

## Board of Directors Code of Conduct and Ethics

Effective Date: June 30, 2019

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### **POLICY**

The purpose of the Board of Directors - Code of Conduct and Ethics Policy is to establish the rules governing the business and ethical conduct for members of the Board of Directors (Director) of the Credit Union Deposit Guarantee Corporation (Corporation).

The Code of Conduct and Ethics (Code) applies to all directors and is in addition to any relevant legislation pertaining to the actions of Directors and/or instructions issued by the Government. The Code reflects a commitment to the Corporation's Values of accountability, integrity and respect and provides a framework to guide Director's conduct in a way that upholds the integrity and reputation of the Corporation.

The range and complexity of Corporation activities are such that it is not possible to produce an exhaustive list of prohibitions which cover all situations and Directors understand that the Code does not cover every specific scenario. Therefore, they use the spirit and intent behind the Code to guide their conduct, and exercise care and diligence in the course of their work with the Corporation.

The Code is reaffirmed annually by the Board of Directors to ensure it remains current and relevant. To demonstrate our commitment to transparency and accountability, the Code is available to the public on the Corporation's website. Any changes to this Code will require the prior approval of the Ethics Commissioner.

The Board of Directors Chair (Chair) is the Code Administrator for the Board of Directors. The Code Administrator for the Chair is the Ethics Commissioner.

The Chair is a Senior Official. Along with this Code, the Senior Official must comply with the obligations stipulated in the Conflict of Interest Act. A summary of those obligations are contained under Board of Directors Chair.

It is necessary that any discussions, inquiries, concerns or questions that take place regarding a Code of Conduct matter be kept private and confidential by all those involved. Directors must feel confident that only those persons that are required to be involved or made aware will be included in the discussion and/or resolution.

Any breach of this Code may be grounds for the Code Administrator to suspend the Director from attending meetings and recommend the Minister rescind the Director's appointment.

### **Definitions**

'Director' includes all members of the Board of Directors and any committee appointees who are not members of the Board of Directors of the Corporation.

'Associate' is defined as all persons directly associated with a Director including:

- a spouse, a family member— including children under the age of majority, a business associate, or others with whom the Director has a significant personal or business relationship;
- a business or corporation where the Director owns 10% or more of the shares;
- a partnership in which the Director owns 10% or more interest;
- a person or group of persons acting as an agent of the Director and having actual authority in that capacity.

'Spouse' includes a common law partner in a relationship who is living with a Director in a bona fide domestic basis. It does not include a person who is living apart from the Director if the Director and spouse have separated pursuant to a written separation agreement or if their support obligation and family property have been dealt with by a court order.

"Private Interest" does not include the following:

- an interest in a matter that:
  - is of a general application,
  - affects a Director as one of a broad class of the public, or
  - concerns the remuneration and benefits of a Director-;
- an interest that is trivial;
- an interest of a Director relating to publicly-traded securities held in a blind-trust or in an investment arrangement.

### Behavioral Standards and Guiding Principles

The following behavioral standards and guiding principles are provided to assist Directors in their activities and decisions.

#### **Responsibilities**

Directors shall:

- demonstrate and encourage our Corporate Values of integrity, accountability and respect;
- conduct their duties with impartiality at all times;
- devote sufficient care and attention to the ongoing development of competencies and skill sets in order to conduct their duties in the best interest of the Corporation;
- demonstrate and encourage professionalism and ethical behavior;
- uphold their fiduciary duty to act honestly and in good faith, with a view to the best interests of the Corporation;
- be fully aware of and abide by each of the Corporation's Bylaws, Policies and Programs;
- maintain the confidentiality of corporate information or documents, ensuring that such information or documents are not directly or indirectly made available to unauthorized persons;
- be conscientious stewards of corporate assets and resources;
- exercise sound financial management-;
- take action and make decisions that align with the Corporation's Mandate, direction received from government and the Minister, and the long-term interest of the Corporation;
- carry out their duties in the best interest of the Corporation with the utmost integrity. It is important that there is no actual or perceived conflict between the private interest of the Director and their responsibility to the Corporation;

- take reasonable steps to avoid situations where they may be placed in an actual or perceived conflict of interest;
- disclose, at the earliest opportunity, concerns or situations which they consider an actual or perceived conflict of interest or a situation of non-compliance. Early disclosure to the Code Administrator provides the greatest opportunity to mitigate adverse perceptions and maintain objectivity and integrity for the Director and the Corporation;
- provide disclosures to the Code Administrator in writing in order to thoroughly detail and record the concern or situation;
- seek advice and/or clarification if and when they are unsure of a situation that may place them, a fellow Director or an Associate in an actual or perceived conflict of interest or that may be and actual or perceived breach of this Code.

### Expectations

Directors understand that each of the following expectations must be complied with:

- Directors must not act in a discriminatory, harassing, bullying, threatening, abusive or violent behavior towards another Director or employee;
- every Director enjoys the same rights in their private dealings as any other Albertan, unless it is demonstrated that a restriction is necessary to maintain an obligation or requirement of the Corporation;
- at any time a Directors' actions can be perceived as representing the Corporation, therefore Directors must exercise sound judgment to avoid situations that calls into question the reputation and integrity of the Corporation, including when communicating on social media platforms;
- Directors are required to be sufficiently familiar with any legislation that applies to their work, recognize potential risks and know when to seek advice;
- Directors are to not only comply fully with the law, but avoid any situation which could be perceived as improper or that indicates a casual attitude towards compliance-;
- Directors must not use their status or position with the Corporation to influence or gain a benefit or advantage for themselves or an Associate;
- Directors must not act in a manner that promotes their self-interest or that furthers their private interests by virtue of their position or through carrying out their duties;
- Directors must respect and protect confidential information, use it only for the work of the Corporation and not use it for personal gain or benefit, for themselves or an Associate. Directors must comply with the Corporation's [Confidentiality and Privacy](#) Policy and Program and [Information Management](#) Policy and Program that guides the collection, storage, use, transmission and disclosure of information;
- a Director who exercises regulatory oversight or other discretionary authority must disqualify themselves from any decisions where there may be circumstances that bring the Director's impartiality into question;
- Director must not allow the performance of their duties to be influenced by offers of future employment or the anticipation of offers of employment;
- Directors must avoid dealing with those in which the relationship between them might bring into question the impartiality of the Director-;
- family members may work within the Corporation provided there is no opportunity to exercise favoritism and there are no actual or perceived conflicts of interest for the employee involved-;
- when a Director is subject to more than one Code of Conduct, the Director must consider the expectations in each of the codes and discuss any potential conflicts with the Code Administrator;
- it is not acceptable to use drugs or any substances in a way that affects their performance and safety, or the performance and safety of their colleagues or that negatively impacts the integrity or business operations of the Corporation;

- Directors must not engage in criminal activities;
- if charged with an offence under the Criminal Code of Canada, the Controlled Drug and Substances Act or any other federal statute, the Director shall immediately report such a charge to the Code Administrator;
- the disclosure of any actual or perceived conflicts of interest does not resolve or absolve the Director from the issue or conflict.

### **Conflict of Interest**

A conflict of interest exists and a Director is in violation of this Code if they:

- take part in a decision knowing that the decision might be an actual or a perceived act of self-interest or furthering of the private interests of the Director or an Associate;
- use their position to influence or attempt to influence an employee or another Director that could be an actual or perceived act of self-interest or furthering of the private interests of the Director or an Associate;
- use or communicate information not available to the general public that was gained by the Director in the course of carrying out their duties, to further or seek to further a self-interest or the private interests of the Director or an Associate;
- expect or receive any preferential treatment by a credit union or service provider;
- influence a credit union or service provider with respect to the administration of any contracts where there may be an actual or perceived opportunity to further a self-interest or the private interests of the employee or an Associate;
- fail to appropriately or adequately disclose an actual or perceived conflict of interest.

### **Outside Activities**

Directors must avoid participating in outside activities that conflict with the interests and business of the Corporation. Outside activities include:

#### Business Interests:

Directors must not hold interests in a business directly or indirectly through an Associate that could benefit from or influence the decisions of the Corporation. When a concern or situation materialize that could be an actual or perceived conflict of interest, the matter must be disclosed to the Code Administrator at the earliest opportunity and the Code Administrator Review process will be followed.

#### Supplementary Activities:

Supplementary activities include an appointment, business undertaking or employment, including self-employment that involves financial reward or risk.

Directors must at all times conduct themselves to avoid the appearance of any actual or perceived conflicts of interest related to their supplementary activities. When a concern or situation materialize that could be an actual or perceived conflict of interest, the matter must be disclosed to the Code Administrator at the earliest opportunity and the Code Administrator Review process will be followed.

After the appointment to the Corporation's Board, the Code Administrator must be advised in advance of any potential changes to a Director's supplementary activities. Changes that take place with their existing employer do not require advance notice unless there is a potential concern. The Code Administrator will review any potential concerns that may need to be addressed.

The Code Administrator will take into consideration whether or not the activity:

- causes an actual or perceived conflict of interest;

- will or may appear to be an official act, opinion or policy of the Corporation;
- unduly interferes with regular duties or may have an impact on the Director's availability, performance or impartiality;
- involves the use of Corporation property, equipment, tools, computer, materials, supplies or personnel.

The Code Administrator will document the decision on this matter as part of the Code Administrator Review process.

### Volunteer Activity:

If a Director is involved in volunteer activities, the activities must not influence or conflict with decisions relating to the Corporation. When a concern or situation materialize that could be an actual or perceived conflict of interest, the matter must be disclosed to the Code Administrator at the earliest opportunity and the Code Administrator Review process will be followed.

### Political Activity:

Directors may participate in political activities including membership in a political party, supporting a candidate for elected office or seeking elected office. They must not use their position with the Corporation to seek contributions for a political party or activity from current or future clients or entities doing business with the Corporation. In addition, any political activity must be clearly separated from activities related to the business for the Corporation, must not be done while carrying out the business of the Corporation and must not make use of Corporation facilities, equipment or resources.

A Director who seeks federal, provincial, or municipal political office must disclose their intention in writing as soon as possible to the Code Administrator for guidance relating to their duties with the Corporation. If elected as a Member of the Legislative Assembly (MLA) the director must resign their appointment with the Corporation the day after the election.

### **Communications and Public Statements**

When dealing with anyone outside the Corporation, including public officials, Directors must not compromise the integrity or damage the reputation of either the Corporation or any outside individual, business or government entity.

The [Communications](#) Policy and Program details that the Chair of the Board of Directors or his/her designate, or the President & CEO or his/her designate, are the only officers of the Corporation authorized to communicate with the media.

### **Vacating the Board of Director Appointment**

Directors considering a new offer of employment or another appointment must be aware of and manage any potential conflicts of interest between their position with the Corporation and their future circumstance, and must remove themselves from any decisions affecting their new position.

Once a Director has vacated their appointment, they must not disclose confidential information that they became aware of during their time with the Corporation.

### **Using Corporation Assets**

Directors may have limited use of the Corporation's premises and equipment for incidental purposes providing such use involves minimal additional expense to the Corporation, must not interfere with the Mandate of the Corporation and must not support a personal or private business interest.

As detailed in the [Information Technology](#) Policy and Program, the Corporation will provide the necessary software for all corporate computers and equipment to ensure compliance with licensing terms and conditions. Directors shall not make, use or distribute copies of Corporation software.

### **Gifts, Hospitality or Other Benefits**

Directors must not solicit gifts, hospitality or other benefits from credit unions, other regulators or service providers.

Directors shall not accept gifts, hospitality or other benefits that are or may be perceived as being connected directly or indirectly with the performance of their duties from any individual, service provider, lobbyists or associated business of the Corporation, other than:

- in the normal exchange of gifts, hospitality or other benefits between persons doing business together;
- are tokens exchanged as part of protocol; or
- are considered normal presentations to persons participating in public functions, awards, speeches, lectures, presentations, or seminars.

Accepted gifts, hospitality or other benefits must be of nominal or nil monetary value. The nominal value of a gift or other benefit must not exceed \$100 and must not include cash, cheques or cash equivalents.

Disclosure of gifts, hospitality or other benefits received must be identified annually in the Director's [Code of Conduct and Ethics – Declaration and Disclosure Statement](#). Items not required to be included in the disclosure are:

- Gifts that have a nil monetary value (mugs, proprietary shirts, pens, hats, etc.)
- Gifts, hospitality or other benefits received that do not exceed \$100.

Multiple nominal gifts, hospitality or other benefits received from a single source to a Director over the course of the calendar year must be disclosed when the combined total is more than \$100.

Nominal gifts, hospitality or other benefits must not exceed a cumulative value of \$200 from a single source within a calendar year.

### **Board of Directors Chair**

Additional obligations that are applicable to the Board of Directors Chair (Chair) as the only Senior Official on the Board relate to the position and/or the information that may be available in the course of carrying out his or her duties. These statutory obligations are detailed within the Conflict of Interest Act. A summary of those obligations include:

- not taking part in decisions while carrying out his/her duties knowing that the decision might further a private interest of the Chair, a person directly associated to the Chair or the Chair's minor or adult children;
- not using his/her office or powers to influence or to seek to influence a decision to be made on behalf of the Crown or a provincial agency to further a private interest of the Chair, a person directly associated with the Chair including minor children or to improperly further any other person's private interest;
- not using or communicating 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 interest;

- appropriately and adequately disclosing any actual or perceived conflicts of interest.

### Administration

The Code Administrator will provide advice and assist in managing concerns and situations relating to the Code, including conflicts of interest. If a situation of non-compliance to this Code or an actual or perceived conflict of interest becomes apparent the situation will be addressed by the Code Administrator in accordance with the spirit and intent of the Code.

### **Declaration and Disclosure**

At least annually Directors must complete and submit the [Code of Conduct and Ethics - Declaration and Disclosure Statement](#) so that the Code Administrator is aware of any situation(s) that could be seen as influencing the decisions or actions being made on behalf of the Corporation and ensures that any actual or perceived conflicts of interest are avoided or effectively managed.

The [Code of Conduct and Ethics – Declaration and Disclosure Statement](#) contains:

- acknowledgement by the Director of their review and understanding of the Code of Conduct and Ethics Policy and their agreement to comply with the provisions stipulated in the Code; and
- the Director’s disclosure of:
  - any interests and/or relationships that could be an actual or perceived conflict of interest or that could be perceived to have an influence on decisions or actions that may be made on behalf of the Corporation;
  - membership(s) with credit union(s) to ensure that actual or perceived conflicts of interest are effectively managed;
  - gifts, hospitality or other benefits received over the course of the previous calendar year, as outlined under Gifts, Hospitality or Other Benefits, to ensure compliance with the Code.

Director declarations and disclosures made by Directors are held in confidence by the Corporation unless required to be disclosed under statute or in a legal proceeding, to be released.

When there is a change in their responsibilities within the Corporation or in their personal circumstance, Directors shall disclose in writing new, relevant or additional information about those interests as soon as possible.

### **Questions, Concerns or Situations**

Directors are encouraged to discuss with the Code Administrator in confidence, any questions they may have pertaining to this Code and/or the requirements for compliance to it. When a concern or situation is identified, the Code Administrator will initiate the Code Administrator Review process. When acting in good faith and/or with reasonable grounds, Directors are protected from reprisal or retribution when bringing forward any questions, concerns or situations.

Directors must feel confident that only those persons that are required to be involved or made aware will be included in the discussions and/or resolution.

### **Code Administrator Review**

Once a concern or situation is reported the Code Administrator Review process will be promptly initiated. The Code Administrator will review the concern and/or details of the situation and may request additional information before determining the course of action that will be taken.

If the concern or situation pertains to another Director or an employee of the Corporation, that person has the right to receive complete information and the right to respond to the concern or situation. During the review process all relevant parties will have an opportunity to be heard and all sides of a concern or situation will be considered, prior to a decision being made.

When conducting any review, the Code Administrator is required to maintain the confidentiality of the information and privacy of those persons involved in the process unless required to be disclosed under statute or in a legal proceeding.

When determining an appropriate course of action, the Code Administrator may consider:

- removing the Director from matters in which the conflict exists or is perceived to exist;
- allowing appropriate time for a Director to divest themselves from a direct or indirect interest or situation;
- requesting the Director give up the particular private interest causing the conflict; or
- in rare circumstances, requiring the resignation of the Director from their position.

The Code Administrator is obligated to provide reasons that support the decision. Where a breach of this Code has occurred, the Code Administrator may suspend the Director from attending future meetings and/or recommend the Minister rescind the Director's appointment.

A Director may request in writing that outside counsel review any decision made by the Code Administrator about an actual or perceived breach of the Corporation's Code of Conduct and Ethics, including conflict of interest. Alternatively, a Director may:

- apply to the Ethics Commissioner for a review of a ruling on a conflict of interest made by the Code Administrator, or
- report a concern or situation under the [Employee Conduct - Whistleblower](#) Policy and Program.

Any information that is collected by or for or is in the custody or under the control of the Ethics Commissioner will be governed under applicable statutes of that office.

### **COMMUNICATION**

This Code will be published on/or before June 15, 2019 and will come into force June 30, 2019.

When a Director requires advice or guidance in determining whether misconduct or a conflict exists, or requires clarification, they may discuss their issue(s) with:

- Code Administrator
- Chair of the Governance & Human Resources Committee
- President & CEO
- Privacy Officer
- Legal Counsel

The Governance & Human Resources Committee or the Code Administrator can address any questions regarding this Policy.



## MONITORING & REPORTING

In accordance with the [Board of Directors - Orientation and Professional Development](#) Policy, new Directors receive an orientation session that includes a detailed review and acknowledgement of the Board of Directors – Code of Conduct and Ethics Policy.

Annually, Directors will be required to review and complete the [Code of Conduct and Ethics – Declaration and Disclosure Statement](#).

The Corporation will support the Board of Directors Chair in meeting the obligations under the Conflict of Interest Act as the only Senior Official of the Corporation.

## REVIEW

All policies and programs are subject to legislated revisions.

The Code of Conduct and Ethics for Directors is reaffirmed annually by the Board to ensure it remains current and relevant.

## REFERENCE MATERIAL

Credit Union Act  
 Conflict of Interest Act  
 Lobbyists Act

[Board of Directors - Orientation and Professional Development Policy](#)  
[Communications Policy and Program](#)  
[Confidentially and Privacy Policy and Program](#)  
[Employee Conduct - Whistleblower Policy and Program](#)  
[Information Management Policy and Program](#)  
[Information Technology Policy and Program](#)

[Code of Conduct and Ethics - Declaration and Disclosure Statement](#)

<b>Review Date</b>	<b>Section</b>	<b>Reason for Change</b>
Mar 13, 2019	Policy and Communication	Minor changes and clarification regarding gifts, hospitality and other benefits from lobbyists.
Jun 20, 2018	Policy, Communication, Reference Materials	Changes made to align with feedback received from Ethics Commissioners office, and legislated changes as a result of the Lobbyists Amendment Act
Mar 14, 2018	Policy, Communication, Monitoring and Reporting, Reference Material	Legislative changes regarding Conflict of Interest Act, inclusion of Senior Official obligations and clarification of gifts, hospitality and other benefits. Pending Ethics Commissioner approval.
Mar 15, 2017	Policy, Communication, Monitoring and Reporting, Reference Material	Inclusion of revised/new policies and program. Changes made for consistency with other policy and programs. Removal of duplication. Name changes to forms for ease of identification and standardization.