

## **Calgary Firefighters Supplementary Pension Plan Conflict of Interest Policy**

### **Definitions**

*“Board”* means the Board of Trustees of the Calgary Firefighters Supplementary Pension Plan;

*“City”* means the City of Calgary, a Municipal Corporation of the Province of Alberta;

*“Fund”* means the trust fund established as the Calgary Firefighters Supplementary Pension Plan pursuant to the Trustee Agreement;

*“IAFF”* means the International Association of Firefighters, Local 255;

*“Plan”* means the Calgary Firefighters Supplementary Pension Plan pursuant to the Trustee Agreement;

*“Plan Sponsor”* means one or the other of the City or the IAFF as herein defined;

*“Related Person”* means a spouse or immediate family member of the Trustee, or an employee of the Trustee;

*“Trust Agreement”* means the Memorandum of Agreement between the City and the IAFF dated as of September 23, 1987, as amended from time to time;

*“Trustee(s)”* means one or any number of the persons appointed to the Board of Trustees pursuant to the Trust Agreement;

### **Purpose**

1. This policy is established to assist Trustees in determining the existence of an actual or perceived conflict between:
  - a) the material pecuniary or non-pecuniary interests of an individual Trustee or a Related Person, and
  - b) the interests of the Fund, Plan members and others who are entitled to benefits from the Plan,and to provide an administrative mechanism to resolve such a conflict if one does arise.

## **Statement of Principles**

2. In the exercise of their powers and discharge of their duties Trustees must act honestly, impartially, objectively and always in the best interests of the Fund, Plan members and others who are entitled to benefits from the Plan.
3. The relationship that a Trustee has with his or her appointing Plan Sponsor does not, in and of itself, place the Trustee in a conflict of interest. A Trustee is required to fulfill his or her duties and responsibilities as a Trustee despite any obligation he or she may have to either Plan Sponsor. Where a Trustee is in doubt as to whether an obligation to either Plan Sponsor places the Trustee in conflict with his or her duties and responsibilities as a Trustee, the Trustee is required to raise the potential conflict with the Board.
4. A Trustee does not place himself or herself in a conflict of interest by reason of the Trustee discussing and/or making recommendations to Plan Sponsors or participating in the establishment of Board policies respecting expenses and remuneration of the Trustees.
5. A Trustee does not place himself or herself in a conflict of interest by reason of the Trustee investing the assets of the Trustee or a Related Person utilizing investment information derived from being a Trustee provided that the use of such information does not:
  - a) contravene applicable securities legislation;
  - b) has not been provided in confidence to the Trustee; or
  - c) is not utilized by the Trustee or Related Person prior to the Fund having the opportunity to fully utilize such investment information to its complete advantage either directly or through its investment manager(s).

## **Examples of Potential Conflict of Interest**

6. Without limiting the generality of the following, a Trustee is in a conflict of interest if:
  - a) the Trustee knowingly allows his or her interests or those of a Related Person to cause the Trustee to decide against or otherwise dissuade the Trustee from acting in the best interests of the Plan, the Fund and/or Plan members and others who are entitled to benefits from the Plan;
  - b) the Trustee uses his or her position as Trustee to influence or seek to influence a decision of the Board to further the interests of the Trustee or a Related Person;
  - c) by virtue of his or her position as Trustee, the Trustee or a Related Person receives a

- preference from the Board on entering into a contract or receives a contract not available to the public or otherwise receives preferential treatment or pricing with an existing or potential provider, vendor or supplier to the Board, Plan or Fund;
- d) the Trustee makes representations on behalf of the Board in any business transaction in which the Trustee or a Related Person has an interest;
  - e) the Trustee uses or communicates information not available to the public that was gained by the Trustee in the course of carrying out his or her duties and responsibilities with the intention of furthering the interests of the Trustee or a Related Person; or
  - f) the Trustee or Related Person has direct pecuniary interest in any organization which does business with or on behalf of the Plan.
  - g) subject to sections 7, 8, and 9, the Trustee accepts or solicits any gifts, hospitality or other benefits (including any commissions, fees, salary, payments or items such as gift certificates, securities, memberships or free or discounted sporting or cultural event tickets) that may compromise or appear to compromise the Trustee's integrity or objectivity, or the Trustee's ability to act in the best interests of the Plan, the Fund and/or Plan members and others who are entitled to benefits from the Plan.

### **Permitted Business Transactions**

- 7. Gifts, hospitality and other benefits may be accepted by a Trustee if they:
  - a) arise out of the business activities or events related to the Trustee's duties and responsibilities;
  - b) are infrequent, immaterial or trivial in nature; and
  - c) are within the normal industry standards of courtesy, hospitality or business protocol.
- 8. Entertainment (including meals and attendance at sporting or cultural events) may generally be accepted, if the host is present for the event, and it is within the normal industry standards of courtesy, hospitality or business protocol.
- 9. Opportunities to attend industry meetings or educational conferences related to a Trustee's business functions are not considered to be gifts. Meals or participation in events related to these meetings or conferences may generally be accepted if the same treatment is offered to all participants or attendees and attendance is offered to multiple organizations.

### **Disclosure of Potential Conflict of Interest and Resolution**

10. If a Trustee reasonably believes that he or she is subject to an actual or perceived conflict of interest the Trustee must disclose to the Board the particulars of the actual or perceived conflict as soon as is practicable and, until the conflict is determined and resolved by the Board, must absent himself or herself from any discussion or vote on the matter. The affected Trustee may provide a representation to the Trustees about such actual or perceived conflict of interest prior to absenting himself or herself from the discussion and vote. In order to be considered as being absent from a discussion and vote the affected Trustee must be physically absent from the room where the discussion and vote takes place.
11. The Board may enter into a business transaction with a Trustee or Related Person if:
  - a) the Board is satisfied that the affected Trustee has disclosed to the Board the full nature and extent of his or her interest in the proposed business transaction and, to the extent that the Trustee is able, the interest of any Related Person in the proposed transaction; and
  - b) the Trustee absents himself or herself from the discussion and vote on the business transaction.
12. When authorizing a business transaction under section 11, the Board may impose any conditions it deems necessary in the circumstances to protect the interests of the Plan, the Fund and/or Plan members and others who are entitled to benefits from the Plan.
13. Where the Board approves a business transaction under section 11, an entry shall be made into the minutes of the meeting confirming the approval of the business transaction by the Board.

### **Acknowledgement**

14. Each calendar year each Trustee shall confirm in writing that he or she has received a copy of this Policy and:
  - a) has read and understood it;
  - b) has adhered to this Policy with respect to the disclosure of any conflict of interest; and
  - c) has reported any known conflicts to the Board.

**Adopted and approved by the Board of Trustees on June 16, 2016.**