

Code of Conduct and Conflict of Interest

1. Policy Statement

Participants and beneficiaries of the Public Service Pension Plan have a right to a certain standard of care to ensure that the administration and affairs of the Plan are conducted with impartiality and integrity. The obligation of the Corporation demands that there not be, nor appear to be, any conflict between the private interests of Directors and officers or committee members, and their duty to the Corporation and Plan members.

The Board of Directors and officers of the Corporation, in exercising powers and discharging duties, are legislatively required under Section 24 of Schedule 2 of the *Joint Governance of Public Sector Pension Plans Act* to:

- act honestly and in good faith and with a view to the best interests of the Corporation; and
- exercise the care, diligence and skill that a reasonable and prudent person would exercise in comparable circumstances.

2. Policy Requirements

2.1 Definitions

"**Act**" means the *Joint Governance of Public Sector Pension Plans Act*, including all regulations made thereunder, as amended from time to time.

"**Appointing Body**" means an employer or employee sponsor organization responsible for appointing directors to the PSPP Corporation Board of Directors.

"**Board**" means PSPP Corporation Board of Directors, including any committees established by the Board.

"**Chair**" means the Chair of the Board.

"**Code**" means this Code of Conduct and Conflict of Interest for the PSPP Corporation Board of Directors and officers, as amended from time to time.

"**Code Administrator**" is the individual responsible for ensuring the Code is adhered to by the Board and Members. The Code Administrator is also responsible for receiving and reviewing reported breaches, as well as making a determination regarding a breach of Code.

"**Conflict of Interest**" means a conflict between the private interests and the official responsibilities of a Member.

"**Corporation**" means PSPP Corporation established by Section 11 of Schedule 2 of the *Joint Governance of Public Sector Pension Plans Act*.

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

- (a) the Member's spouse or child or an adult interdependent partner, as defined under the *Adult Interdependent Relationships Act* (including, for example, common law spouses and same sex life partners),
- (b) a corporation having share capital and carrying on business or activities for profit or gain and the Member is a director, senior officer, or employee of the 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.

"**Director**" means a person appointed as a director of the Corporation and a member of the Board.

"**Investment Manager**" means Alberta Investment Management Corporation.

"**Member**" means a Director, including the Chair and Vice-Chair, and those members of the Board's committees who are not members of the Board but have been appointed by the Board. For the purposes of this Code, Member also includes officers of PSPP Corporation.

"**Perceived Conflict of Interest**" exists where there is a perception, which reasonably well informed persons could properly have, that a conflict of interest exists.

"**Plan**" means the Public Service 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 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 Corporation and/or 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.

"**Sponsor Board**" means the PSPP Sponsor Board established by Section 3 of Schedule 2 of the Act.

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2.2 Application

- 2.2.1 This Code applies to all current and former Members.
- 2.2.2 This Code is in addition to any code of conduct and conflict of interest provisions prescribed under the Act and any professional codes of conduct and ethics that may apply to individual Members. This Code is not intended to conflict with other codes of conduct. Members shall discuss any potential conflicts between codes with the Code Administrator.
- 2.2.3 Conflicts between the Private Interests of Members and their duty to the Corporation and the Plan not specifically addressed in this Code must be dealt with according to the principles and intent of the Code.
- 2.2.4 Administration of the Code
- The Chair shall act as the Code Administrator for Members and shall issue instructions as necessary for implementation of the Code.
 - The Vice-Chair of the Board shall act as the Code Administrator for any issues relating to the Chair.
 - The Chair shall promote the Code and ensure the Code and any amendments are easily accessible so that Members are aware of their obligations.
 - 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 Corporation and 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 with meeting this duty, the Board has adopted this Code and shall 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 personal or Private Interests.

2.4 Principles

It is recognized that the Code cannot cover every situation in the conduct of the business of the Corporation and the Plan, nor be a substitute for common sense, individual judgment 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, regulations and policies of the Board. It is the duty of each Member to uphold all laws applicable to the Corporation and the Plan and conduct themselves in a manner that is consistent with specific Board policies.

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- 2.4.2 The Board shall conduct its affairs in accordance with fairness, impartiality, integrity and high ethical standards.
- It is the Board's responsibility to set the general ethical tone for the conduct of business. The Board shall conduct all business with the highest ethical standards.
 - The Board shall strive to ensure that all communications from the Board are accurate.
 - The Board shall deal fairly, objectively and impartially with all Plan participants and beneficiaries acting in good faith and in the best interest of the Corporation, Plan 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.
- The Code is a living document. Directors, the Plan Administrator and the Investment Manager are encouraged to suggest changes or additions to the Code.
 - The Board recognizes that service providers are subject to their own professional and organizational codes of conduct.
 - The Board shall request, annually, assurance from the Plan Administrator and Investment Manager that they have adhered to their respective conduct codes.

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 Corporation and 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:

- 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;
- the Member uses the Member's office or powers to influence, or seek 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;
- 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;
- the Member or, to the knowledge of the Member, a person Directly Associated with the Member obtains or accepts a fee, gift or other benefit, all

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- 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 in the matter of any contract or employment with 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 Board or the Corporation 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 Conflict of Interest or Perceived Conflict of Interest.

2.5.3 Disclosure

- 2.5.3.1 When a matter is before the Board that could benefit the Member, or a person associated with the Member (including, for example, a friend, any relative of the Member, workplace colleague of the Member, or any 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 of Interest or a Perceived Conflict of Interest in a matter before the Board, the Member shall, if present:
 - a. disclose the existence of a Conflict of Interest prior to discussion of the matter;
 - 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 are concluded.
- 2.5.3.3 The abstention of a Member and disclosure of a Member's Conflict of Interest or Perceived 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 of Interest, or a Perceived Conflict of Interest, the Member must ask the Board for guidance.

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2.5.4 Reporting a Potential Breach

- 2.5.4.1 If a Member has reason to believe that another Member is in conflict the Member must report this potential breach, in writing, to the Code Administrator. All submissions are to be treated confidentially, unless disclosure is required by law or in a legal proceeding. Members should ensure they are respecting the reputation of other Members. Any malicious or frivolous reports shall 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 shall seek the advice of the Chair of the Governance and Human Resources Committee and may seek the advice of the Vice-Chair.
- 2.5.5.2 The Code Administrator shall ensure that the process employed to arrive at a decision is properly documented. Documentation must include: the nature of the breach; the individuals involved; the steps taken to arrive at the decision; and 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 shall 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 shall be determined on a case-by-case basis by the Board in the absence of the Member in question. Where the sanction recommendation exceeds the Board's authority, the Board may make a recommendation to the Sponsor Board. Sanctions for a breach of this Code include, but are not limited to:
- a. a reprimand;
 - b. a request that the Director resign from the Board; and
 - c. a recommendation to the Director's appointing body or the Sponsor Board that the Director's appointment to the Board be terminated.

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2.5.6.3 Records of Board sanction decisions and recommendations shall 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 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.

2.5.7.2 Once the Board has determined its decision the Director may request a review of the decision on whether a breach has occurred to the Sponsor Board.

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, read, and understood the Code; and
- b. the Member shall adhere to the Code and/or shall report any known or possible breaches to the Code Administrator or the Board.

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

- a. the Member has received, read, and understood the Code; and
- b. at the end of that year, the Member has adhered to the Code and/or has reported any known or possible breaches to the Code Administrator or the Board.

2.5.8.3 The declarations prescribed under sections 2.5.8.1 and 2.5.8.2 shall be made using the form shown in **Attachment 1**.

2.6 Acceptance of Gifts

2.6.1 Further to section 2.5.1 (d) of this Code, "Furthering Private Interests", 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 gifts between friends; and
- b. the normal exchange of hospitality between persons doing business together.

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

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2.7 Public Statements

- 2.7.1 Members are responsible for maintaining the confidentiality of Corporation and Plan information or documents, which includes the responsibility for ensuring that such information or documents are not directly or indirectly made available to unauthorized persons.
- 2.7.2 Members must adhere to the requirements of the *Personal Information Protection Act*.
- 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 Board.

2.8 Political Activity

- 2.8.1 Members may participate personally in political activities including membership in a political party, supporting a candidate for elected office or seeking elected office.
- 2.8.2 Members shall not use their position with the Board or the Corporation or leave the perception that they speak on behalf of the Board or the Corporation to seek contributions for a political party or activity from current or future organizations doing business with the Board or Corporation.
- 2.8.3 Political activities shall be clearly separated from activities related to the Board and the Corporation, shall not be done while carrying out the work of the Board or the Corporation, and shall not use Board and Corporation facilities, resources and name/brand.
- 2.8.4 Members who plan to seek an elected federal, provincial or municipal office must disclose their intention in writing as soon as possible to the Code Administrator.
- 2.8.5 Members who run as candidates in a federal, provincial or municipal election must take a leave of absence from their duties as a Member commencing on the day after the writ for the election is issued or on the day their candidacy is announced, whichever falls later.
- 2.8.6 Members who are elected to federal, provincial or municipal office must resign from their position on the Board or the Corporation effective the day of the release of election results.
- 2.8.7 Members who seek election and are not elected shall be entitled to return to the position they previously held prior to the leave.

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2.9 Concurrent Appointments or Employment

- 2.9.1 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.
- 2.9.2 Where a Member wishes to engage in an appointment or employment that is related to the Member's function with the Board or Corporation, 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 Conflict of Interest or Perceived Conflict of Interest.
- 2.9.3 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 Conflict of Interest or Perceived Conflict of Interest or would not otherwise interfere with the Member's responsibilities to the Board or Corporation, the Board may approve the Member's request.
- 2.9.4 The Board shall provide its decision in writing to the Member.
- 2.9.5 Sections 2.9.1 and 2.9.2 do not apply to employment with or associated with the Director's appointing body unless that employment is directly related to the Director's function with the Board.
- 2.9.6 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.

2.10 Disclosure of Criminal Charges

- 2.10.1 If the Board becomes aware that a Director is charged with an offence under the *Criminal Code of Canada* or *Controlled Drugs and Substances Act (Canada)*, the Board shall immediately report the charge to the Director's appointing body.

2.11 Harassment-Free Environment

- 2.11.1 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, Corporation staff or any other individual or organization affiliated with the Board.

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2.11.2 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*.

2.12 Review

2.12.1 This Code shall be reviewed at least once every three years.

2.12.2 Within the three-year review period, the Board shall conduct a comprehensive review of the Code to ensure compliance with the Act and its regulations, if applicable, and to reflect the environment in which the Board operates.

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

This policy was authorized by resolution of the PSPP Corporation Board of Directors (BD:19:04:08)

Approved: April 9, 2019

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NEW MEMBER DECLARATION:

Code Administrator
PSPP Corporation
5103 Windermere Blvd. SW
Edmonton, AB T6W 0S9

Re: Code of Conduct and Conflict of Interest Declaration

This letter confirms that I, [Name], have received a copy, read and understood the Code of Conduct and Conflict of Interest for members of the PSPP Corporation Board of Directors and its committees and officers of the PSPP Corporation.

I shall adhere to the Code of Conduct and Conflict of Interest and/or shall report any known or possible breaches to the Code Administrator or the Board.

Signature

Date

ANNUAL DECLARATION:

Code Administrator
PSPP Corporation
5103 Windermere Blvd. SW
Edmonton, AB T6W 0S9

Re: Code of Conduct and Conflict of Interest Annual Declaration

This letter confirms that I, [Name], have received a copy, read and understood the Code of Conduct and Conflict of Interest for members of the PSPP Corporation Board of Directors and its committees and officers of the PSPP Corporation.

For the year [Insert year], I declare I have adhered to the Code of Conduct and Conflict of Interest and/or have reported any known or possible breaches to the Code Administrator or the Board.

I shall continue to adhere to the Code of Conduct and Conflict of Interest and/or shall report any known or possible breaches to the Code Administrator or the Board.

Signature

Date