



Code of Conduct and Ethics

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OVERALL PRINCIPLES

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

A. DEFINITIONS

1. **Administration Provider** means the Alberta Pensions Services Corporation.
2. **Apparent Conflict of Interest** exists where there is an apprehension, which reasonably well-informed persons could properly have, that a conflict of interest exists.
3. **Board** means the board of directors of the Corporation.
4. **Corporation** means the SFPP Corporation.
5. **Chair** means the Chair of the Board.
6. **Code** means this Code of Conduct and Ethics Policy for the SFPP Corporation, as amended from time to time.
7. **Code Administrator** is the individual responsible for ensuring the Code is adhered to by the SFPP Corporation.
8. **Conflict of Interest** means a conflict between the private interests and the official responsibilities of a Director or Employee.
9. A person is **Directly Associated** with a Director or Employee if that person is:
 - a. a Director's or Employee's Relative;



- b. a corporation having share capital and carrying on business or activities for profit or gain and the Director or Employee is a director or employee of that corporation;
 - c. a corporation carrying on business or activities for profit or gain and the Director or Employee owns or is the beneficial owner of shares of that corporation;
 - d. a partnership:
 - i. of which the Director or Employee is a partner, or
 - ii. of which one of the partners is a corporation directly associated with the Director or Employee by reason of clause (b) or (c), or;
 - iii. a person or group of persons acting as the agent of the Director or Employee and having actual authority in that capacity from the Director or Employee.
10. **Director** means a Director of the Board, including the Chair, and those Directors of the Board committees who are not Directors of the Board but have been appointed by the Board.
11. **Employee** means an employee of the Corporation, including the officers of the Corporation.
12. **Employment Pension Plans Act** means the *Employment Pension Plans Act* (Alberta).
13. **Investment Manager** means Alberta Investment Management Corporation.
14. **Joint Governance Act** means the *Joint Governance of Public Sector Pension Plans Act* (Alberta), including Schedule 3 thereto and all regulations thereunder, as amended from time to time.
15. **Nominating Body** means an employee organization or employer organization defined in Schedule 3 of the Joint Governance Act, as applicable.
16. **Plan** means the Special Forces Pension Plan.
17. The **Private Interest** of a Director or Employee includes, but is not limited to:
- a. an interest of the Director or Employee in an appointment, business, undertaking or employment other than the Director's or Employee's appointment to or employment with the Corporation;
 - b. a financial interest of the Director or Employee in any investment or private asset; and
 - c. the interests set out in (a) and (b) of a person Directly Associated with the Director or Employee,
- but does not include an interest:



- d. in a matter that is of general application to the Plan;
 - e. that affects a person as one of a broad class of the public;
 - f. that concerns remuneration and benefits of a Director or Employee; or
 - g. that is trivial.
18. **Relative** includes spouse, children, step-children, legal dependents, parents, siblings, in-laws, grandparents, grandchildren, nieces, nephews, aunts, uncles and first cousins.
19. **Sponsor Board** means the SFPP Sponsor Board.
20. **Spouse** includes a party to a relationship who is living together with another person on a bona fide domestic basis but does not include a spouse who is living apart from the person if the parties have separated pursuant to a written separation agreement or if their support obligations and family property have been dealt with by a court order.
21. **Top Executive** means the top executive or officer of the Corporation, whatever title held or the officer acting in that role.
22. **Vice-Chair** means the Vice-Chair of the Board.

B. APPLICATION

1. This Code applies to Directors and Employees.
2. This Code is in addition to any conflict of interest provisions prescribed under the Joint Governance Act.
3. Conflicts between the Private Interests of Directors and Employees 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.
4. Administration of the Code:
 - a. The Chair will be the Code Administrator for the Board and the Top Executive 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 Top Executive will act as the Code Administrator for any issues relating to an Employee.



- d. The Chair will promote the Code, any supplemental Codes, and any prescribed conflict of interest provisions on a regular basis to ensure that Directors and Employees are aware of their obligations.
- e. Any questions regarding the interpretation or application of this Code are to be directed to the Chair.

C. PURPOSE

1. It is the duty of each Director and Employee 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 Joint Governance Act.
2. In order to assist the Director or Employee to meet this duty, the Board has adopted this Code and will review this Code from time to time to provide guidance to Directors and Employees in the identification, resolution and review of situations that may create conflicts between their duties as Directors or Employees and their Private Interests.

D. 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 Director and each Employee to adhere, without exception, to the principles set out below.

1. Directors and Employees shall comply with all applicable laws.
2. Every Director and Employee, in exercising powers and discharging duties, shall:
 - a. act honestly and in good faith and with a view to the best interests of the Corporation; and
 - b. exercise the care, diligence and skill that a reasonable and prudent person would exercise in comparable circumstances.
3. Each Director and Employee shall have a responsibility to ensure that his/her conduct, both as part of the Corporation and outside of the Corporation, does not damage his/her own or the Corporation's reputation.
4. The Corporation shall conduct its affairs in accordance with fairness, impartiality, integrity and the highest ethical standards.



- a. It is the Corporation's responsibility to set the general, moral and ethical tone for the conduct of business. The Corporation shall conduct all business with the highest ethical standards.
 - b. The Corporation will deal fairly, objectively and impartially with all Plan participants and beneficiaries.
5. The Code shall be integral to the Corporation's relationship with the Administration Provider, the Investment Manager and other service providers.
- a. The Code is a living document. Directors, Employees, the Administration Provider, 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 Corporation. Therefore the Corporation, Directors and Employees must perform their duties in accordance with such policies and procedures.
 - c. The Corporation recognizes that the service providers are subject to and must adhere to their own professional and organizational codes of conduct.
 - d. The Corporation will request, annually, assurance from the Administration Provider and Investment Manager that they have adhered to their respective codes of conduct.

E. CONFLICT OF INTEREST

1. *Furthering Private Interests*

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

- a. the Director or Employee takes part in a decision in the course of carrying out responsibilities as a Director or Employee knowing that the decision might further a Private Interest of the Director/Employee or a person Directly Associated with the Director/Employee;



- b. the Director or Employee uses his/her office or powers to influence a decision to be made by the Corporation, Sponsor Board or Plan to further a Private Interest of the Director/Employee, or that of a person Directly Associated with the Director/Employee;
- c. the Director or Employee uses or communicates information not available to the general public or Plan participants and beneficiaries that was gained by the Director or Employee in the course of carrying out the Director's or Employee's office, powers, or duties to further or seek to further a Private Interest of the Director/Employee, or a person Directly Associated with the Director/Employee;
- d. the Director or Employee, or a person Directly Associated with the Director/Employee with the knowledge of the Director or Employee, 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 Director's or Employee's office or duties;
- e. the Director, Employee or a person Directly Associated with the Director/Employee receives a preference and/or remuneration from the Corporation to provide goods and services to the Corporation;
- f. the Director's or Employee's conduct could damage his/her own or the Corporation's reputation.

2. *Furthering Private Interests (Chair)*

In addition to the Conflict of Interest situations set out in Subsection 1 above, the Chair is in a Conflict of Interest situation if:

- a. the Chair uses his or her office or powers to influence or seek to influence a decision to be made by or on behalf of the Corporation, Sponsor Board or Plan to further a Private Interest of the Chair or a person Directly Associated with the Chair or to improperly further any other person's Private Interest; and
- b. the Chair fails to appropriately or adequately disclose a real or apparent Conflict of Interest.

3. *Disclosure*

- a. Where a Director or Employee has a Conflict or Apparent Conflict of Interest, whether it be a matter before the Board or a matter affecting the Corporation in general, the Director or Employee must advise the Code Administrator to determine whether the Corporation or Board in specific is required to take steps to prevent a Conflict of Interest from occurring.



- b. When a Director or Employee has a Conflict or Apparent Conflict of Interest in a matter before the Board, the Director or Employee shall, if present:
 - i. 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;
 - ii. in relation to a Director, abstain from voting on any question relating to the matter;
 - iii. abstain from discussing the matter; and
 - iv. leave the room in which the meeting is being held, or cease applicable participation if the meeting is held by other means, until the discussion and voting on the matter is concluded.
- c. The abstention of a Director or Employee and disclosure of a Director's or Employee's Conflict or Apparent Conflict of Interest shall be recorded in the minutes of the meeting.
- d. If a Director or Employee believes there may be a Conflict or Apparent Conflict of Interest, he or she may ask the Code Administrator for guidance.

4. ***Reporting a Potential Breach***

- a. If a Director or Employee believes that he or she is in a conflict of interest or that he or she is in breach of the Code, he or she 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.
- b. If a Director or Employee has reason to believe that another Director or Employee is in a conflict of interest, he or she 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.
- c. When a Director or Employee has been accused of a potential breach, the Code Administrator must inform the Director alleged to have breached the Code and inform them of their rights to make argument through a process consistent with the principles of natural justice.
- d. All submissions are to be treated confidentially. Directors or Employees should ensure they are respecting the reputation of other Directors and Employees. Any frivolous or vexatious reports will require follow up by the Code Administrator.



5. *Responding to a Potential Breach*

- a. The Code Administrator is responsible for examining the potential breach and determining whether or not a breach has occurred.
- b. 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.
- c. If the breach is being investigated by law enforcement, the Chair, the Vice-Chair or the Top Executive, as the case may be, will allow any investigation to take precedence over their review; however they retain the ability to take appropriate actions if the breach is related to the duties of the position.

6. *Consequences of a Breach*

- a. 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.
- b. The severity of the sanction will be determined on a case-by-case basis. Sanctions for a breach of this Code include, but are not limited to:
 - i. a reprimand;
 - ii. a request that the Director or Employee resign from the Corporation;
 - iii. in relation to a Director, a recommendation to the Director's Nominating Body that the Director be removed from the Board; and
 - iv. in relation to an Employee, a recommendation to the Code Administrator that the Employee be removed from the Corporation.
- c. Records of Corporation sanctions, decisions, or recommendations will be kept for future reference.

7. *Review of a Decision*

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



- a. ensure that the Director or Employee is provided with an opportunity to present his or her 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.

8. *Declaration*

- a. After having received a copy of this Code, each new Director and Employee shall confirm in writing that:
 - i. the Director or Employee has received a copy of this policy and has read and understood it; and
 - ii. the Director or Employee will adhere to the Code and will report any known or potential breaches to the Code Administrator, the Board, or the Director, as set out in this Section E.
- b. Each Director and Employee shall annually confirm, in writing, that:
 - i. the Director or Employee has received a copy of this Code and has read and understood it;
 - ii. the Director or Employee will report any change of employment that may impact his or her appointment to or employment with the Corporation;
 - iii. the Director or Employee will report any new appointments as a director on any other board;
 - iv. at the end of the year, the Director or Employee has adhered to this Code and has reported any known or potential breaches to the Code Administrator or the Board, as set out in Section E.
- c. Each Director or Employee shall complete, sign and date a Declaration of Conflict of Interest which will be kept on file for the duration of the Director's tenure or Employee's employment.

9. **Acceptance of Gifts**

- a. Further to Section E.11.d of this Code, Directors and Employees shall not accept fees, gifts or other benefits that are connected directly or indirectly with the performance of their Director or Employee duties, from any individual, organization or corporation, other than:
 - i. the normal exchange of hospitality between persons doing business together;



- ii. the normal exchange of gifts between friends;
- iii. the normal presentation of gifts to departing Directors and Employees, as set out in the Corporation's Recognition Policy which will be made available upon request
- b. Directors and Employees shall not accept fees, gifts or other benefits as set out in Subsection a. above that exceed a cash value of \$100.00 within a calendar year.
- c. The acceptance of gifts or benefits must not compromise or appear to compromise the integrity or impartiality of the individual Director, individual Employee or the Corporation as a whole.

10. *Public Statements*

- a. Directors and Employees are responsible for maintaining the confidentiality of the Corporation's 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 Director or Employee.
- b. Directors and Employees must adhere to the requirements of the *Personal Information Protection Act* (Alberta).
- c. Directors 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.
- d. Employees 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 or Top Executive.

11. *Concurrent Appointments or Employment*

- a. Directors and Employees may not accept another appointment or employment that is related to the Director's or Employee's function with the Corporation or that would interfere with the Director's or Employee's responsibilities to the Corporation without the approval of the Board or (for an Employee other than the Top Executive) without the approval of the Top Executive.
- b. Where a Director or Employee wishes to engage in an appointment or employment that is related to the Director's or Employee's function with the Corporation, the Director or Employee must make a request, in writing, to the Board or (for an Employee other than the Top Executive) to the Top Executive for approval to engage in such an appointment or



employment and provide assurance that the appointment or employment would not constitute a real or apparent Conflict of Interest.

- c. The Board shall consider the Director's or Top Executive's request without the Director or Top Executive present. The Top Executive shall consider the request of any other Employee without that Employee present. If, in the opinion of the Board or Top Executive, the proposed appointment or employment would not constitute a real or apparent Conflict of Interest or would not otherwise interfere with the Director's or Employee's responsibilities to the Corporation, the Board or Top Executive may approve the request.
- d. The Board or Top Executive shall provide its decision in writing to the Director or Employee.
- e. Subsections a and b do not apply to employment with or associated with the Director's Nominating Body unless that employment is directly related to the Director's function with the Board.
- f. Directors and Employees shall not allow the performance of their official duties to be influenced by offers of future employment or the anticipation of offers of employment.

12. *Harassment-Free Environment*

- a. The Corporation is committed to providing an environment where all individuals are treated with dignity and respect. The Corporation shall not tolerate any discriminatory, harassing, bullying, threatening, abusive, or violent behaviour by or against any Director and Employee, prospective Director and Employee, or any other individual or organization affiliated with the Corporation.
- b. Directors and Employees must not discriminate against another Director and Employee, prospective Director and Employee, or Plan participant or beneficiary because of that person's race, colour, place of origin, ancestry, gender, age, marital status, religious beliefs (including native spirituality), mental and physical ability, source of income, family status, sexual orientation, or any other category covered under the *Alberta Human Rights Act*.

13. *Review*

- a. This Code shall be reviewed at least once every three years.
- b. Within the three-year review period, the Corporation shall conduct a comprehensive review of the Code to ensure compliance with the Joint Governance Act and its regulations, if applicable, and to reflect the environment in which the Board operates.



- c. Any amendments to this Code shall come into force 30 days after the amended Code is approved by the Board.

F. CODE OF CONDUCT AND ETHICS AGREEMENT

On an annual basis, each Director and Employee will be required to review this Code of Conduct and Ethics policy and provide his or her signature acknowledging his or her understanding and agreement to the statements and stipulations provided herein.