decision of, or provide recommendations to, the Conduct Committee or the Board on any matter related to the conflict. Notwithstanding the foregoing, a director or officer may participate in, vote on and provide recommendations to the Conduct Committee or Board respecting any matter related to:
  - (a) an arrangement by way of security for money lent to, or obligations undertaken by the director or officer for the benefit of, the Authority;
  - (b) a contract that relates primarily to his or her remuneration as a director, officer, employee or agent of the Authority; and
  - (c) a contract for indemnity in favour of the director or officer or directors' or officers' liability insurance.
- 3.4 **Quorum for Directors' Meetings.** Nothing contained in section 3.3 shall preclude a director or officer who is in conflict within the meaning of Article 2 of this Code from being counted to determine the presence of a quorum at, a meeting of directors or committee of

directors of the Authority where all or a portion of the business conducted at such meeting is consideration of the transaction or matter giving rise to the conflict, the interpretation of this Code or a determination or recommendation made pursuant to Article 4 of this Code. Notwithstanding the foregoing, a director or officer who is in conflict shall absent himself or herself from the meeting for the portion of the meeting during which the transaction or matter giving rise to the conflict is considered.

**3.5 Similar Transactions.** In the case of similar transactions that are, or could reasonably be expected to be, of a recurring nature and which are made or will be made in the ordinary course of the operations of the Authority, a director or officer who is in conflict as a result of such transactions shall be deemed to have complied with the disclosure requirements of this Article 3 if:

- (a) in the case of the directors serving or officers employed on the date the Letters Patent take effect, forthwith upon the Letters Patent taking effect; and
- (b) in the case of all directors and officers, including the directors and officers described in subsection 3.5(a), on or before the 15th day of January of each year for which such disclosure relates

the director or officer makes a single annual written disclosure to the Conduct Committee setting out the nature and extent of the conflict arising as a result of the transactions together with such other information relating to the conflict as shall reasonably be requested by the Conduct Committee.

## **ARTICLE 4 COMPLIANCE**

**4.1 Voluntary Activities.** When a conflict arises within the meaning of Article 2 of this Code, in addition to the disclosure required under Article 3 of this Code, a director or officer may voluntarily undertake one or more of the following actions to address the conflict:

- (a) *Divestment:* selling or causing the sale of the asset or interest giving rise to the conflict to a party which is not a Related Party;
- (b) *Withdrawal:* resigning the position or withdrawing from the activity or causing the resignation or withdrawal; or
- (c) *Resignation:* resigning where the director or officer is unwilling or unable to divest the asset or interest, withdraw from the activity or resign from the position giving rise to the conflict.

**4.2 Voluntary Compliance Not Determinative.** Voluntary compliance by a director or officer with one or more of the measures described in section 4.1:

- (a) in the case of a director, shall not relieve the director from complying with such other measures as may be determined by the entity appointing the director to be appropriate in connection with a conflict or an appearance of conflict; and

- (b) in the case of an officer, shall not relieve the officer from complying with such other measures as may be determined by the Board to be appropriate in connection with a conflict or an appearance of conflict.

**4.3 Initial Determination by Conduct Committee.** Where a disclosure is made to the Conduct Committee by a director or officer pursuant to Article 3 of this Code or facts are brought to the attention of the Conduct Committee which indicate a conflict or appearance of conflict or failure to comply with this Code by a director or officer, the Conduct Committee shall forthwith initially determine:

- (a) whether the disclosure made by the director or officer indicates a conflict within the meaning of Article 2 of this Code; and
- (b) whether, if applicable, the director or officer has failed to comply with this Code.

**4.4 Recommendation by Conduct Committee.** Upon determining that a conflict exists and/or that a director or officer has failed to comply with this Code, the Conduct Committee shall provide the Board with a written recommendation as to the appropriate method for the director or officer to comply with this Code which may include but is not limited to:

- (a) a recommendation that the conflict has been or will be satisfactorily addressed:
  - (i) through disclosure by the director or officer;
  - (ii) by the director or officer undertaking one or more of the actions described in section 4.1; or
  - (iii) by the director or officer undertaking actions other than as described in paragraphs 4.4(a)(i) and (ii);
- (b) in the case of a director, whether a recommendation should be made to the director that the director resign; and
- (c) in the case of an officer, the sanctions, if any, which the Conduct Committee recommends be imposed against the officer.

**4.5 Determination by Board.** Upon receiving a recommendation of the Conduct Committee provided pursuant to section 4.4, the Board shall forthwith consider the recommendations of the Conduct Committee and make a final determination as to:

- (a) whether the director or officer is in a conflict within the meaning of Article 2 this Code;
- (b) whether the director or officer has failed to comply with this Code;
- (c) whether the conflict has been or will be satisfactorily addressed through:
  - (i) disclosure by the director or officer;

- (ii) the director or officer undertaking one or more of the actions described in section 4.1; or
  - (iii) the director or officer undertaking actions other than as described in paragraphs 4.5(c)(i) and (ii);
  - (d) in the case of an officer, the measures to be taken by the officer to address the conflict and any sanctions to be imposed upon the officer in connection with a failure by the officer to comply with this Code; and
  - (e) in the case of a director, whether to request the director to resign.
- 4.6 Opportunity to be Heard.** The Conduct Committee and the Board, as the case may be, shall provide a director or officer with an opportunity to be heard in connection with an initial determination made pursuant to section 4.3, a recommendation made pursuant to section 4.4 or a determination made pursuant to section 4.5.
- 4.7 Notification of Determination Respecting Officer.** Upon the Board making a determination pursuant to section 4.5 in respect of an officer, the Board shall forthwith provide the officer with written notification of the determination, including the reasons therefor, together with any direction of the Board to be complied with by the officer.
- 4.8 Notification of Determination Respecting Director.** Where the Board has determined that a director has failed to comply with this Code, the Board shall forthwith provide the entity which has appointed such director to the Board with written notification of the failure to comply along with full particulars of the circumstances giving rise thereto.

## **ARTICLE 5**

### **ACCEPTANCE OR OFFERING OF GIFTS**

- 5.1 Acceptance or Offering of Gifts.** No director or officer shall offer Gifts to, or accept Gifts from, users or potential users without the prior written consent of the Conduct Committee. Notwithstanding the foregoing, Gifts may be accepted or offered provided:
- (a) the Gift is not in the form of cash or cash equivalent;
  - (b) the Gift is not intended to be, and is neither in such form nor of sufficient value such that it could reasonably be construed to be, a bribe or other improper payment; and
  - (c) the Gift is of modest value and the acceptance of the Gift is in accordance with customary business practice.

## **ARTICLE 6 INSIDE INFORMATION**

- 6.1 Use of Information.** A director or officer shall not use any information obtained in connection with his or her position with the Authority for personal benefit or for the benefit of any other person unless such information has been disclosed to the public or has been made available to the public. Without limiting the generality of the foregoing, a director or officer who has knowledge of a proposed action or decision by the Authority shall not purchase or sell assets or advise any other party to purchase or sell assets the value of which could be expected to be materially affected by the proposed action or decision until such time as the proposed action or decision has been announced or has been made available to the public.
- 6.2 Disclosure of Confidential Information.** Subject to section 6.3, no director or officer shall disclose any information concerning the business and affairs or proposed business and affairs of the Authority acquired in connection with his or her position with the Authority ("Confidential Information") which has not been disclosed to the public or been made available to the public without the prior written consent of the Conduct Committee.
- 6.3 Permitted Disclosures.** A director or officer may disclose Confidential Information:
- (a) to the extent that the disclosure is reasonably necessary in connection with the performance of the duties and responsibilities of the director or officer, including, without restriction, disclosures necessary in connection with a financing transaction or proposed financing transaction involving the Authority;
  - (b) to the extent disclosure is required by law (including, without limitation, *Access to Information Act* (Canada) and *Privacy Act* (Canada) requirements) or by a court or tribunal of competent jurisdiction; and
  - (c) to professional advisors of the Authority.

## **ARTICLE 7 OUTSIDE EMPLOYMENT**

- 7.1 Offers of Employment or Appointment.** In discharging his or her duties and responsibilities to the Authority, a director or officer shall not allow the performance of such duties and responsibilities to be affected by offers or potential offers of outside employment or appointment.
- 7.2 Disclosure of Offer.** A director or officer who receives a firm offer of employment or appointment which may affect the performance of the director's or officer's duties or responsibilities shall forthwith disclose the offer to the Conduct Committee in writing.



## ARTICLE 8 RECORDS AND PRIVACY

- 8.1 Confidentiality Obligation.** Information concerning the interests or activities or proposed interests or activities of a director or officer provided to the Conduct Committee in connection with the disclosure obligations of this Code or the Regulations or otherwise obtained by the Conduct Committee shall be placed in a separate personal file established for the director and officer and kept in secure safekeeping.
- 8.2 Privacy.** Subject to disclosure of personal information in accordance with law (including, without limitation, disclosure under the *Access to Information Act* (Canada) and *Privacy Act* (Canada)), in addition to the confidentiality obligations set forth in section 8.1, the Conduct Committee shall take all commercially reasonable efforts to ensure that the privacy of the director or officer disclosing personal information to the Board is fully respected.