



Code of Conduct and Conflict of Interest Procedures for Trustees

Board Policy



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Code of Conduct and Conflict of Interest Procedures for Trustees

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Code of Conduct and Conflict of Interest Procedures for Trustees



1 Introduction

- 1.1 The Board of Trustees of the Saskatchewan Healthcare Employees' Pension Plan (Board) recognizes that an effective pension governance structure has the following components:
 - 1.1.1 A code of conduct to guide the behaviour and conduct of all participants in the governance, management and operation of the Saskatchewan Healthcare Employees' Pension Plan (Plan).
 - 1.1.2 Conflict of interest procedures for identifying potential conflicts of interest and resolving such conflicts.
- 1.2 The Board has approved the following Code of Conduct and Conflict of Interest Procedures (Procedures) for Trustees of the Board. The Board is responsible for monitoring the application of the code and the Procedures.

2 Code of Conduct

- 2.1 The relationship between a Trustee and the Board is built on trust, with a commitment to honesty and integrity.
- 2.2 In serving the Plan, Trustees must act with loyalty and support the Plan's objectives without reference to any other association they may have.
- 2.3 The Board expects that Trustees will organize their personal and business interests in such a manner that:
 - 2.3.1 The confidence and trust Plan members and participating employers have in the integrity, objectivity and impartiality of the Board and its Trustees will be maintained; and
 - 2.3.2 Real, potential and perceived conflicts of interest will be identified, disclosed, managed and, where reasonably possible, resolved.
- 2.4 Trustees must:
 - 2.4.1 Act in good faith and in the best interests of the Plan and its members;
 - 2.4.2 Not allow a personal or business interest to conflict or appear to conflict with the proper exercise of their duties and powers;
 - 2.4.3 Conduct themselves in their service on the Board courteously, with integrity and in a manner that reflects positively on the Board;
 - 2.4.4 Comply with the Plan Text, the Trust Agreement, relevant provincial and federal legislation and Board policies and procedures;
 - 2.4.5 Comply with these Procedures; and
 - 2.4.6 As soon as they become aware of, or suspect the existence of, a breach of these Procedures; report the breach or suspected breach to the Board Chair or Vice Chair.

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2.5 Trustees must not:

2.5.1 Engage in, or give the appearance of being engaged in, any illegal or improper conduct; or

2.5.2 Disclose, or make inappropriate use of Board information that could be considered confidential, unless such disclosure is required to carry out their responsibilities as Trustees or required by law.

2.6 As soon as the Chair or Vice Chair is made aware of a breach or suspected breach of these Procedures, the Chair or Vice Chair must ensure that the matter is addressed by the Board in a timely manner.

2.7 Where a Trustee has been found by the Board to be in breach of these Procedures, the Board must determine the appropriate action to be taken.

2.8 A Conflicts of Interest Register will be included in the materials prepared for each Board meeting if identified prior to the meeting, and each Board meeting agenda will include a review of that register or opportunity to declare a conflict on meeting day. The register will contain the details of any real, potential, or perceived conflicts that pertain to the current agenda item or have arisen since the last meeting. Disposition of each conflict noted in the meeting's conflict register will be recorded in that meeting's minutes.

3 Trustee Public Communication

3.1 A "public communication" is any description or commentary, written or verbal, on or in respect of the Plan in a forum or a medium where the communication will be received by anyone other than other Trustees, Plan employees, or appointing bodies.

3.2 A Trustee must not make a public communication in a manner that could be reasonably perceived as a communication of the Board or the Plan unless the communication is first authorized by the Board.

3.3 If a Trustee makes a public communication that has not been authorized by the Board, the Trustee must prominently and plainly state in the communication that they are not making the communication on behalf of the Plan.

4 Conflict of Interest Procedures

4.1 Trustees work in service to the Plan and its members and are obligated to fulfill their responsibilities in a manner consistent with this charge. All decisions of the Board and the Trustees individually must be made in good faith, with diligence and care, in a manner reasonably believed to be in the best interest of the Plan, and with due regard for the reputation of the Plan. Each Trustee thus has an affirmative duty to identify, disclose and manage conflicts in conformity with these Procedures and the law.

4.2 The following provides a framework for managing real and potential conflicts of interest.

4.2.1 Definition of Private Interest and Conflict of Interest:

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- a) A “Private Interest” of a Trustee includes any real or tangible interest that personally benefits a Trustee. A Private Interest is not limited to a pecuniary or financial advantage.
- b) A *real* conflict of interest exists when a Trustee exercises a power, makes a decision, or performs a duty or function as a Trustee, and at the same time knows that in the exercise of the power, the making of the decision or the performance of the duty or function there is an opportunity to further the Trustee’s Private Interest. A *potential* conflict exists when a reasonable person would conclude from the circumstances that a Trustee’s exercise of a power, making of a decision or performance of a duty or function as a Trustee could be affected by a Private Interest of the Trustee.
- c) While it is not possible to provide an exhaustive list of situations giving rise to a conflict of interest, below are some examples of situations presenting real and potential conflicts of interest.
 - i. Using the position as a Trustee or confidential information to which Trustees become privy for personal gain or the gain of any persons other than the Plan’s members;
 - ii. Participating, directly or indirectly, in any arrangement, agreement, investment or other activity with any vendor, supplier or other party doing business with the Board which has resulted or could result in personal benefit to a Trustee;
 - iii. Receiving, directly or indirectly, any salary payments, loans, benefits, gifts, entertainment and favours, or any free service or discounts or other fees from or on behalf of any person or organization engaged in any transaction with the Board;
 - iv. Having a personal or financial interest in an entity from which the Board purchases services or goods;
 - v. Having a membership, management or consulting relationship with an entity that does business with the Board; and
 - vi. Having an interest, including an interest which arises out of the Trustee’s employment or membership on another board of trustees or a board of directors, which may influence the Trustee’s behaviour as a Trustee, the exercise of any of their powers as a Trustee, or the performance of the Trustee’s duty on behalf of the Board.

4.2.2 Trustees’ Disclosure Obligation:

- a) If a Trustee thinks they have, or may have, an actual or potential conflict with respect to an item on the agenda for an upcoming Board meeting, the Trustee must promptly disclose the conflict and all relevant material facts to the Chair or Vice Chair. Relevant material facts include:
 - i. The benefits that may be realized by the Trustee;

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- ii. The extent to which, if any, the Trustee is involved with any vendor, supplier or other party doing or competing to do business with the Board;
 - iii. Whether the Trustee is privy, in their capacity as a Trustee, to proprietary or other non-public Plan information that could be advantageous to the Trustee in relation to other parties interested in a proposed transaction; and
 - iv. If the Board would be likely to enter into the proposed transaction or relationships in the absence of the Trustee's SHEPP affiliation.
- b) Once the conflict has been disclosed, the Trustee must abstain from participating in any discussions and subsequent vote related to the item at the meeting.
 - c) In the alternative to the procedures set out in a) and b) above, the Trustee may submit the matter to the Board for its consideration. When the item arises on the agenda, the Chair or Vice Chair will, for the record, identify the conflict and the material facts relating thereto. The Trustee must absent themselves from any portion of the Board's discussion and vote devoted to determining whether a conflict exists.
 - d) If the Board by majority vote of the Trustees present at the meeting (but excluding the Trustee) decides that no conflict exists, the Trustee may participate in any discussion and subsequent vote related to the item.
 - e) If the Board, by majority vote of the Trustees present at the meeting (but excluding the Trustee), decides that a conflict:
 - i. *May* exist, the Trustee may participate in any discussion related to the item but may not participate in any subsequent vote related to the item.
 - ii. *Does* exist, the Trustee must abstain from participating in any discussion and subsequent vote related to the item.
 - f) In all instances, the decision to permit the Trustee to participate in any discussion and subsequent vote of the item shall be made after the Trustee has fully disclosed the nature of the conflict, and on the basis of whether, in all circumstances, the interest of the Plan will be best served by the Trustee's participating notwithstanding the conflict.

4.2.3 Financial Interests:

Annually, each Trustee must disclose to the Board all financial interests that may be relevant to Plan member and stakeholder confidence in the integrity, objectivity and impartiality of the Board by completing and submitting to the Chief Executive Officer (CEO) the form prescribed for that purpose and attached to this document as Appendix A.

4.2.4 Benefits, Gift, Entertainment and Favours:

Trustees must not:

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- a) Accept benefits, gifts, entertainment or favours which create or appear to create a favoured position for any entity that either does or would like to supply equipment or services to the Board;
- b) Accept benefits, gifts, entertainment or favours in exchange for preferential treatment; or
- c) Offer benefits, gifts, entertainment or favours in order to secure preferential treatment.

4.2.5 Conditions for Accepting Benefits, Gifts, Entertainment or Favours:

A Trustee must not solicit or accept benefits, entertainment or gifts in exchange for or as a condition of the exercise of their duties or as an inducement for performing an act associated with their duties or responsibilities as a Trustee. A Trustee generally may accept gifts, hospitality or other benefits associated with their official duties and responsibilities if such gifts, hospitality or other benefits:

- a) Are within the bounds of propriety, a normal expression of courtesy, or within the normal standard of hospitality;
- b) Would not bring suspicion on the Trustee's objectivity and impartiality; and
- c) Would not compromise the integrity of the Board.

Any improper benefit should be returned to the person offering it as soon as practicable. If there is no opportunity to return an improper gift or benefit, or where the return may be perceived as offensive for cultural or other reasons, the gift must be immediately disclosed to the Chair or Vice Chair, who shall direct its disposition to a charity or other suitable recipient.

4.2.6 Supplier-Sponsored Learning and Training Opportunities:

A Trustee may accept an invitation to attend a supplier-sponsored educational seminar or program, which may include supplier payment for all, or a part of the registration fees, travel, lodging and meals associated with the seminar or program, if:

- a) The event is not limited to the Plan representatives;
- b) No fee is charged to any invitee, or if a fee is charged for some portion of the event, or a reduction given, the same fee is charged, or same reduction is given to each invitee; and
- c) The value to the Plan outweighs any recreational or entertainment value of the educational event.

4.2.7 If a Trustee has any reservations about the acceptability of an item, they should consult with the Chair, Vice Chair and/or CEO.

4.3 Employing Former Trustees:

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Following the termination of a Trustee's appointment to the Board, a former Trustee can be employed by the Board. The approval of the CEO, following prior consultation with the Board, is required to hire a former Trustee.

4.4 Contracting with Former Trustees:

Following the termination of a Trustee's appointment to the Board, a former Trustee can be contracted to provide goods or services to the Board. The prior approval of the Board is required to enter into any such arrangement with a former Trustee.

4.5 Employing and Contracting Former Employees:

Following the termination of employment, a former employee can be re-employed by the Board or contracted to provide services to the Board. The approval of the CEO is required to appoint a former employee to a position within the Plan's employee complement and to contract the services of a former employee, with the following exceptions:

4.5.1 No former employee currently in receipt of a pension from the Plan in respect of employment with the Plan will be appointed to employment or contracted without the CEO first consulting with the Board.

4.5.2 No former employee, whose services were terminated, with or without cause, will be appointed to employment or contracted without the CEO first consulting with the Board.

4.6 Use of Plan Resources:

All Plan resources must be treated as precious assets. Trustees must not use Plan property or human resources to pursue their private interests. Plan property includes real and tangible items such as land, building, furniture, fixtures, equipment, and vehicles and also includes intangible items such as data, computer systems, reports, information, proprietary rights, patents, trademarks, copyrights, logos, names, and reputation. The Board may, through prior written approval, authorize a Trustee to use Plan resources or Plan property where such use does not result in additional cost to the Plan, does not detract from a Trustee's performance of duties to the Plan, and does not result in a material personal gain.

4.7 Nepotism:

4.7.1 Nepotism describes a work-related situation in which there is the potential for favouritism toward a family member. A family member of an individual includes any person who stands in one of the following relationships with that individual:

- a) Parent;
- b) Child (natural, adopted, or legal guardianship);
- c) Spouse*;
- d) Brother;
- e) Sister;
- f) Grandparent;
- g) Grandchild; or
- h) Step-relations with the preceding categories.

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*A spouse is a person to whom the individual is married or with whom the individual is living in a marriage-like relationship, which relationship may be between persons of the same gender. A spouse does not include:

- i. A person who is living separate and apart from the individual;
- ii. A person who has entered into a written agreement with an individual under which they have agreed to live apart; or
- iii. A person who is the subject of a court order recognizing their separation from the individual.

4.7.2 Family members of a Trustee are eligible to be employed by the Plan. The approval of the CEO, following consultation with the Board, is required to appoint a Trustee's family member to a position within the Plan's employee complement and to subsequently assign, transfer or promote the family member.

4.7.3 The continued employment of any employee of the Board, including the CEO, will not be adversely impacted in the event and for the sole reason that the employee is a family member of a Trustee appointed to the Board subsequent to the employee's employment by the Board.

4.7.4 A Trustee must not participate in hiring, evaluating the performance or determining the compensation of a family member employed by the Board.

4.8 Service on Other Boards:

4.8.1 Trustees are encouraged to participate in pension and other associations that will promote the understanding of pension matters, and their acquaintance with individuals engaged in the administration and regulation of pension plans.

4.8.2 Annually, each Trustee must disclose to the Board all other positions they hold and all other positions held in the preceding year on the board of other organizations by completing and submitting to the CEO the form prescribed for this purpose and attached to this document as Appendix B.

4.9 Travelling on Plan Business:

4.9.1 Trustees will periodically travel to attend Trustee meetings, education courses, conventions, or to attend to other Plan business. The expense a Trustee incurs doing so will be reimbursed from the Plan Fund in accordance with the Plan's Travel Policy and/or Board Orientation, Training and Development Policy.

4.9.2 While travelling on Plan business, Trustees may attend to personal or business matters unrelated to the Plan, provided that doing so does not in any way impair the Trustee's ability to attend to Plan business. Further, to the extent attending to personal or business matters while travelling on Plan business causes a Trustee to make travel arrangements which differ from the travel arrangements the Trustee would have made had the Trustee not attended to such personal or business matters, the Trustee is personally responsible for any and all resulting increases in travel or other related costs.

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5 Review and Amendment

- 5.1 Not less frequently than annually, the Board will review these Procedures and either confirm or amend them in such a manner as the Board considers appropriate.

6 Trust Acknowledgement

- 6.1 Within seven days of the execution of the Acceptance of Trust by a newly appointed Trustee, the CEO, or their designate, will present the newly appointed Trustee with a copy of these Procedures. The newly appointed Trustee will be required to acknowledge the receipt of these Procedures within thirty days, or such longer period approved by the Board, following the date of the request.
- 6.2 The Trustee's acknowledgement of the receipt of these Procedures must be made by submitting the form prescribed for this purpose and attached to this document as Appendix C and submitted to the CEO.
- 6.3 If a newly appointed Trustee fails to acknowledge the receipt of these Procedures within the specified deadline, the CEO will immediately notify the Chair and Vice Chair. The Chair and Vice Chair will notify the Board and the Board will determine the appropriate action to be taken.
- 6.4 Confirmation of Compliance:
 - 6.4.1 Annually, each Trustee must confirm the Trustee's compliance with these Procedures in the prior year by completing and submitting the form prescribed for this purpose and attached to this document as Appendix D.
 - 6.4.2 Confirmation must be submitted to the CEO within thirty days of request.
 - 6.4.3 If a Trustee reports non-compliance with these Procedures or fails to submit confirmation within the specified deadline, the CEO will immediately notify the Chair and Vice Chair. The Chair and Vice Chair will notify the Board and the Board will determine the appropriate course of action.
 - 6.4.4 All Trustee declarations of compliance or non-compliance with these Procedures will be placed in the records of the Plan in a manner determined from time to time by the Board.
 - 6.4.5 For the purposes of annual declarations, Trustees will submit the forms prescribed and attached to this document, or reasonable electronic facsimile of such forms. Submission of an electronic form will constitute electronic signature by the Trustee on the submission date.
- 6.5 Training for Trustees:
 - 6.5.1 New Trustee orientation, provided in accordance with the Board's Orientation, Training and Development Policy, must include a review of these Procedures. Such review must be conducted by the Chair, Vice Chair, experienced Trustee, Plan solicitor or CEO or designate, as availability permits.

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6.5.2 Annually, the Board will conduct an educational review of these Procedures. Whenever possible, this review will be conducted during a regular meeting of the Board. Such annual review will be facilitated by the Plan solicitor, or CEO or such other person designated by the Chair and Vice Chair.

Related Documents

- Governance Review Policy
- Board Governance Review Schedule & Checklist
- Board Orientation, Training and Development Policy

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Appendix A: Trustee Disclosure of Relevant Financial Interests

I, _____, hereby declare that I, my spouse and my children living with me, individually or collectively, have the following financial interests in an entity which had a business relationship with the Plan during the year January 1, _____ to December 31, _____.

Name of Entity	Nature of Business	Business Relationship with Plan	Financial Interest

Dated at _____ this _____ day of _____, 20____.

Trustee Signature

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Appendix B: Trustee Disclosure of Other Board Positions Held

I, _____, hereby declare that throughout all or part of the year January 1, ____ to December 31, _____ I held the following position on the boards of organizations other than the Saskatchewan Healthcare Employees' Pension Plan:

Name of Organization	Nature of Business	Title of Position Held	Period in the Year Position Held

Dated at _____ this _____ day of _____, 20____.

Trustee Signature

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Appendix C: New Trustee Acknowledgement of the Receipt of the Code of Conduct and Conflict of Interest Procedures

I, _____, hereby acknowledge that I have received the Code of Conduct and Conflict of Interest Procedures approved by and applicable to the Board of Trustees of the Saskatchewan Healthcare Employees' Pension Plan (SHEPP).

Dated at _____ this _____ day of _____, 20____.

Trustee Signature

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Appendix D: Annual Trustee Confirmation of Compliance with the Code of Conduct and Conflict of Interest Procedures

I, _____, hereby declare that:

- ☐ To the best of my knowledge I fulfilled my duties as a Trustee of the Saskatchewan Healthcare Employees' Pension Plan during the period January 1, _____ to December 31, _____, in full compliance with the Code of Conduct and Conflict of Interest Procedures applicable to the Trustees during this period.

-OR-

- ☐ To the best of my knowledge, with the following exceptions, I fulfilled my duties as a Trustee of the Saskatchewan Healthcare Employees' Pension Plan during the period of January 1, _____ to December 31, _____, in compliance with the Code of Conduct and Conflict of Interest Procedures applicable to the Trustee during this period.

Exceptions:

Dated at _____ this _____ day of _____, 20____.

Trustee Signature