



Alberta Pensions Services Corporation Board of Directors Code of Conduct

Effective date: January 2011

Review date: January 2017

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.

I. Core Values

- a. Directors act with impartiality and integrity.
- b. Directors demonstrate respect and accountability.
- c. Directors should 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, businesslike 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. To serve the public interest, Directors have a responsibility to uphold the APS mandate.
- 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.



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- 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 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.
- 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 apparent 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 encourage their colleagues to act fairly and ethically and know that they are able to raise concerns about a suspected breach by another to the Code Administrator without fear of reprisal.
- m. 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 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.



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- 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' protocols that guide the collection, storage, use, transmission and disclosure of information.
- d. Directors must act in a way that is consistent with the APS' protocols on public comment.
- 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. 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.
- g. 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.
- h. 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 apparent 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 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.



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- 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 favours such that it might reasonably be viewed as likely to interfere with or influence the exercise of independent and objective judgment by the Director in the best interest of APS. This does not apply to gifts, entertainment or any other favours of a total value less than \$200.00 in any calendar year accepted by a Director as an incident of protocol or of the social obligations that normally accompany the responsibilities of the Director's office.
- h. 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 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.



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- 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 apparent conflict of interest is avoided or effectively managed. 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 Code Administrator for the Board Directors is the Board Chair or, in the absence of the Board Chair, the Vice Chair.
- b. The Code Administrator for the Board Chair is the Board Vice Chair, who receives disclosures from the Board Chair and responds to an allegation that the Board Chair has breached this Code. The Deputy Minister, Alberta Treasury Board and Finance can 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.
- c. A Director may request the Deputy Minister, Alberta Treasury Board and Finance to review a decision made by the Code Administrator.
- d. Every Director must exercise care to identify potential conflicts and report them to the Code Administrator as soon as possible after discovering such conflicts.
- e. 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.
- f. 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, Directors shall disclose in writing any relevant new or additional information about those interests as soon as possible. Where a real or apparent conflict of interest cannot be avoided, Directors must take the appropriate steps to manage the conflict.
- g. Directors disclose these real or apparent 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



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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.
- 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 Board Chair. The Board Chair will then consider the matter and make a recommendation to the President of Treasury Board and Minister of Finance where it has been determined that there is a conflict of interest or breach of conduct that requires action outside the Board's authority (e.g. suspension or removal of a Director).
- 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 President of Treasury Board and Minister of Finance.

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.

VII. Potential Breach of Code

- a. Directors are encouraged 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. The Code Administrator may report a breach, or a potential breach, of this Code by the Board Chair or a Director to the President of Treasury Board and Minister of Finance.
- c. 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. The identity of the reporter will not be disclosed unless required by law or in a legal proceeding. 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



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(with redactions of names, as appropriate) and the alleged Director will have a reasonable period of time to provide a response to the allegations and report.

- 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 make a recommendation to the President of Treasury Board and Minister of Finance for any disciplinary action outside the Board's authority (e.g. suspension or removal of the Director).

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 Deputy Minister, Alberta Treasury Board and Finance 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 need clarification, they may discuss their issue with:
 - i. the Board Chair (Code Administrator);
 - ii. the Board Vice Chair;
 - iii. the Compliance Hotline, as administered for APS by a third-party provider; or
 - iv. the Deputy Minister, Alberta Treasury Board and Finance.
- 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?



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X. Affirmation

The Code of Conduct for the APS Board of Directors was introduced on January 1, 2011 and adherence to it is affirmed annually in writing by every Director, and by resolution of the Board biennially to ensure it remains current and relevant.

This Code replaces all Codes of Conduct that previously applied to the APS Board of Directors.

POLICY AUTHORIZATION

Effective Date:

January 1, 2011

Reviewed and Approved by the APS Board:

April 13, 2011 – *approved retroactively to January 1, 2011*

September 28, 2011

September 12, 2012

September 17, 2013

September 24, 2014

January 30, 2017