

Credit Union Deposit Guarantee Corporation

CODE OF CONDUCT AND ETHICS FOR DIRECTORS

I. Introduction

The Code of Conduct and Ethics for the Credit Union Deposit Guarantee Corporation (Corporation) applies to all Directors of the Board. The Code reflects a commitment to the Corporation's values and provides a framework to guide ethical conduct in a way that upholds the integrity and reputation of the Corporation. Directors are expected to behave in a way that aligns with this Code. 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 the Corporation

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

Definitions

'Director' includes all Committee Appointees whether members of the Board of Directors of the Corporation or not.

'Associate' means the following:

- a spouse, an interdependent partner, a relative, or a relative of a spouse or interdependent partner, a personal friend/acquaintance
- a business or corporation where the Director owns 10% or more of the shares
- a partnership in which the Director owns a 10% or more interest
- a person or group of persons acting as the agent of the Director and having actual authority in that capacity

II. Core Values

- a. Directors act with impartiality and integrity.
- b. Directors demonstrate respect and accountability.
- c. Directors conduct themselves with dignity and in a professional manner.
- d. Directors practice and encourage ethics and governance best practices.

III. Guiding Principles

These principles guide the behaviour and decisions of Directors:

- a. The actions and decisions of Directors are made to advance the mandate and long-term interests of the Corporation.

- b. Directors are responsible stewards of Corporate resources and exercise financial management.
- c. To serve the Corporate interest, Directors have a responsibility to uphold the Corporation's mandate.
- d. Directors have a responsibility to act in good faith and to place the interests of the Corporation above their own private interests.
- e. Directors behave in a way that demonstrates that their behaviour and actions are fair and reasonable in the circumstance.
- f. Directors enjoy the same rights in their private dealings as any other Albertan, unless it is demonstrated that a restriction is necessary in the Corporation's interest.
- g. When a Director, as an individual, is subject to more than one code of conduct, the Director must consider the expectations in all. 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.
- h. The Code applies to all Directors of the Corporation.
- i. 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.
- j. Directors understand that disclosure itself does not remove a conflict of interest.
- k. 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.
- l. A Director who does not comply with any provision of this Code will be subject to disciplinary action, up to and include rescinding the appointment.
- m. Directors know that if they have any questions about the Code, or are not sure how to apply these principles, they should consult with the Code Administrator.
- n. Each Director confirms, on an annual basis, their understanding of, and commitment to, the Code's provisions and expectations. This includes a signed acknowledgement to abide by the Code.

IV. 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 the Corporation to influence or gain a benefit or advantage for themselves, their families, their business associates or others with whom they have a significant personal or business relationship.
- c. A Director's conduct must contribute to a safe and healthy workplace that is free from discrimination, harassment or acts of violence and abuse (physical or verbal).
- d. Directors must not use drugs or alcohol in a way that affects their performance and safety or the performance and safety of their colleagues, or that negatively impacts the reputation or business of the Corporation.
- e. Directors must act in a way that is consistent with the Corporation's protocols on public comment.
- f. 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 the Corporation. In other words, actions or decisions that Directors take on behalf of the Corporation must not provide them with an opportunity to further the private interests of themselves, their families, their business associates or others with whom they have a significant personal or business relationship.

1. Confidential Information

Directors must respect and protect confidential information, use it only for the work of the Corporation and not use it for personal gain. Directors must comply with protocols that guide the collection, storage, use, transmission and disclosure of information.

- Each Director shall exercise great care to protect against the disclosure of confidential information of the business of the Corporation, unless lawfully required.
- Directors shall comply with the confidentiality requirements of the Credit Union Act, (s.16) and shall not disclose nor make known any information or documents regarding the business or affairs of a credit union or Central, or a person dealing with a credit union or Central, to any other party, except within the provisions stated in the Act.
- Directors shall protect personal information within the provisions regarding its collection, use or disclosure under all privacy legislation.
- The responsibility for maintaining the confidentiality of information or documents also includes the responsibility for making sure that such information or documents are not intentionally nor negligently made available to unauthorized persons. This responsibility continues throughout the

Director's appointment to the Board and Committees of the Board, and survives the expiry of another term of appointment.

2. Conflict of Interest

It is important that there not be, nor seem to be, any conflict between the private interests of directors and their responsibility to the Corporation and the public. Directors shall conduct their responsibilities and carry out their duties in the best interest of the Corporation and with the utmost integrity, and within the obligations of the *Credit Union Act*.

Directors are required to disclose, at the earliest opportunity, situations which are or have the potential to become or may be perceived as a conflict of interest. Early disclosure to the Code Administrator provides the greatest opportunity to discreetly mitigate adverse perceptions and maintain objectivity and integrity for individual Directors and the Corporation.

To avoid potential, actual or perceived conflicts Directors must observe the following:

- A Director must remove himself/herself from discussions and decisions on matters in which he/she has or may be perceived to have a conflict of interest. This includes discussions or appeals involving associates or enterprises in which the Director or an associate of the Director has a financial interest; or where a Director is a board member, committee member, or holds any other position of influence at a credit union being discussed. Should a Director fail to remove himself/herself, the Code Administrator has the right to request that Director to leave the room.
- A Director, representing the Corporation, shall not participate in business transactions with associates where the outcome of the business transaction is affected or appears to be affected by the action taken or decisions made by the Director. A Director may not influence staff in any way with respect to the administration of any contracts involving business enterprises in which the Director or an associate has a financial interest
- A Director shall not expect nor receive any preferential treatment by a credit union for himself/herself or associate, or a personal friend/acquaintance; nor influence a credit union as a result of being an Director of the Corporation, with respect to the administration of any contracts involving business enterprises in which the Director, an associate, or a personal friend/acquaintance has a financial interest.
- A Director may not use information obtained in the performance of his/her duties as a member of the Board of Directors for improper personal gain or benefit, nor for the personal gain or benefit of an associate or personal friend/acquaintance.
- A Director may not act as a Director if he/she is a Director, officer or employee of a credit union that is under supervision or administration and must resign should a credit union where

he/she is a director, officer or employee be placed under supervision or administration.

- A Director shall not influence any other Directors where he/she has, or may be perceived to have, a conflict of interest.
- It is the responsibility of a Director to disclose any potential conflict of interest. Where a Director does not declare a conflict and other Directors are aware that a potential conflict exists, the other Directors have a responsibility to disclose the conflict to the Code Administrator.

3. Gifts and Gratuities

A Director may not solicit or accept gifts, discounts, favours or other personal advantages which are not available on the same terms to any other member of the public. Directors must not accept or receive gifts and gratuities other than the normal exchange of gifts between friends or business colleagues, tokens exchanged as part of protocol or the normal presentation of gifts to people participating in public functions.

4. Outside Activities

Directors must avoid participating in outside activities that conflict with the interests and work of the Corporation. 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 the Corporation.
- ii. **Employment:**
Directors must not take employment that affects their performance or impartiality with the Corporation.
- iii. **Political Activity:**
Directors may participate in political activities including membership in a political party, supporting a candidate for elected office or seeking elected office. However, they must not participate directly in soliciting contributions for a political party. In addition, any political activity must be clearly separated from activities related to the work for the Corporation, must not be done while carrying out the work of the Corporation and must not make use of Corporation facilities, equipment or resources in support of these activities.
A Director who seeks federal or provincial political office must take a leave of absence starting on the day the Director becomes an official candidate or on the day that the Director's candidacy is publicly announced, whichever is later, and if elected must resign effective the day after the election.
- iv. **Volunteer Activity:**
If Directors are involved in volunteer work, the activity must not influence or conflict with decisions relating to the Corporation, must not be done while carrying out the work of the Corporation

and must not make use of Corporation facilities, equipment or resources in support of these activities.

5. Pre-Separation

Directors considering a new appointment must be aware of and manage any potential conflicts of interest between their current position and their future circumstance, and must remove themselves from any decisions affecting their new appointment.

6. Post-Separation

Once Directors have left the Corporation, they must not disclose confidential information that they became aware of during their time with the Corporation and must not use their contacts with their former colleagues to gain an unfair advantage for their current circumstance.

7. Property

Directors may have limited use of the Corporation's premises and equipment for authorized incidental purposes providing such use involves minimal additional expense to the Corporation, must not be performed on the Director's work time, must not interfere with the mission of the Corporation and must not support a personal, private business.

The Corporation will provide the necessary software needs for all computer hardware to comply with the appropriate licensing terms and conditions. Directors shall not make, use, or distribute any software copies.

Any product or technology developed by Directors in the course of their appointment with the Corporation is the property of the Corporation, and shall remain so after rescinding of their appointment.

8. Related Persons or Parties

Directors must avoid dealing with those in which the relationship between them might bring into question the impartiality of the Director.

9. Dealing with Outside People and Organizations

Directors must take care to separate their personal roles from their corporate position when communicating on matters not involving corporate business. Directors must not use organization identification, stationery, supplies, and equipment for personal or political matters.

When communicating publicly on matters that involve Corporate Business, directors must not speak for the Corporation. The Chair of the Board of Directors or the President & CEO, or in his/her absence, the V.P. Finance & Corporate Services is the only officer of the Corporation authorized to communicate with media.

When dealing with anyone outside the Corporation, including public officials, Directors must not compromise the integrity or damage the

reputation of either the Corporation, any outside individual, business or government entity.

10. Compliance with the Law

Directors shall act at all times in full compliance with both the letter and the spirit of all applicable laws. In their relationship with the Corporation, no director shall commit or condone an unethical or illegal act or instruct another director or employee to do so. Directors are expected to be sufficiently familiar with any legislation that applies to their work to recognize potential liabilities and to know when to seek legal advice. If in doubt, directors are expected to ask for clarification. Falsifying any record of transactions is unacceptable. Directors should not only comply fully with the law, but should also avoid any situation which could be perceived as improper or indicate a casual attitude towards compliance.

V. Administrative Processes

Administrative processes help Directors manage ethical dilemmas, including any real or apparent conflict of interest concerns.

a. Administration

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 the Corporation. Even though the Corporation may have a delegated process for responding to and managing concerns, the Code Administrator is responsible for ensuring procedural fairness.

The Code Administrator for employees other than the Chief Executive Officer (CEO) is the President and CEO, as outlined in the Personnel Handbook – Code of Conduct and Ethics Policy.

The Code Administrator for the President and CEO is the Chair of the Board of Directors.

The Code Administrator for the Chair and members of the Board is the Governance and Human Resources Committee as outlined in the Corporate Policy - Code of Conduct and Ethics for Directors. The Committee receives disclosures from the Chair and Directors and responds to an allegation that a Director has breached this Code. Outside legal counsel can provide advice to the Director about whether a proposed activity by the Director would be a breach of this Code.

b. Disclosure

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 the Corporation. When there is a change in their responsibilities within the

Corporation 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.

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 the Corporation. 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, options include:

- removing themselves from matters in which the conflict exists or is perceived to exist;
- giving up the particular private interest causing the conflict; and,
- in rare circumstances, resigning their directorship with the Corporation.

c. Reporting a Potential Breach by Another

Directors are encouraged to 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 reprisal or retribution for such reporting.

d. Responding to Potential Breach

Once a potential breach has been reported, the Corporation'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. The alleged Director has the right to complete information and the right to respond fully to 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.

e. Consequences of a Breach

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 will be subject to disciplinary action up to and including removal of the Director.

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

f. Review of a Decision

A Director can request in writing that outside legal counsel review the decision made by the Code Administrator about a real or apparent breach of the Corporation's Code of Conduct, including conflict of interest involving that Director.

VI. Other Resources

a. Where to Get Advice

When Directors require advice and guidance in determining whether misconduct or a conflict exists, or need clarification, they may discuss their issue with:

- the Code Administrator for Directors,
- the President and CEO,
- the Privacy or Compliance Officer, or
- Legal Counsel

b. Questions to Consider

When Directors are faced with a difficult situation, the following questions may help them decide the right course of action:

- Have I reflected on or consulted with the Code Administrator about whether I am compromising the Code's values, principles or behavioural standards?
- Have I considered the issue from a legal perspective?
- Have I investigated whether my behaviour aligns with a policy or procedure of the Corporation?
- Could my private interests or relationships be viewed as impairing my objectivity?
- Could my decision or action be viewed as resulting in personal gain, financial or otherwise?
- Could my decisions or actions be perceived as granting or receiving preferential treatment?

VII. Affirmation

The Code of Conduct and Ethics for Directors for the Credit Union Deposit Guarantee Corporation was introduced on November 25, 1997 and is reaffirmed annually by the Board to ensure it remains current and relevant.