

## **II. Code of Conduct/Conflict of Interest**

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### **Section 13 – Code of Conduct and Conflict of Interest Procedures**

#### **13.01 Purpose and Objective**

The purpose of this Section is to establish and document guidelines for conduct required of all members of the JBT. The guidelines have been developed to create and sustain a collaborative culture that promotes sound decision-making by the JBT, and the fulfilment of their fiduciary obligations effectively and with integrity.

The following guidelines and procedures have been developed to ensure that Board members have a full understanding of the Board's principles and values, and to assist Board members in determining appropriate practices and behavior.

The Board recognizes the need to review these guidelines and procedures on an annual basis. JBT members are required to provide written acknowledgement that the guidelines and procedures have been reviewed:

- (a) upon appointment to the Board;
- (b) each time the Governance Manual is amended; and
- (c) upon completion of each annual review.

The form of acknowledgement is attached to this Manual as Schedule 1.

#### **13.02 Expectations**

These duties apply to the members of the Board in their capacity as trustees of the Trust and as administrators of the Plans.

##### ***Opportunities Acquired Through Board Business***

Members of the Board must not take personal advantage of business opportunities of which they become aware in the course of carrying out their duties as Board members.

Similarly, confidential information obtained as a result of Board business must not be used for personal profit, or for the personal benefit of others.

##### ***Post Service Restrictions***

Any Board member who ceases to serve on the Board must continue to refrain from taking improper advantage of his or her previous position. Former members of the Board must continue to observe the duty to protect confidential information, unless they have received written authorization from the Executive Secretary to disclose the information or it is required by law.

### **13.03 Ethical Standards**

Members of the Board should adhere to the following standards when exercising all of their duties and responsibilities:

#### ***Preferential Treatment***

Board members must not use their position to benefit persons or organizations in their dealings with the Plans if this may be perceived to result in preferential treatment to such persons or organizations. This does not apply to any decision that a letter of understanding or Collective Agreement provides may be made for the benefit of a specific organization or its members.

#### ***Gifts, Benefits and Entertainment***

Board members should not accept gifts, benefits, entertainment or other personal favors from persons or organizations doing business with the Plans.

Board members must not solicit or accept gifts, benefits, entertainment or other personal favors in exchange for, or as a condition of, the exercise of their powers or as an inducement for performing an act associated with the powers and responsibilities of their position.

Members of the Board may generally accept gifts, hospitality or other benefits, of nominal value, associated with the duties and responsibilities of their position, if such gifts, hospitality or other benefits:

- are within the bounds of propriety, a normal expression of courtesy, or within the normal standards of hospitality;
- would not bring suspicion on the Board member's objectivity and impartiality; and
- would not compromise the integrity of the Board.

#### ***Communication and Public Comment***

Members of the JBT shall make no public communication or comment regarding the activities of the Board or the Plans. Public communication and comment shall be made only by the parties to the Collective Agreements.

Board members must not misrepresent the Plans in any communications, including oral representations, electronic communications, or written materials.

### ***Board Independence***

Although members of the Board are appointed by various appointing bodies and organizations, their primary duty and responsibility is to members of the Trust and Plans. Board members must not serve the interests of any other specific groups, associations or organizations including those of the Settlers.

### ***Compliance with Laws***

Members of the Board must conduct themselves with integrity, and must report any violation of the Code of Conduct and Conflict of Interest Procedures, or any charge or conviction under the *Criminal Code* (Canada) or any statute that may apply directly or indirectly to the Plans or that could otherwise bring the Trust and/or Plans into disrepute.

Board members must report criminal or other illegal or unethical conduct by any other Board member of which they may become aware, including any potential violations of the Code of Conduct and Conflict of Interest Procedures. Such reports shall be made at the earliest possible opportunity and in any case no later than at the commencement of the next following regularly scheduled Board meeting.

Reports are to be made to the Executive Secretary.

### **13.04 Conflict of Interest Procedures**

Members of the JBT shall not knowingly permit their interests, actual or perceived, monetary or otherwise, direct or indirect, to conflict with the proper exercise of their duties and responsibilities.

JBT members should familiarize themselves with the range of actions which may be taken to respond to a conflict of interest or ethical issue. Although not exhaustive, the following actions may be taken to remedy or avoid a possible conflict of interest or ethical issue.

#### ***Disclosure***

Members of the Board shall disclose to the Executive Secretary, in writing, the nature and details of any actual, perceived or possible conflicts of interest, which could impair their ability to make unbiased decisions affecting the Plans. Such disclosure shall be made as soon as practicable after a real, perceived or possible conflict of interest has been discovered by the Board member.

The Executive Secretary will table any matter of real, perceived or possible conflict of interest at the next regularly scheduled Board meeting, as an *in camera* agenda item, unless the matter requires an immediate resolution due to ongoing JBT business. The Executive Secretary, in consultation with the JBT (excluding the member who is, or may

be, in conflict of interest), will determine the appropriate action under the circumstances.

Should a JBT member discover an actual, perceived or possible conflict of interest during the course of a Board meeting, the member must immediately declare the conflict of interest. The Executive Secretary, in consultation with the Board (excluding the member who is, or may be, in conflict of interest), will determine the appropriate action under the circumstances.

### ***Register***

The Executive Secretary shall maintain a register of all actual, perceived or possible conflicts of interest disclosed by JBT members.

The register shall contain a description of each conflict of interest and the name of the JBT member to whom the conflict of interest applies, the date upon which the conflict of interest arose and was subsequently disclosed by the Board member, and the manner in which the conflict of interest was dealt with by the Board.

### ***Abstaining from Vote and Discussion***

JBT members who have disclosed a conflict of interest, or who are required to disclose an actual, perceived or possible conflict of interest, shall not participate in any discussion, decision or vote relating to any transaction involving the aforementioned conflict of interest.

Where a JBT member has disclosed a conflict of interest, the member may continue to participate in the discussion, decision or vote, despite the conflict of interest, by obtaining prior approval from the Chair. The approval to participate should be noted by the Executive Secretary in the register. Participation in a discussion, decision or vote where a conflict of interest has been identified will not invalidate the vote or decision.

### ***Other Business Activities***

JBT members engaging in any other business activities, directly or indirectly, which may conflict with or are in competition with their duties and responsibilities as Board members, must make full disclosure of such activities to the Executive Secretary.

Adhering to the *Disclosure* procedures in this section. The Board should determine whether an actual or perceived conflict of interest exists, and the appropriate action under the circumstances.

The Executive Secretary will advise the Board member in a conflict of interest to comply with one of the following options determined by the Board:

- discontinuation of the activity;

- appropriate action to remedy the situation; or
- consent to the activity.

### **13.05 Consequences of a Breach**

In the event of a breach of the Code of Conduct and Conflict of Interest Procedures, or a failure to remedy or disclose an actual or perceived conflict of interest, the consequences of such infractions should reflect the nature, magnitude and seriousness of the breach.

The Board may, upon the recommendation of the Chair in consultation with the Executive Secretary, consider the following consequences when dealing with a breach of the Code of Conduct and/or Conflict of Interest Procedures:

- Offered the opportunity to resign from the Board;
- Recommend to the appointing body to terminate the appointment of the JBT member;
- Required to make full restitution to the Board of any personal gain acquired as a result of the breach, for disposition by the Board;
- Legal action against the Board member; and/or
- If the Board member is in breach of the law, report the Board member's action to the proper authorities.

This above list is not exhaustive, and does not preclude any other course of action the Board may deem appropriate under the circumstances. The Board reserves the right not to sanction, or seek sanction, against a Board member in such circumstances where it is determined appropriate.

### **13.06 Avoidance of Bias**

JBT members shall not knowingly permit any relationship or other circumstances, either in the past or the present, to be perceived as a possible reason for the member to hold a bias either in favor or against a party with respect to whom a decision is to be made. Such parties might include Plan members, employees eligible for membership in one of the Plans, Service Providers engaged by the Board, or any other party who might be impacted by a Board decision.

If a member of the Board is aware of any circumstances which might give rise to a bias issue, the member must disclose the circumstances to the Executive Secretary at the earliest opportunity. The Chair, in consultation with the Executive Secretary, may recommend to the Board:

- removal of the JBT member from the panel of members that are making the decision;
- if the circumstances do not warrant removal of the member, the Chair (or Vice Chair if the matter involves the Chair) shall disclose the circumstances to the Board and provide the applicable member with an opportunity to make representations to the Board with respect to the ability of the member to participate in the hearing; and
- the Board shall determine the extent, if any, to which the member may participate in the hearing.

A member cannot be removed from the panel of the members that are making the decision where doing so would mean that a quorum of members would not be present, but the bias will be noted in the minutes.

A member is not required to disclose a relationship that is inherent in the manner of the member's appointment, such as being a member of a Plan or a member or employee of a body that is entitled to appoint a member of the Board.