

Statement of Policy and Procedure on Conflict of Interest

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A. Policy Statement

CIC Capital Fund Ltd is a Canadian public close-ended fund company with global reach and influence. It encourages members of its staff and directors have a wide variety of external activities, such as serving on government, business and community boards, providing expert advice, media commentary, professional practice, investment in numerous company's, international projects and collaborations with the commercial world, involvement in many company's.

On occasion, however, they may give rise to conflicts of interest, whether potential or actual, perceived or alleged. All Director and employee's are required to recognise and disclose activities that might give rise to conflicts of interest or the perception of conflicts and to ensure that such conflicts are seen to be properly managed or avoided.

If properly managed, activities can usually proceed as normal whilst at the same time upholding the person's obligations to the Company, meeting regulatory and other external requirements and protecting the integrity and reputation of the Company, its brand name CIC and its clients.

By contrast, conflicts which are not managed effectively may jeopardise the Company's public standing and may cause serious damage to the reputation of the Company and of the individuals concerned.

It is therefore the Company's position not to apply restrictive practice on staff, encourage and foster external activities whilst ensuring that when conflicts or perceived conflicts of interest arise they are acknowledged and disclosed, and in relevant cases, properly managed.

B. Scope

This Policy applies to all staff and directors of the Company, to the staff and directors of subsidiary companies of the Company. A reference in this Policy to staff or directors includes any person within the scope of the Policy.

It is the responsibility of each individual to recognise situations in which he or she has a conflict of interest, or might reasonably be seen by others to have a conflict, to disclose that conflict to the appropriate person and to take such further steps as may be appropriate as set out in more detail under this policy.

If an individual is uncertain about how this Policy might affect his or her activities or has any questions about its application, he or she should contact the Conflict of Interest Committee of the Company.

C. Recognising Conflict of Interest

A conflict of interest arises where the commitments and obligations owed by an individual member of staff are likely to be compromised, or may *appear* to be compromised, by:

- I. that person's personal gain, or gain to immediate family (or a person with whom the person has a close personal relationship), whether financial or otherwise; or
- II. the commitments and obligations that person owes to another person or body.

There can be situations in which the appearance of conflict of interest is present even when no conflict actually exists. Thus it is important for all staff when evaluating a potential conflict of interest to consider how it might be perceived by others.

The duty to declare a possible conflict applies to the perception of the situation rather than the actual existence of a conflict. However, the duty is not infringed if the situation cannot reasonably be regarded as likely to give rise to a conflict of interest.

Conflicts of interest may be financial or non-financial or both and is set out below:

Financial conflicts of interest

A financial conflict of interest, for the purposes of this Policy, is one where there is or appears to be opportunity for personal financial gain, financial gain to close relatives or close friends, or where it might be reasonable for another party to take the view that financial benefits might affect that person's actions. Financial interest means anything of monetary value or any other benefit of monetary value.

The level of financial interest is not the determining factor as to whether a conflict should be disclosed. What might be 'not material' or 'not significant' for one person might be very significant for another. Good practice in many situations will mean the disclosure of 'any' financial interest, however small. A conflict will arise if the interest might provide, or be reasonably seen by others, to provide an incentive to the individual which affects their actions and where he or she has the opportunity to affect a Company decision or other activity because for example he or she is the decision-maker or the shareholder of the Company.

Non-financial conflicts of interest

Non-financial interests can also come into conflict, or be perceived to come into conflict, with a person's obligations or commitments to the Company or to other similar companies or with prior commitments to other entities.

Such non-financial interest may include any benefit or advantage, including, but not limited to, direct or indirect enhancement of an individual's career, their standing to gain leverage in other activities or relationships or gain to immediate family (or a person with whom the person has a close personal relationship).

D. Procedure

It is the duty of every member of staff to disclose any conflict of interest or any circumstances that might reasonably give rise to the perception of conflict of interest. Apparent or perceived conflicts of interest can be as damaging as actual conflicts of interest.

The general rule is that disclosure should be made *at the time the conflict first arises, or it is recognised that a conflict might be perceived*, in writing to the board and entered into the Conflict of Interest Register.

One or more of the following strategies may be appropriate to manage the conflict of interest:

- not taking part in decisions in relation to certain matters;
- referring to others certain matters for decision;
- resolving not to act as a particular person's supervisor;
- divesting or placing in trust certain financial interests;
- publishing a notice of interest;
- standing aside from any involvement in a particular activity; and/or
- declaring an interest to a particular matter or third party.

It is the responsibility of those affected to comply with the approach that has been agreed. Any unresolved matter shall be referred to the Conflict of Interest Committee for advice.

E. The role and remit of the Conflict of Interest Committee

The Company has established a Conflict of Interest Committee to advise on conflicts of interests.

The Committee shall be responsible for:

- monitoring the Company's Policy on Conflict of Interest and making recommendations in the light of experience, and of good practice guidelines established by outside bodies;
- ensuring that there are appropriate systems in place to promote and monitor compliance with the Policy on Conflict of Interest;
- giving advice in the case of individual questions referred to it;
- performing any such other action on behalf of Council in relation to the Company's Policy on Conflict of Interest as may be required from time to time; and
- reporting to Chairman, on an annual basis, on the operation of the Committee and the Policy over the prior year.

Review of the Conflict of Interest Policy

This Policy shall be the subject of regular review by the Company in consultation with our client and other corporate Governance bodies.

Approved by Board on 1 February 2016.