

CODE OF CONDUCT AND ETHICS

REVISED: SEPTEMBER 24, 2015

1. POLICY STATEMENT

Participants and beneficiaries of the Special Forces Pension Plan have a right to services that are conducted with impartiality and integrity by the Board. It is this obligation that demands that there not be, nor seem to be, any conflict between the private interests of Board Members and their duty to the Plan Members.

The Code of Conduct and Ethics Policy has been prepared with reference to Section 3(3) of Schedule 4 of the *Public Sector Pension Plans Act* (PSPPA), which requires Board Members to comply with any conflict of interest provisions prescribed with respect to the Special Forces Pension Plan (SFPP). The Code of Conduct & Ethics Policy is consistent with the requirements of Section 11 of the *Alberta Public Agencies Governance Act* (APAGA).

2. POLICY REQUIREMENTS

2.1 Definitions

For the purposes of this Code, unless the context otherwise requires,

“**Act**” means the *Public Sector Pension Plans Act*, including Schedule 4 thereto and all regulations thereunder, as amended from time to time;

“**Apparent Conflict of Interest**” exists where there is an apprehension, which reasonably well-informed persons could properly have, that a conflict of interest exists;

“**Board**” means the Special Forces Pension Board including all committees struck by the Board;

“**Code**” means this Code of Conduct and Ethics Policy for the Special Forces Pension Board, as amended from time to time;

“**Code Administrator**” is the individual responsible for ensuring the Code is adhered to by the Board;

“**Conflict of Interest**” means a conflict between the private interests and the official responsibilities of a Member;

A person is “**Directly Associated**” with a Member if that person is:

- a) a Member’s relative as defined in the Code of Conduct and Ethics for the Public Service of Alberta;
- b) a corporation having share capital and carrying on business or activities for profit or gain and the Member is a director or employee of that corporation;
- c) a corporation carrying on business or activities for profit or gain and the Member owns or is the beneficial owner of shares of that corporation;
- d) a partnership
 - i. of which the Member is a partner, or
 - ii. of which one of the partners is a corporation directly associated with the Member by reason of clause (b) or (c), or;
- e) a person or group of persons acting as the agent of the Member and having actual authority in that capacity from the Member;

“**Investment Manager**” means Alberta Investment Management Corporation;

“**Member**” means a member of the Board;

“**Plan**” means the Special Forces Pension Plan;

“**Plan Administrator**” means the Alberta Pensions Services Corporation;

“**Private Interest**” of a Member does not include an interest

- a) in a matter that is of general application to the Plan, or
- b) that affects a person as one of a broad class of the public or of the membership of the Plan, or
- c) that concerns remuneration and benefits of a Member, or
- d) an interest that is trivial;

“**Trustee**” means the Minister of Finance.

2.2 Application

2.2.1 This policy applies to Members.

2.2.2 This Code is in addition to any conflict of interest provisions prescribed under the Act.

2.2.3 Conflicts between the Private Interests of Members and their duty to the public not specially addressed in this Code must be dealt with according to the principles and intent of the Code.

2.2.4 Administration of the Code:

- a) The Chair will be the Code Administrator and will issue instructions as necessary for implementation of the Code.
- b) The Vice-Chair will act as the Code Administrator for any issues relating to the Chair.
- c) The Chair will promote the Code, any supplemental Codes, and any prescribed conflict of interest provisions on a regular basis to ensure that Members are aware of their obligations.
- d) Any questions regarding the interpretation or application of this Code are to be directed to the Chair.

2.3 Purpose

2.3.1 It is the duty of each Member to act honestly and impartially, and in the best interests of the participants and beneficiaries of the Plan, in the exercise of their powers and responsibilities under the Act.

2.3.2 In order to assist Members in meeting this duty, this Code has been adopted and will be reviewed from time to time to provide guidance to Members in the identification, resolution and review of situations that may create conflicts between their duties as Members and their personal or private interests.

2.4 Principles

It is recognized that this Code cannot cover every situation in the conduct of the business of the Plan, nor be a substitute for common sense, individual judgement or personal integrity. However, it is the duty of each Member to adhere, without exception, to the principles set out below.

2.4.1 Members shall comply with all applicable laws.

2.4.2 The Board shall conduct its affairs in accordance with fairness, impartiality, integrity and the highest ethical standards.

- a) It is the Board's responsibility to set the general, moral and ethical tone for the conduct of business. The Board shall conduct all business with the highest ethical standards.

- b) The Board will deal fairly, objectively and impartially with all Plan participants and beneficiaries, acting in good faith and in the best interest of the participants and beneficiaries.

2.4.3 The Code of Conduct shall be integral to the Board's relationship with its service providers, the Plan Administrator and the Investment Manager.

- a) The Code is a living document. Members, staff serving the Board, the Plan Administrator, and Investment Manager are encouraged to suggest changes or additions to the Code.
- b) The Code is in addition to, but does not limit, specific policies and procedures of the Board and Members, and therefore the Board and Members must perform their duties in accordance with such policies and procedures.
- c) The Board recognizes that the service providers are subject to and must adhere to their own professional and organizational codes of conduct.
- d) The Board will request, annually, assurance from the Plan Administrator and Investment Manager that they have adhered to their respective codes of conduct.

2.5 Conflict of Interest

2.5.1 Furthering Private Interests

A Member is in a Conflict of Interest situation if their Private Interest conflicts with their duty to act honestly and in the best interests of the Plan participants and beneficiaries in the exercise of their powers and discharge of their responsibilities as a Member. Without limiting the generality of the foregoing, a Member is in a Conflict of Interest situation if:

- a) the Member takes part in a decision in the course of carrying out responsibilities as a Member knowing that the decision might further a Private Interest of the Member, or a person Directly Associated with the Member;
- b) the Member uses the Member's office or powers to influence a decision to be made by the Board or Plan to further a Private Interest of the Member, or that of a person Directly Associated with the Member;
- c) the Member uses or communicates information not available to the general public or Plan participants and beneficiaries that was gained by the Member in the course of carrying out the Member's office or powers to further or seek to further a Private Interest of the Member, or a person Directly Associated with the Member;

- d) the Member, or a person Directly Associated with the Member with the knowledge of the Member, obtains or accepts a fee, gift or other benefit, all of a material nature, that is connected directly or indirectly with the performance of the Member's office; or
- e) the Member, or a person Directly Associated with the Member, receives a preference and/or remuneration from the Board to provide goods and services to the Board.

2.5.2 Disclosure

2.5.2.1 When a matter is before the Board which could benefit the Member, or a person who is Directly Associated with the Member, the Member must advise the Board to determine whether the Board is required to take steps to prevent a Conflict of Interest from occurring.

2.5.2.2 When a Member has a Conflict or Apparent Conflict of Interest in a matter before the Board the Member shall, if present:

- a) disclose the existence of a Conflict or Apparent Conflict of Interest prior to discussion of the matter and to do so within two weeks of awareness of the potential breach or, in advance of the next Board meeting, whichever is sooner,
- b) abstain from voting on any question relating to the matter,
- c) abstain from discussing the matter; and,
- d) leave the room in which the meeting is being held until the discussion and voting on the matter is concluded.

2.5.2.3 The abstention of a Member and disclosure of a Member's Conflict or Apparent Conflict of Interest shall be recorded in the minutes of the meeting.

2.5.2.4 If a Member believes there may be a Conflict or Apparent Conflict of Interest, he or she may ask the Code Administrator for guidance.

2.5.3 Reporting a Potential Breach

2.5.3.1 If a Member of the Board believes that he or she is in a conflict of interest or that they are in breach of the Code, they must report in writing to the Code Administrator within two weeks of becoming aware of the potential breach or, in advance of the next Board or Committee meeting; whichever is the shortest period of time.

2.5.3.2 If a Member of the Board has reason to believe that another Member is in conflict they must report this potential breach, in writing, to the Code Administrator within two weeks of the potential breach or in advance of the next Board or Committee meeting; whichever is the shortest period of time.

2.5.3.3 All submissions are to be treated confidentially. Members should ensure they are respecting the reputation of other Members. Any frivolous or vexatious reports will require follow up by the Code Administrator.

2.5.4 Responding to a Potential Breach

2.5.4.1 The Code Administrator is responsible for examining the potential breach and determining whether or not a breach has occurred. If the Code Administrator is unable to arrive at a decision the Code Administrator may seek the advice of the Assistant Deputy Minister, Financial Sector Regulation and Policy, Alberta Finance.

2.5.4.2 The Code Administrator will ensure that the process employed to arrive at a decision is properly documented. Documentation must include: a) the nature of the breach; b) the individuals involved; c) the steps taken to arrive at the decision; and d) the method by which the potential breach was assessed and managed.

2.5.4.3 If the breach is being investigated by law enforcement the Code Administrator will allow any investigation to take precedence over their review.

2.5.5 Consequences of a Breach

2.5.5.1 The Code Administrator is responsible for examining and making a decision on whether or not a breach has occurred; however, the Code Administrator is not responsible for making a decision on the severity of the sanction imposed. The Code Administrator may make a sanction recommendation to the Board for discussion.

2.5.5.2 The severity of the sanction will be determined on a case by case basis. Where the sanction recommendations exceed the Board's authority, the Board may make a recommendation to the Trustee.

2.5.5.3 Records of Board sanctions, decisions, or recommendations will be kept for future reference.

2.5.6 Review of a Decision

2.5.6.1 In order to ensure that the review process is fair and equitable the Board shall:

- a) ensure that the member is provided with an opportunity to present their case to the Code Administrator;

- b) ensure the Code Administrator communicates the rationale for the decision made; and,
- c) ensure the Code Administrator is impartial and independent.

2.5.6.2 Once the Board has determined its decision the Member may request a review of the decision on whether a breach has occurred to the Deputy Minister, Alberta Finance.

2.5.7 Annual Declaration

2.5.7.1 After having received a copy of this Code each new Member shall confirm in writing that:

- a) the Member has received a copy of this policy and has read and understood it; and
- b) the Member will adhere to the Code and will report any known or potential breaches to the Code Administrator or the Board.

2.5.7.2 Each Member shall annually confirm, in writing, that:

- a) the Member has received a copy of this Code and has read and understood it; and,
- b) the Member will report any change of employment that may impact their appointment to the Board;
- c) the Member will report any new appointments as a Director on any other Board;
- d) at the end of the year, the Member has adhered to this Code and has reported any known or potential breaches to the Code Administrator, or the Board.

2.5.7.3 Each Member shall complete, sign and date a Declaration of Conflict of Interest which will be kept on file for the duration of the Member's tenure.

2.6 Acceptance of Gifts

Further to Section 2.5.1(d) of this Code, Members shall not accept fees, gifts or other benefits that are connected directly or indirectly with the performance of their Member duties, from any individual, organization or corporation, other than:

- a) the normal exchange of hospitality between persons doing business together;

- b) the normal presentation of gifts to departing Members, as set out in the Board's Recognition Policy which will be made available upon request.

Public Statements

- 2.7.1 Members are responsible for maintaining the confidentiality of Board information and documents, including that such information and documents are not directly or indirectly made available to unauthorized persons which include any individual who is not a Member.
- 2.7.2 Members must adhere to the requirements of the *Freedom of Information and Protection of Privacy Act (FOIPP)*.
- 2.7.3 Members who speak or write publicly shall ensure that they do not release confidential or privileged information unless they are specifically authorized to do so by the Chair.

2.7 Review

This policy will be reviewed at least once every three years. The next revision date will be scheduled for 2018.

CODE OF CONDUCT AND ETHICS AGREEMENT

On an annual basis, each Board member will be required to review this Code of Conduct and Ethics policy and provide their signature acknowledging their understanding and agreement to the statements and stipulations provided herein.

EFFECTIVE: September 1, 2001
REVISED: June 11, 2005, January 22, 2009, October 23, 2011, December 1, 2011, April 5, 2012, September 24, 2015