

CODE OF CONDUCT AND ETHICS

REVISED: APRIL 17, 2018

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 participants and beneficiaries.

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). The Code of Conduct and Ethics is also consistent with Section 23.922 of the *Conflicts of Interest Act*.

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;

“**Chair**” means the Chair of the Board. The Chair is a Senior Official, as defined in the *Conflicts of Interest Act*;

“**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;

- 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, including the Chair, and those members of the Board committees who are not members of the Board but have been appointed by the Board;

“**Minister**” means President of Treasury Board and Minister of Finance or such member of the Executive Council charged by the Lieutenant Governor in Council with the administration of the Act.

“**Nominating Body**” means the body that nominates a Member to the Board, as set out in section 3 of Schedule 4 of the *Public Sector Pension Plans (Legislative Provisions) Regulation*, as applicable.

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

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

The “**Private Interest**” of a Member includes, but is not limited to:

- (a) an interest of the Member in an appointment, business, undertaking or employment other than the Member’s appointment to or employment with the Board,
- (b) a financial interest of the Member in any investment or private asset, and
- (c) the interests set out in (a) and (b) of a person Directly Associated with the Member,

but does not include an interest:

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

(d) that is trivial.

“**Relative**” includes spouse, children, step-children, legal dependents, parents, siblings, in-laws, grandparents, grandchildren, nieces, nephews, aunts, uncles and first cousins;

“**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;

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

2.2 Application

2.2.1 This Code 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 the Member to meet this duty, the Board has adopted this Code and will review this Code 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 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 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, 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, 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 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 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, powers, or duties 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 duties; 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 Furthering Private Interests (Chair)

In addition to the Conflict of Interest situations set out in section 2.5.1 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 Crown or a public agency 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.

2.5.3 Disclosure

- 2.5.3.1 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.
- 2.5.3.2 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.

2.5.3.3 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.

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

2.5.4 Reporting a Potential Breach

2.5.4.1 If a Member 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.

2.5.4.2 If a Member has reason to believe that another Member 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.

2.5.4.3 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.

2.5.5 Responding to a Potential Breach

2.5.5.1 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.

2.5.5.2 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.

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

2.5.6 Consequences of a Breach

- 2.5.6.1 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.
- 2.5.6.2 The severity of the sanction will be determined on a case by case basis. Where the sanction recommendation exceeds the Board's authority, the Board may make a recommendation to the Minister. Sanctions for a breach of this Code include, but are not limited to:
- a. a reprimand;
 - b. a request that the Member resign from the Board; and
 - c. a recommendation to the Member's Nominating Body that the Member be removed from the Board.
- 2.5.6.3 Records of Board sanctions, decisions, or recommendations will be kept for future reference.

2.5.7 Review of a Decision

- 2.5.7.1 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 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.
- 2.5.7.2 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.

2.5.8 Annual Declaration

- 2.5.8.1 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, the Board, or the Director, as set out in section 2.5 above.

2.5.8.2 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 his or her appointment to or employment with 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, as set out in section 2.5 above.

2.5.8.3 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

2.6.1 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 exchange of gifts between friends;
- c) the normal presentation of gifts to departing Members, as set out in the Board's Recognition Policy which will be made available upon request

2.6.2 Members shall not accept fees, gifts or other benefits as set out in section 2.6.1 that exceed a cash value of \$100.00 within a calendar year.

2.6.3 The acceptance of gifts or benefits must not compromise or appear to compromise the integrity or impartiality of the individual Member or the Board as a whole.

2.7 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.

2.8 Concurrent Appointments or Employment

- 2.8.1 Members may not accept another appointment or employment that is related to the Member's function with the Board or that would interfere with the Member's responsibilities to the Board without the approval of the Board.
- 2.8.2 Where a Member wishes to engage in an appointment or employment that is related to the Member's function with the Board, the Member must make a request, in writing, to the Board 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.
- 2.8.3 The Board shall consider the Member's request without the Member present. If, in the opinion of the Board, the proposed appointment or employment would not constitute a real or apparent Conflict of Interest or would not otherwise interfere with the Member's responsibilities to the Board, the Board may approve the Member's request.
- 2.8.4 The Board shall provide its decision in writing to the Member.
- 2.8.5 Sections 2.8.1 and 2.8.2 do not apply to employment with or associated with the Member's Nominating Body unless that employment is directly related to the Member's function with the Board.
- 2.8.6 Members shall not allow the performance of their official duties to be influenced by offers of future employment or the anticipation of offers of employment.

2.9 Harassment-Free Environment

- 2.9.1 The Board is committed to providing an environment where all individuals are treated with dignity and respect. The Board shall not tolerate any discriminatory, harassing, bullying, threatening, abusive, or violent behaviour by or against any Member or prospective Member, staff serving the Board, or any other individual or organization affiliated with the Board.
- 2.9.2 Members must not discriminate against another Member, prospective Member, 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*.

2.10 Review

- 2.10.1 This Code shall be reviewed at least once every three years.
- 2.10.2 Within the three-year review period, the Board shall conduct a comprehensive review

of the Code to ensure compliance with the Act and the *Conflicts of Interest Act* and its regulations, if applicable, and to reflect the environment in which the Board operates.

2.10.3 The Board shall provide the Minister with confirmation that the Board has reviewed the Code in accordance with sections 2.10.1 and 2.10.2. If revisions are made to the Code, the Board shall provide the Minister with the revised Code.

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

CODE OF CONDUCT AND ETHICS AGREEMENT

On an annual basis, each Member 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.

EFFECTIVE: September 1, 2001

REVISED: June 11, 2005, January 22, 2009, October 23, 2011, December 1, 2011,
April 5, 2012, September 24, 2015, April 17, 2018