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## Board Code of Conduct and Business Ethics

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### 1. Introduction and Application

CLBC is committed to the highest standards of business ethics and integrity.

This Code of Conduct and Business Ethics (“Code of Conduct”) provides general guidelines intended to support ethical behaviour and decision making at CLBC, consistent with the Board Resourcing and Development Office’s “Standards of Ethical Conduct for Directors of Public Sector Organizations”. The Code of Conduct applies to all Directors of CLBC.

### 2. Compliance with Law and Ethical Standards

CLBC’s Directors shall comply with all applicable provisions of laws and regulations. No one in CLBC shall commit or condone an illegal act or instruct another Director to do so. All Directors are expected to follow the spirit as well as the letter of the law.

All Directors will conduct themselves in such a way as to continuously protect CLBC’s reputation and in particular will conduct all business on behalf of CLBC fairly and honestly.

### 3. Harassment

Everyone at CLBC has the right to a workplace free from harassment. This includes harassment based on a person’s race, colour, ancestry, religion, sex, sexual orientation, age or any other prohibited ground of discrimination.

Harassment includes threats or bullying, unwanted or unnecessary physical contact, obscene jokes or other inappropriate, sexually explicit or offensive language, and excessively offensive remarks. It includes inappropriate behaviour, against another person that a reasonable person knows, or ought to know, would cause offence, humiliation, or intimidation. It includes any conduct that results in injury or threat of injury including, but not limited to, acts of aggression, verbal or written threats, or vandalism of personal property.

At CLBC, we consider it the obligation of Directors to report any incidents of harassment they may witness or of which they become aware.

### 4. Conflicts of Interest

A conflict of interest is a situation in which the private interests of a Director conflicts directly or indirectly with his/her responsibilities to CLBC.

Every Director should avoid any situation in which there is an actual or potential conflict of interest which could, or perceived to,<sup>1</sup> interfere with the Director's judgment in making decisions in CLBC's best interest.

#### 4.1. DEFINITIONS

In this section:

- a) **"private interest"** means a pecuniary or economic interest or advantage and includes any real or tangible benefit that personally benefits the Director or his or her associate;
- b) **"associate"** means:
  - i) a spouse of the Director;
  - ii) a son or daughter of a Director or of the spouse of a Director if the son or daughter is under 19 years of age or is living in the family residence;
  - iii) a relative of the Director who is living in the family residence;
  - iv) a friend of the Director;
  - v) a corporation of which the Director beneficially owns, directly or indirectly, more than 20% of the voting rights attached to all outstanding voting securities of the corporation; or
  - vi) a trust or estate in which the Director has a substantial beneficial interest or for which the Director serves as trustee;
- c) **"friend"** includes an individual with whom the Director is connected by frequent or close association;
- d) **"relative"** means a relative by blood, adoption or marriage; and
- e) **"spouse"** means a person to whom the Director is married or with whom the Director is living in a marriage-like relationship, including a person of the same gender, but does not include a person from whom the Director is separated or living apart and with whom the Director has entered into an agreement to live apart or who is the subject of an order of a court recognizing the separation.

#### 4.2. EXAMPLES

The following has been developed to provide guidance to Directors in areas where actual, potential or perceived conflicts of interest or other ethical issues may arise. It is not an exhaustive list.

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<sup>1</sup> An "apparent conflict of interest" means any situation where it would appear to a reasonable person that a Director is in a conflict of interest situation.

#### **4.2.1 Outside Business Interests**

No Director should hold a substantial private interest, directly or indirectly, through a relative, friend or associate, or hold or accept a position as an officer, director, or service providers in an entity where by virtue of his or her position in CLBC the Director could in any way benefit the entity by influencing the decisions of CLBC.

#### **4.2.2 Corporate Opportunity**

No Director should receive personal financial benefit through the use or misuse of confidential information in relation to the business of CLBC. Examples of situations which could contravene this policy are:

- a) taking advantage, for personal gain, of a business opportunity known because of one's position with CLBC;
- b) speculating in any commodity or real estate that is or is likely to be acquired or required by CLBC; or
- c) conducting any private business activity from or by using any CLBC asset for personal purposes, unless expressly authorized to do so, in writing.

#### **4.2.3 Confidential Information**

A Director should at all times maintain the confidentiality of all confidential information and all records of CLBC and must not make use of or reveal such information or records except in the course of performance of his or her duties or unless the documents or information become a matter of general public knowledge.

Similarly, Directors may not use confidential information obtained through their association with CLBC to further their private interests or the private interests of their friends, relatives or associates.

A Director using CLBC's electronic devices, computer data base or electronic mail system will be expected to comply with any internal policies and procedures that guide the storage, use and transmission of information through this medium.

If in doubt what is considered confidential, a Director should seek guidance from the Board Chair.

#### **4.2.4 Investment Activity**

Directors may not, directly or indirectly, through friends, relatives or associates, acquire or dispose of any interest, including publicly traded shares, in any entity when in possession of confidential information obtained in the performance of their duties with CLBC that could affect the value of such interest.

#### 4.2.5 Non-Profit and Professional Associations

From time to time, a Director may reach a position of leadership in a non-profit association where he or she may be viewed as a spokesperson for that group. In such situations, the Director should take reasonable steps to ensure that when speaking on behalf of a non-profit association he or she is seen as speaking for the organization and not as a spokesperson of CLBC.

#### 4.2.6 Entertainment, Gifts and Benefits

In this discussion, “gifts or benefits” include cash, preferred loans, securities or secret commissions and “entertainment” includes invitations to attend events or functions, or to take part in excursions.

It is essential for efficient business practices that all those who do business with CLBC, as contractors or customers, have access to CLBC on equal terms.

Directors should not accept entertainment, gifts or benefits that grant or may appear to grant preferential treatment to a potential or actual contractor of CLBC.

Similarly, no Director may offer entertainment, gifts or benefits in order to secure preferential treatment for CLBC.

Gifts, entertainment and benefits may only be accepted or offered by a Director in the normal exchanges common to business relationships. The following criteria should guide director judgment:

- a) the gift, entertainment or benefit would be considered by the business community to be within the bounds of propriety taking into account all the circumstances of the occasion;
- b) the exchange does not nor is it expected to create an obligation;
- c) it occurs infrequently; and
- d) it could be justified on a CLBC expense statement if the Director offered rather than received it.

Inappropriate gifts that are received should be returned to the donor and may be accompanied by a copy of the Code of Conduct. Perishable gifts can be donated to a charity and the donor notified.

In some cultures or business settings, the return of a gift or refusal of a favour, benefit or entertainment would be offensive; in these cases, a Director should refer the circumstances to the Board Chair for guidance.

Full and immediate disclosure of borderline cases will always be taken as good-faith compliance with the Code of Conduct.

#### **4.2.7 Use of CLBC Property**

CLBC assets must not be misappropriated for personal use by Directors.

Directors are entrusted with the care, management and cost-effective use of CLBC's property, including the use of CLBC's name, and should not make use of these resources for their own personal benefit or purposes.

Directors should ensure that any CLBC property assigned to them for business purposes is maintained in good condition and should be able to account for such property.

Directors may not dispose of CLBC property except in accordance with the guidelines established by CLBC.

#### **4.3. PROTOCOL FOR DEALING WITH CONFLICTS OF INTEREST**

Directors who find themselves in an actual, potential or perceived conflict of interest must disclose the conflict to the Board Chair. The Director may be required to abstain from voting or other actions that impact the outcome of the activity or business transaction, depending on the circumstances and as decided by the Board on the recommendation of the Governance and Human Resources Committee. Full disclosure enables Directors to resolve unclear situations and gives an opportunity to dispose of or appropriately address conflicting interests before any difficulty can arise.

### **5. External Disclosure of Confidential Client Information**

CLBC Directors may only disclose confidential information to external third parties when disclosure is authorized or required by law or an enactment in a court proceeding. Any other external disclosure of confidential information is subject to prior approval of the Board Chair or CEO.

### **6. Accounting Practices and Communications**

CLBC's policy is that strict compliance with prescribed accounting procedures and controls will be practiced at CLBC at all times. All assets, liabilities, income and expenses shall be correctly identified and recorded in the appropriate books of account. No Director shall make any false or misleading statement to internal or external auditors or conceal or omit information necessary to make statements to such auditors meaningful. No Director will withhold any books or records relevant to any subject under review from the internal or external auditors.

### **7. Complaints Procedure/Ethical Reporting Procedure**

CLBC is committed to maintaining a workplace in which the company can receive and address all complaints regarding violations or perceived violations of the Code of Conduct.

All complaints received by CLBC in respect of the Code of Conduct shall be referred to the Chair of the Finance and Audit Committee. The Chair of the Finance and Audit Committee shall conduct such investigation as he or she considers appropriate, retain any documentation obtained as part of the investigation and report all complaints, with recommended action, to the Governance and Human Resources Committee. In the event any member of the Governance and Human Resources Committee is the subject of a complaint, the report and recommendations shall be made to those members of the Governance, and Human Resources Committee who are not the subject of the complaint.

## 8. Whistleblower Protection

The privacy of an individual who makes a complaint in respect of this Code of Conduct will be respected as much as possible in the circumstances. Management of CLBC is responsible for ensuring that any individual who, in good faith, has made a disclosure of a breach or potential breach of this Code of Conduct does not suffer any adverse consequences as a result.

All disclosures will be kept confidential unless the matter disclosed constitutes an actual or potential threat of serious harm to CLBC, its employees or to the general public.

CLBC prohibits discrimination, harassment or retaliation against anyone who provides information or otherwise assists in an investigation or proceeding regarding an alleged breach of the Code of Conduct. An individual who legitimately, and in good faith, makes a complaint regarding a breach or perceived breach of the Code of Conduct shall not, as a result of those activities, be discharged, demoted, suspended, threatened or harassed or otherwise discriminated or retaliated against in the terms or conditions of employment, the terms of any contractual relationship, or the terms of directorship with CLBC.

However, since such allegation of impropriety may result in serious personal repercussions for the subject of the complaint, the individual making the allegation of impropriety should have reasonable and probable grounds before making a complaint and should undertake such reporting in good faith, in the best interests of CLBC, and not for personal gain or motivation.

Any individual who retaliates against a person who has made a complaint regarding the Code of Conduct is subject to discipline up to and including termination of that person's employment or contract or, in the case of a Director, a recommendation to the Minister that the person's directorship be terminated.

In the event an investigation reveals that a complaint was made frivolously or undertaken for improper motives or in bad faith or without a reasonable basis, as determined by the Governance and Human Resources Committee, appropriate disciplinary action may be taken.

## 9. Exemption from Code of Conduct requirements

Directors may be, or have a significant connection to, individuals referred to in the definition of “community living support” as set out in the CLAA. These Directors must disclose their conflict and such conflict must be resolved in accordance with this policy.

In extraordinary circumstances and where it is clearly in the best interests of CLBC to do so, a Director may be exempted in writing from a requirement of this Code of Conduct following full and detailed disclosure by the Director of all material and relevant circumstances respecting the matter. Conditions may be attached to an exemption.

If a Director is exempted from a requirement of this Code of Conduct for the continuation of circumstances that would otherwise be considered a conflict of interest, the Director must refrain from participating in any way in any decision-making respecting the subject matter of the conflict of interest except to the extent specifically authorized in the decision granting the exemption.

## 10. Provisions of Code of Conduct not Exclusive

The provisions of this Code of Conduct are in addition to, and not in substitution for, any obligation to CLBC imposed upon by common law, equity or statute. Compliance with the Code of Conduct shall not relieve a Director from any such obligation.

## 11. Annual Declaration

Directors will annually complete the Form of Declaration set out below to acknowledge that they have read and understood the Code of Conduct.