



## Alberta Pensions Services Corporation Board of Directors Code of Conduct

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The provisions of this policy (the “Code”) apply, according to their terms, to all present and former Alberta Pensions Services Corporation (APS) Board Directors. APS has a separate Code of Conduct for its employees.

The pension administration industry in which APS operates is built on the highest level of trust. Integrity is a cornerstone of our business. Directors must act honestly and fairly and exhibit high ethical standards in their dealings with all stakeholders.

Directors are expected to behave in a way that aligns with this Code and APS’ Core Values. They understand that this Code does not cover every specific scenario. Therefore, they use the spirit and intent behind this Code to guide their conduct, and exercise care and diligence in the course of their work with APS.

To demonstrate commitment to transparency and accountability, this Code is available to the public on the APS website.

### Definitions

In this Code of Conduct, the following interpretations will be applied:

“**Business Associate**” means a Director’s partner or colleague in conducting business, or at the Director’s place of employment.

“**Code Administrator**” means the person assigned by the Board to perform the assigned duties and functions under the APS Board Code of Conduct for governing the conduct of Directors. The Code Administrator for the Board Directors is the Board Chair or, in the absence of the Board Chair, the Vice Chair. The Code Administrator for the Board Chair is the Board Vice Chair.

“**Conflict of Interest**” means a conflict between the private interests and the official responsibilities of a Board Director.

“**Ethics Commissioner**” means the officer of the Legislature appointed by the Lieutenant Governor in Council to carry out the Ethics Commissioner’s duties and functions under the *Conflicts of Interest Act* or any other enactment.

“**Perceived Conflict of Interest**” exists when there is an apprehension, which a reasonably well informed person could probably have, that a director has or may have a conflict of interest, even where there is no actual conflict.

“**Private Interest**” means an interest in the subject matter or a relationship with the parties, impairing impartiality, open-mindedness and a sense of fairness.



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**“Reasonably Well Informed Person”** means a hypothetical person in society who exercises the average standard of care, skill, judgment and conduct that a reasonably prudent person would observe under a given set of circumstances.

**“Shareholder”** means the Government of Alberta as represented by the President of Treasury Board and Minister of Finance.

### **I. Core Values**

- a. Directors shall act with impartiality and integrity.
- b. Directors shall demonstrate respect and accountability.
- c. Directors shall at all times be mindful of their responsibilities in exercising oversight of APS, and the need for Shareholder and client confidence in the transparency, objectivity and due diligence with which the Board governs APS.

### **II. Guiding Principles**

The Board commits itself and its Directors to a high standard of ethical, professional and lawful conduct, including proper use of authority and appropriate decorum when acting as Board Directors. The following principles guide the behaviour and decisions of Directors:

- a. Directors have a responsibility to uphold the APS mandate, as defined in its governing documents and agreements with the Shareholder.
- b. Directors have a responsibility to act in good faith and to place the interests of APS above their own private interests.
- c. Directors are responsible stewards of APS owned and managed resources.
- d. Directors will respect the confidentiality appropriate to issues of a sensitive nature.
- e. The actions and decisions of Directors are made to advance the mandate and long-term interests of APS.
- f. Directors will be properly prepared for Board deliberation.
- g. Directors will behave in a way that demonstrates that their behaviour and actions are fair and reasonable in the circumstance.
- h. Directors are subject to APS’ Fraud Prevention Policy and Whistleblower Policy.



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- i. When a Director, as an individual, is subject to more than one code of conduct, the Director must consider the expectations in all codes. Directors understand that this Code is not intended to conflict with other codes of conduct, and will discuss any potential conflicts with the Code Administrator.
- j. Directors know that when they become aware of a real or perceived conflict of interest, they must at the first opportunity disclose this conflict to the Code Administrator.
- k. Directors understand that disclosure itself does not remove a conflict of interest.
- l. Directors are required to encourage their colleagues to act fairly and ethically and uphold the view that individuals are able to raise concerns about a suspected breach by another to the Code Administrator without fear of reprisal.
- m. Directors contribute to an environment where all individuals are treated with dignity and respect, and free from discrimination, harassment or violence.
- n. Each Director shall confirm, in writing, on an annual basis their understanding of, and commitment to, the Code's expectations.

### III. Behavioural Standards

Behavioural standards help Directors make appropriate decisions when the issues they face involve ethical considerations. Behavioural standards cannot cover all scenarios, but provide guidance in support of day-to-day decisions. All Directors must adhere to the following standards:

- a. Directors must not engage in any criminal activity and must comply with all relevant laws, regulations, policies and procedures.
- b. Directors must not use their status or position with APS to influence or gain a benefit or advantage for themselves, their relatives, friends, their business associates or others with whom they have a significant personal or business relationship.
- c. Directors must respect and protect confidential information, use it only for the work of APS and not for personal gain. Directors must comply with APS' policy and protocols that guide the collection, storage, use, transmission and disclosure of information. Directors must respect the proprietary knowledge, intellectual property rights, copyright and license agreements of APS customers, suppliers and others.
- d. Directors must act in a way that is consistent with APS' policy and protocols on public comment. Media and other stakeholder requests are referred to the CEO for response on behalf of APS.



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- e. Directors may not attempt to exercise individual authority over the organization, and specifically:
  - i. Directors' interaction with the CEO or with staff must recognize the lack of authority vested in them except when explicitly Board authorized.
  - ii. Directors' interaction with public, press or other entities must recognize the lack of authority vested in them except when explicitly Board authorized or to repeat explicitly stated Board decisions.
  - iii. Except for participation in Board deliberation about whether reasonable interpretation of Board policy has been achieved by the CEO, Directors will not express individual judgments of performance of employees or the CEO.
  
- f. Directors may participate in outside or self-employment, voluntary positions or other appointments. Such positions must not:
  - a. interfere with job performance or availability for Board work; or
  - b. involve the use of APS property, equipment, tools, computer, materials, supplies or personnel.

Prior to accepting any employment, voluntary position, or appointment, Directors must notify the Chair in writing. The Chair will then review the employment, position or appointment, and provide an approval in writing.
  
- g. Where employment, a voluntary position or an appointment is approved, a Director considering a new offer of appointment must be aware of and manage any potential conflicts of interest between the current position and future circumstances and must remove him/herself from any decisions affecting the new appointment.
  
- h. Once a Director has left APS, he/she must not disclose confidential information that has been gained by virtue of the position held with the APS Board of Directors and the Director must not use any contacts made through the APS Board to gain an unfair advantage in any circumstance.
  
- i. Each Director must avoid dealing with those in which a relationship between them might bring into question the impartiality of the Director.

### **IV. Conflict of Interest**

- a. Directors must take reasonable steps to avoid situations where they may be placed in a real or perceived conflict between their private interests and the interests of APS. In other words, actions or decisions that Directors take on behalf of APS must not provide them with an opportunity to further the private interests of themselves, their relatives, friends, their business associates or others with whom they have a significant personal



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or business relationship.

- b. Every Director is under a duty to act honestly and in good faith with a view to the best interests of APS and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- c. There may be situations where the interest of a Director coincides or conflicts with the interest of APS. A possible conflict exists whenever a Director has an interest in an entity or matter or person which may influence or cloud his or her judgement as it relates to the discharge of his or her responsibilities to APS.
- d. When the Board is to decide upon an issue, about which a Director has an unavoidable conflict of interest, that Director shall absent herself or himself without participation in the deliberation or vote.
- e. A Director shall resign from his or her position as a Director of APS if he/she will make a financial gain as a result of being a party to a material contract or proposed material contract or having a material interest as described above.
- f. Directors will not use their Board position to obtain employment in the organization for themselves, relatives, friends, business associates, or others with whom they have a significant personal or business relationship. Should a Director apply for employment, he/she must first resign from the Board.
- g. No Director shall accept any payments, gifts, entertainment or any other benefits that are connected directly or indirectly with the performance of their duties, from any individual, organization or corporation, other than the normal presentation of gifts to persons participating in public functions, awards, speeches, lectures, presentations, or seminars. The value of a gift should not exceed \$250, and must not include cash or cheques. Gifts and events from the same source cannot exceed \$500 annually. This limit applies to and includes social, cultural, fund raising and sporting events.
- h. Directors shall disclose to the Code Administrator any gift received regardless of value.
- i. In instances where a gift, event, or educational opportunity value exceeds the limit, or the value is difficult to determine, the Code Administrator shall have the discretion to grant an exception and pre-approve any such gift, event, or educational opportunity. In granting this discretionary permission, factors such as relationship building, productivity improvements, stewardship of public funds and real or perceived conflict of interest and corporate reputation will be taken into account.



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- j. Directors must avoid participating in outside activities that conflict with the interests and work of APS. For example:
  - i. **Business Interests:** Directors must not hold interests in a business directly or indirectly through a relative or friend that could benefit from, or influence, the decisions of APS.
  - ii. **Political Activity:** Directors may participate personally in political activities including membership in a political party, supporting a candidate for elected office or seeking elected office. However, they must not use their position with APS or leave the perception that they speak on behalf of APS to seek contributions for a political party or activity from current or future clients or entities doing business with APS. In addition, any political activity must be clearly separated from activities related to the work for APS, must not be done while carrying out the work of APS and must not make use of APS' name/brand, facilities, equipment or resources in support of these activities. If a Director is planning to seek an elected municipal, provincial or federal office, they must disclose their intention in writing as soon as possible to the Code Administrator for guidance relating to their duties with APS.
  - iii. **Volunteer Activity:** If Directors are involved in volunteer work, the activity must not influence or conflict with decisions relating to APS.

### **V. Administrative Processes**

The Code Administrator receives and ensures the confidentiality of all disclosures and ensures that any real or perceived conflict of interest is avoided or effectively managed on a case by case basis. Management of conflicts of interest are documented in Board records of proceedings and resolutions, with the affected Director recusing himself or herself from the conflicted meeting agenda items, ensuring the business transaction is fair and reasonable. A firewall on related meeting material may also be implemented. As well, the Code Administrator is responsible for providing advice and managing concerns and complaints concerning potential breaches of the Code, including conflicts of interest within APS. The Code Administrator is responsible for ensuring procedural fairness.

- a. The Board Vice Chair, as the Code Administrator for the Board Chair, receives disclosures from the Board Chair and responds to an allegation that the Board Chair has breached this Code. The Ethics Commissioner may provide advice to the Board Chair or Vice Chair about whether a proposed activity by the Board Chair would be a breach of this Code.
- b. A Director may request the Ethics Commissioner review a decision made by the Code Administrator.



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- c. Every Director must exercise care to identify potential conflicts and report them to the Code Administrator as soon as possible after discovering such conflicts.
- d. Directors will annually disclose, in writing to the Code Administrator, their involvements with other organizations, with vendors, or any associations which might be or might reasonably be seen as being a conflict.
- e. It is the responsibility of each Director to declare in writing to the Code Administrator those private interests and relationships that they think could be seen to impact the decisions or actions they take on behalf of APS. When there is a change in their responsibilities within APS or in their personal circumstance, a change in employment, new appointment or voluntary position, Directors shall disclose in writing any relevant new or additional information about those interests as soon as possible for approval. Where a real or perceived conflict of interest cannot be avoided, Directors must take the appropriate steps to manage the conflict.
- f. Directors disclose these real or perceived conflicts of interest so that the Code Administrator is aware of situations that could be seen as influencing the decisions or actions they are making on behalf of APS. This provides Directors, following a review by the Code Administrator, an opportunity to take action to minimize or remove the conflict. To actively manage a conflict of interest, Directors must abide by the APS' bylaws, and
  - i. remove themselves from matters in which the conflict exists or is perceived to exist;
  - ii. give up the particular private interest causing the conflict; or
  - iii. resign their position on the Board of Directors.
- g. Directors will immediately disclose to the Chair any criminal charge or offence brought against them under a statute of Canada or the Province of Alberta. The Chair will immediately determine if the Director has created a real or perceived conflict of interest with an impact to APS or its reputation, or compromises the Director's ability to perform his or her role as Director.
- h. Any Director who is uncertain as to the application of this Policy shall immediately disclose the facts of the matter in question in writing to the Code Administrator. The Code Administrator will then consider the matter and may refer the matter to the Ethics Commissioner.
- i. Where a material breach of this policy comes to the attention of the Board or any of its Directors, such a matter shall be forthwith brought to the attention of the Ethics Commissioner.





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### Restrictions on the Chair

- j. The Chair is subject to additional restrictions as senior official under s. 23.925 of the *Conflicts of Interest Act*:
  - i. The Chair must not take part in a decision in the course of carrying out his/her office or powers knowing that the decision might further a private interest of the Chair, a person directly associated with the Chair, or the Chair's minor or adult child.
  - ii. The Chair must not use his/her office or powers of influence or seek to influence a decision made by or on behalf of the Crown or a public agency to further a private interest of the Chair, a person directly associated with the Chair, or to improperly further any other person's private interests.
  - iii. The Chair must not use or communicate information not available to the general public that was gained by the Chair in the course of carrying out his/her office or powers to further or seek to further a private interest of the Chair or any other person's private interests.
  - iv. The Chair must appropriately and adequately disclose a real or apparent conflict of interest.
  
- k. If in the future the Board Chair position is designated by an Order in Council as being subject to additional restrictions or disclosure, the Chair will comply with those specific obligations and requirements. If a Chair is named as a Designated Senior Official (DSO), under the *Conflicts of Interest Act*, he or she will be subject to the following additional obligations and restrictions, to the extent required and in the format specified by the Act:
  - i. Restrictions on holding publicly traded securities: Chair may not hold publicly-traded securities without the approval of the Ethics Commissioner, who may direct that such securities be held in a blind trust or another investment arrangement.
  - ii. Disclosure to the Ethics Commissioner: Chair must provide the Ethics Commissioner a full financial disclosure of the assets, liabilities, investments, holdings and other interests, for themselves, their spouse or interdependent partner, minor children or any corporation controlled by the Chair, his or her spouse or adult interdependent partner.
  - iii. Post-Employment Restrictions: The Chair may not conduct certain activities or accept employment with certain entities for a period of 12 months after the last day they hold their position as Chair. Post-employment restrictions include restrictions on lobbying public office-holders, making representations in connection with matters that the former Chair directly worked on, soliciting or





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benefiting from a contract with their former public agency, and accepting employment with an organization or an appointment to the board of an organization with which the former Chair had direct and significant official dealings as the Chair.

### **VI. Waivers**

From time to time, a situation may arise that warrants a waiver of one or more provisions of this Policy. A Director who believes that a waiver may be appropriate should first consult with the Code Administrator. However, a waiver may only be granted by the Board of Directors or a Committee of the Board of Directors and must be disclosed promptly as required by legal requirements. Where in doubt the Board will refer the matter to the Ethics Commissioner.

### **VII. Potential Breach of Code**

- a. Directors are required to immediately report in writing a potential breach of this Code by another to the Code Administrator. When reporting a potential breach in good faith and with reasonable grounds, Directors are protected from retaliation for such reporting.
- b. Once a potential breach has been reported, the Board's procedures for responding to and managing a potential breach will be promptly initiated. The Code Administrator will review the circumstance and details of the potential breach and will notify the alleged Director of the potential breach. Any director alleged to have breached the Code shall be given written notice from the Code Administrator of the allegations and be provided an opportunity for a written response. The identity of the reporter will not be disclosed unless required by law or in a legal proceeding. The Code Administrator may consult with the Ethics Commissioner. The Code Administrator makes a decision and completes a report in a timely manner. The decision may range from finding no potential breach to one that reveals suspected criminal conduct. The Code Administrator will promptly provide the alleged Director with the complete report (with redactions of names, as appropriate) and the alleged Director will have a 30 days to provide a response to the allegations and report. (See also section VIII.)
- c. The Code Administrator shall report a breach of this Code by the Board Chair or a Director to the Ethics Commissioner.
- d. Directors who do not comply with the standards of behaviour identified in this Code, including taking part in a decision or action that furthers their private interests, may be subject to disciplinary action. The Code Administrator may refer the matter to the Ethics Commissioner for any disciplinary action outside the Board's authority (e.g. suspension or removal of the Director).



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### **VIII. Review of a Decision**

A Director may, within 30 days from receipt of written communication from the Code Administrator, request in writing that the Ethics Commissioner review the decision made by the Code Administrator that they have breached the Board's Code of Conduct.

### **IX. Other Resources**

- a. When Directors require advice and guidance in determining whether misconduct or a conflict exists, or needs clarification, they may discuss their issue with:
  - i. the Board Chair (Code Administrator);
  - ii. the Board Vice Chair;
  - iii. the use of the Whistleblower and Fraud Prevention Hotline, as administered for APS by a third-party provider; or
  - iv. the Ethics Commissioner.
  
- b. When Directors are faced with a difficult situation, the following questions may help them decide the right course of action:
  - i. Have I reflected on or consulted with the Code Administrator about whether I am compromising the Code's values, principles or behavioural standards?
  - ii. Have I considered the issue from a legal perspective?
  - iii. Have I investigated whether my behaviour aligns with an APS policy or procedure?
  - iv. Could my private interests or relationships be viewed as impairing my objectivity?
  - v. Could my decision or action be viewed as resulting in personal gain, financial or otherwise?
  - vi. Could my decisions or actions be perceived as granting or receiving preferential treatment?

### **X. Affirmation and Review**

Adherence to the Code of Conduct for the APS Board of Directors is affirmed annually in writing by every Director. The Board reviews and approves the Code biennially by resolution to ensure it remains current and relevant, conforms to any requirement, and includes any element specified in the regulations. Material amendments to this document will receive prior approval from the Ethics Commissioner. The Code will be made available to the public on the Corporation's website, with a notice period of 60 days before any material changes come into force.

This Code replaces all Codes of Conduct that previously applied to the APS Board of Directors, and will be made public by April 30, 2019.