

Code of Conduct and Ethics

1. Policy Statement

Participants and beneficiaries of the Management Employees 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 Members.

The Code of Conduct and Ethics Policy has been prepared with reference to Section 3(3) of Schedule 5, and Section 3 of Schedule 6 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 Management Employees Pension Plan (MEPP) and Public Service Management (Closed Membership) Pension Plan respectively. The Code of Conduct and Ethics Policy is consistent with Section 11 of the *Alberta Public Agencies Governance Act* (APAGA).

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 5 and Schedule 6 thereto and 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.

“**Board**” means the Management Employees Pension Board including all committees struck by the Board.

“**Code**” means this Code of Conduct and Ethics Policy for the Management Employees 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 as defined in the Code of Conduct and Ethics for the Public Service of Alberta;
- 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 and includes those persons who are not Board members but serve on a Board Committee.

“Plan” means the Management Employees Pension Plan and/or the Public Service Management (Closed Membership) Pension Plan, as the case may be.

“Plan Administrator” means the Alberta Pensions Services Corporation.

“Private Interest” of a member does not include an interest

- a) in a matter that is of general application to the Plan, or
- b) that affects a person as one of a broad class of the public or of the membership of the Plan, or
- c) that concerns remuneration and benefits of a Member as a Board Member; or
- d) an interest that is trivial.

“Trustee” means the President of Treasury Board and Minister of Finance.

2.2 Application

2.2.1 This policy applies to the Board and to all 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 and any supplemental Codes 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.



Management Employees Pension Board Policies

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 Members in meeting this duty, this Code has been adopted and will be reviewed 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 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, staff serving the Board, 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 and 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.

2.4.4 The Board recognizes that while it primarily has an advisory role to the Trustee, that advisory role shall not diminish adherence to these principles.

- a) The Board has a responsibility to endeavour to ensure that all major issues affecting the business and affairs of the Plan are given proper consideration.
- b) The Board will endeavour to give the Trustee the best advice it can on all matters relating to the operation of the Plan and on which it is consulted by the Trustee.

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 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:

- 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 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 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 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
- 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 Disclosure

- 2.5.2.1 When a matter is before the Board which could benefit the Member or a person associated with the Member (including, for example, a friend, any relative of the Member, a 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.

2.5.2.2 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 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.

2.5.2.3 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.

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

2.5.3 Reporting a Potential Breach

2.5.3.1 If a Member of the Board believes that he or she is in a conflict of interest or that they are in breach of the Code, they 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 time period.

2.5.3.2 If a Member of the Board has reason to believe that another Member is in conflict they 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 time period.

2.5.3.3 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.

2.5.4 Responding to a Potential Breach

2.5.4.1 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 Treasury Board and Finance.

2.5.4.2 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.

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

2.5.5 Consequences of a Breach

2.5.5.1 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.

2.5.5.2 The severity of the sanction will be determined on a case by case basis. Where the sanction recommendations exceed the Board's authority, the Board may make a recommendation to the Minister.

2.5.5.3 Records of Board sanctions, decisions or recommendations will be kept for future reference.

2.5.6 Review of a Decision

2.5.6.1 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.

2.5.6.2 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 Treasury Board and Finance.

2.5.7 Annual Declaration

2.5.7.1 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,



Management Employees Pension Board Policies

- b) the Member will adhere to the Code and/or will report any known or possible breaches to the Code Administrator or the Board.

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

- a) the Member has received a copy of this policy and has read and understood it;
- b) the Member will report any change of employment that may impact their appointment to the Board;
- c) the Member will report any new appointments as a Board of Director on any other Board; and
- d) at the end of that year, the Member has adhered to this policy and/or has reported any known or possible breaches to the Code Administrator or the Board.

2.5.7.3 Each Member shall complete, sign and date a Declaration of Conflict of Interest.

2.6 Acceptance of Gifts

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; and,
- b) the normal presentation of gifts to departing members, as set out in the Board's Recognition Policy.

2.7 Public Statements

- 2.7.1 Members are responsible for maintaining the confidentiality of Board information and documents, including 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 *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 Review

This policy will be reviewed annually.

2.9 History

Effective: February 27, 1996 (M96:02:08)
Reviewed /Revised: May 30, 2000 (M00:05b:03)
February 15, 2001 (M01:02:06)
June 3, 2005 (M05:06:11)
September 6, 2007 (M07:09:08)



Management Employees Pension Board Policies

December 4, 2008 (M08:12:05)
June 29, 2010 (M10:06:03)
December 7, 2010 (M10:12:04)
June 3, 2011 (M11:06:02)
April 13, 2012 (M12:04:06)
April 12, 2013 (M 13:04:08)
March 4, 2014 (M14:03:01)
March 5, 2015 (M15:03:01)
March 4, 2016
April 13, 2017 (M17:04:04)



Management Employees Pension Board Policies

MEPB CHARTER OF CULTURE AND EXPECTATIONS

Policy Statement

This Charter of Culture and Expectations encompasses the beliefs and philosophy of the Management Employees Pension Board (MEPB or the Board) and guides members and staff in their participation in or provision of services to: the MEPB, related meetings, and any Board related activities or business. It maintains that the Board should conduct business in a manner that is effective and in the best interest of the Management Employees Pension Plan (MEPP or the Plan) that it serves, resulting in a proactive, positive, and productive outcome for the Board, its Committees, staff and the Plan.

The Board establishes the culture which is expected to be maintained and respected by members and staff. Members and Board staff will act in good faith and with a duty of care to the Board and the Plan. Members will conduct the business of the Board with diplomacy, ethics and integrity, transparency, trust and respect for diversity.

In addition to adhering to the MEPB's Code of Conduct, members must adhere to all Board policies, including this Charter. These expectations must be clearly articulated to any applicant for a position. The Government of Alberta, through its recruitment process, will inform any recommended applicant to the Board or appointment that adherence to all Board policies, including the Charter, must be agreed to before appointment. The orientation process for any new Board members will include a review of all policies.

Effective: October 2, 2015 (M15:10:05)

Board Background

The Management Employees Pension Board (MEPB) is established through the Public Sector Pension Plans Act (PSPPA) to advise the Administrator and Trustee of the MEPP – the President of Treasury Board and Minister of Finance (the Minister). The MEPB's role is to provide the Minister with expert advice and recommendations on the MEPP, independent of the Government or other Plan Stakeholders. The mandate of the Board is established under the PSPPA, Schedule 5, section 3, and Schedule 6. The Board's roles and oversight responsibilities are also noted in the MEPB Mandate and Roles Document (MRD) between the Minister and the Board. The MRD is reflective of the Alberta Public Agencies Governance Act (APAGA).

The Board's activities and functions are set annually through its Business and Strategic Plan and Governance Schedule (agenda calendar) – both of which are established and approved in advance of the year. New initiatives that are identified during the year are added to the Board's agenda when required.

An Advisory Board differs from a Governance or Working Board and follows a Policy Board structure. The Board utilizes Board staff and external Expert Consultants to provide the Board with the best information to make its required decisions.



Management Employees Pension Board Policies

Board and Committee Meetings

To enhance Board effectiveness and ensure that the Plan and Stakeholders are served with the highest level of attention, diligence and prudence, Board members are expected to conduct board business with integrity, impartiality and with the highest level of ethics to support the Plan.

Board members agree to comply with the following:

- 1) Attendance and preparation:
 - a. Maintain an excellent attendance record at Board and Committee meetings. Members are expected to attend at least 80 per cent of meetings, unless there are extenuating circumstances. Meetings may be attended by Conference Call if necessary.
 - b. Ensure that they are well informed of the business of the meeting by reading meeting materials, background materials and reports in advance of meetings;
 - c. Vote on all matters brought to the meeting by a show of hands, unless a conflict is declared or you have asked to be recused;
 - d. Obtain additional information independently – or request staff to provide – if it is required to make necessary decisions.

- 2) Culture and Acceptance:
 - a. Adhere to the MEPB Code of Conduct;
 - b. Identify any conflict or potential conflict to the Chair or Management in advance of the meeting;
 - c. Recuse yourself from voting on any matters where there might be a potential conflict;
 - d. Act as an advocate for and make decisions in the best interest of the Plan, independent of the Administrator, Investment Manager, Management or Plan Sponsors;
 - e. Assume that other members will use sound judgement and act in the best interest of the Plan;
 - f. Respect diversity of members; be open to and accept differences in opinion, experience and expertise;
 - g. Observance of deliberative assembly; the majority rules, but the rights of the minority and absent members are protected, with everything being accomplished in the spirit of openness (respect the unchosen decision);
 - h. Act with acceptance, diligence, integrity, professionalism and respect for all:
Use effective and appropriate verbal and nonverbal communication (i.e. be mindful of tone and body language).

Commitment to the Board and the Plan

- 1) Education:
 - a. Educate yourself on the Plan, the Board and the environment in which the Board works;
 - b. Invest sufficient time in educating yourself on the Board's Business and Strategic Plan and Priorities;
 - c. Commit to education pertaining to the Management Employees Pension Plan and its unique needs, laws and governance;
 - d. Commit to continuing education related to the Plan and its needs, now or in the future, as long as you remain a Board member.

Review – The Charter will be reviewed annually with the MEPB Code of Conduct and with the Triennial review of the Board Terms of Reference (M05:06:11).