PSPP Sponsor Board
Code of Conduct and Conflict of Interest

1. Policy Statement

The Code of Conduct and Conflict of Interest (the Code) sets out standards of conduct of Members appointed to the PSPP Sponsor Board in connection with the performance of their duties.

Members of the Sponsor Board are appointed by their Sponsor Organization to represent the interests of the Sponsor Organization. The Sponsor Board is also required to consider the interests of retired members of the Plan.

In representing their Sponsor Organization, Members of the Sponsor Board have the authority, duty and responsibility for amending or terminating the Plan as well as making decisions relating to the Plan's funding. The Sponsor Board's duties demands that there not be, nor seem to be, any conflict between the private interests of Sponsor Board members and their duty to their Sponsor Organization and responsibilities under the Act.

2. Policy Requirements

2.1 Definitions

"Act" means Schedule 2 of the *Joint Governance of Public Sector Pension Plans Act,* including all regulations made 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.

"Chair" means the Chair of the PSPP Sponsor Board.

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

"Code Administrator" is the individual responsible for ensuring the Code is adhered to by the PSPP Sponsor 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 the Code.

"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) 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 carrying on business or activities for profit or gain and the Member owns or is the beneficial owner of shares of that corporation,
(c) 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 (a) or (b).

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

"Member" means a member of the PSPP Sponsor Board, including the Chair and Vice-Chair.

"Plan" means the Public Service Pension Plan.

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

(a) a financial interest of the Member in any investment or private asset, and
(b) the interests set out in (a) of a person Directly Associated with the Member.

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

"Sponsor Organization" means an employer or employee sponsor organization responsible under the Act for appointing members to the PSPP Sponsor Board.

2.2 Application

2.2.1 This Code applies to the Sponsor Board and all 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 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 their Sponsor Organization and responsibilities under the Act 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 interests of their Sponsor Organization in the exercise of their powers and responsibilities under the Act.

2.3.2 In carrying out the roles and responsibilities, and exercising the powers of the Sponsor Board, Members shall also consider the interests of retired members of the Plan.

2.3.3 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 Sponsor Board, 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 Sponsor Board. It is the duty of each Member to uphold all laws applicable to the Sponsor Board and conduct themselves in a manner that is consistent with this Code and relevant policies of the Sponsor Board.

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

a. It is the Sponsor Board's responsibility to set the general, moral and ethical tone for the conduct of business. The Sponsor Board shall conduct all business with the highest ethical standards.
b. The Sponsor Board shall strive to ensure that all communications from the Sponsor Board about or relating to its mandate are accurate.

2.4.3 The Code shall be integral to the Sponsor Board's relationship with its advisors and the Corporation.

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 interests of their Sponsor Organization 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, or seek to influence, a decision to be made by the Sponsor Board 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 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, to the knowledge of the Member, a person Directly Associated with 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;
e. the Member or a person Directly Associated with the Member receives a preference in the matter of any contract or employment with the Sponsor Board; or
f. the Member fails to appropriately or adequately disclose a real or apparent Conflict of Interest.

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 Sponsor Board 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 Sponsor Board that could benefit the Member, or a person associated with the Member (including, for example, a friend, any relative of the Member, or any person who is Directly Associated with the Member), the Member must advise the Sponsor Board to determine whether the Sponsor 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 an Apparent Conflict of Interest in a matter before the Sponsor 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, or an 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 an Apparent Conflict of Interest, the Member must ask the Sponsor Board for guidance.

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. 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 may seek the advice of the Vice-Chair.

2.5.5.2 Once a potential breach has been reported, the Code Administrator will perform the following steps before making a decision on whether a breach has occurred:

a. review the circumstances and details,
b. inform the Member(s) identified as having committed a potential breach in writing of the allegations and give them the opportunity

to provide a written response to the allegations, which may include the provision of additional relevant information, and

c. conduct the investigation.

2.5.5.3 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.

2.5.5.4 The Code Administrator shall provide their written report to the Member(s) alleged to have committed a breach of the Code and to the Sponsor Board.

2.5.5.5 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 Sponsor Board for discussion.

2.5.6.2 The severity of the sanction shall be determined on a case-by-case basis by the Sponsor Board in the absence of the Member in question. Where the sanction recommendation exceeds the Sponsor Board's authority, the Sponsor Board may make a recommendation to appropriate Sponsor Organization. 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 Sponsor Board; and
c. a recommendation to the Member's Sponsor Organization that the Member's appointment be terminated.

2.5.6.3 Records of Sponsor 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 Sponsor 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 Sponsor Board has determined its decision, the Member may request a review of the decision on whether a breach has occurred to the Member's Sponsor Organization.

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 Sponsor 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. the Member has adhered to the Code and/or has reported any known or possible breaches to the Code Administrator or the Sponsor Board for that year.

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 Members shall not accept fees, gifts or other benefits as set out in section 2.6.1 that exceed a cash value of $500.00 within a calendar year.

2.6.3 Members may accept paid conference invitations. The value of any single conference invitation accepted (including admission, travel, accommodation, hospitality and other incidentals) shall not exceed $4,000; paid conference invitations from the same source should also not exceed $4,000.

2.6.4 The acceptance of gifts or benefits must be non-monetary in nature and must not compromise or appear to compromise the integrity or impartiality of the individual Sponsor Board member or the Sponsor Board as a whole.

2.7 Public Statements

2.7.1 Members are responsible for maintaining the confidentiality of Sponsor Board, 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 *Protection of Privacy Act* (Alberta).

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 Sponsor Board.

2.8 Concurrent Appointments or Employment

2.8.1 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.

2.8.2 Members shall not allow concurrent appointments or employment to interfere with the performance of their official duties.

2.9 Disclosure of Criminal Charges

2.9.1 If a Member has been charged or is charged with an offence under the *Criminal Code* (Canada) or the *Controlled Drugs and Substances Act* (Canada), then they shall immediately inform the Code Administrator of the charge.

2.9.2 If the Sponsor Board becomes aware that a Member is charged with an offence under the *Criminal Code* (Canada) or *Controlled Drugs and Substances Act* (Canada), then the Sponsor Board shall immediately report the charge to the Member's Sponsor Organization.

2.10 Harassment-Free Environment

2.10.1 The Sponsor Board is committed to providing an environment where all individuals are treated with dignity and respect. The Sponsor 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 Sponsor Board.

2.10.2 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 indigenous spirituality), mental and physical ability, source of income, family status, sexual orientation, or any other category covered under the *Alberta Human Rights Act*.

2.11 Review

2.11.1 This Code shall be reviewed at least once every three years to ensure compliance with the Act and its regulations, where applicable.

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

2.11.3 The Sponsor Board shall provide a copy of the approved Code, including any amendments to the Code, to the Corporation.

ATTACHMENT 1

NEW MEMBER DECLARATION:

Code Administrator
PSPP Sponsor Board
Edmonton, AB

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 Sponsor Board.

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 Sponsor Board.

_____ _____
Signature Date

ANNUAL DECLARATION:

Code Administrator
PSPP Sponsor Board
Edmonton, AB

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 Sponsor Board.

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 Sponsor 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 Sponsor Board.

_____ _____
Signature Date