

## **CODE OF CONDUCT AND ETHICS**

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### **1.0 Purpose**

This Code of Conduct and Ethics reaffirms the commitment of Agriculture Financial Services Corporation ("AFSC") to high standards of business conduct and ethics to ensure that everything the Corporation does is legal, fair and reasonable. Maintaining AFSC's high ethical standards is the responsibility of every one of us. All Employees and Board Members of AFSC are required to abide by the Corporation's Code of Conduct and to behave in a way that aligns with the Code. You understand that this Code does not cover every specific scenario, so you will use the spirit and intent behind this Code to guide your conduct and exercise care and diligence in the course of your work and responsibilities.

All Employees and Board Members are required to confirm in writing when they join the Corporation and thereafter annually that they understand its contents and have complied with it. To demonstrate commitment to transparency and accountability, this Code is available to the public on AFSC's website.

### **2.0 Definitions**

For purposes of this Code of Conduct and Ethics, unless the context otherwise requires,

- (a) "Administrator" means,
  - (i) where this Code relates to the Chair of the Board of Directors of AFSC, the Minister responsible for AFSC,
  - (ii) where this Code relates to Board Members of AFSC, the Chair of the Board of Directors of AFSC,

- (iii) where this Code relates to the President or CEO, the Board of Directors of AFSC, and
  - (iv) where this Code relates to Employees of AFSC, the President;
- (b) “Apparent Conflict of Interest” means a conflict, which can be deduced from appearances or where there is a reasonable apprehension or likelihood that a conflict exists;
- (c) “Associated Person” includes:
  - (i) any Relative residing in the same household as you,
  - (ii) a company, corporation or cooperative having share capital and carrying on business or activities for profit or gain in which you are a director or officer,
  - (iii) a private corporation carrying on business or activities for profit or gain in which you own or have a beneficial interest in shares, excluding a credit union, or
  - (iv) any other form of business enterprise in which you or a person associated with you is a partner or member;
- (d) “Board Member” means a member of the Board of Directors of AFSC
- (e) “Conflict of Interest” means a situation where your private interests interfere or may appear to interfere in any way with AFSC’s interests ;
- (f) “Designate” means a person to whom the Administrator has delegated duties and responsibilities under this Code;
- (g) “Employee” means an employee of AFSC, including a person employed by AFSC on a contractual basis;
- (h) “Private Interest” of an Employee or a Board Member does not include an interest:
  - (i) in a matter that is of general application,
  - (ii) that affects a person as one of a broad class of the public,
  - (iii) that affects the compensation or benefits of Board Members or Employees as a group, or
  - (iv) that is trivial;
- (i) “Relative” means spouse or adult interdependent partner, children, stepchildren, legal dependants, parents, siblings, in-laws, grandparents, grandchildren, nieces, nephews, aunts, uncles and first cousins.

### **3.0 Personal Conduct**

Everything you do and every decision you make must be done with honesty, integrity, fairness, professionalism and the highest ethical standards to earn and nurture the trust and respect of each other within AFSC, as well as our external stakeholders including customers, suppliers and the general public. You must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of facts or any other unfair dealing or unethical activity. Other examples of unacceptable behaviour include:

(a) Discrimination – Any form of discrimination against or from any internal or external individual or group, including on the basis of race, colour, religion, national or ethnic origin, age, gender, sexual orientation, marital status, physical or mental disability, or a criminal offence for which a pardon has been granted.

(b) Harassment – Displays of offensive, unwelcome, intimidating or humiliating behaviour, intentional or otherwise, that could reasonably be interpreted as demeaning others and undermining efforts to maintaining a safe, comfortable and productive workplace.

(c) Alcohol, Substance Abuse & Gambling – Consuming alcoholic beverages and being under the influence of alcohol during working hours is prohibited. Except specifically authorized by the Administrator or Designate, consumption of alcohol is prohibited on AFSC premises. Abusing controlled substances or the consumption, possession, sale or distribution of illegal drugs while on AFSC premises, at any AFSC function or at any time when you could be identified as representing AFSC are also prohibited. Gambling activity during working hours is prohibited.

(d) Misuse of Internet, Email and Electronic Media – Knowingly transmitting, viewing, generating, printing, retrieving, downloading or storing communications of a discriminatory, defamatory, obscene, damaging (such as computer viruses), threatening or harassing nature, or any material that is inappropriate for the business environment (e.g., sexually-oriented literature, chain letters and gambling) or failing to comply with the Corporate policy on Protection of Information in Electronic form.

(e) Unauthorized Operation of an Automobile – Operating any vehicle including any vehicle owned or leased by AFSC in carrying out your official duties on behalf of AFSC without a valid driver's license or when such a license is suspended or revoked is prohibited.

(f) Criminal Offence – You shall disclose to the Administrator or Designate, in writing, at the earliest opportunity, any charge(s) brought against you of an offence under the *Criminal Code of Canada* and / or the *Controlled Drugs and Substances Act*. Based on the information provided and other relevant factors, the Administrator or Designate will determine an appropriate course of action. The information provided will be kept in strict confidence by the Administrator or Designate.

### **4.0 Compliance with the Law, Regulations and Rules**

You will never knowingly violate laws or regulations, rules or policy or willfully blind yourself to AFSC's legal or regulatory responsibilities. You will cooperate fully with investigations, audits, examinations or reviews by the management or any external government, regulatory, self-regulatory or law enforcement agencies. In doing so, you will not make any false or misleading statements or otherwise attempt to frustrate the review process.

Although the principle applies to all legal and regulatory requirements, specific requirements and prohibitions are listed below:

(a) Fraud or Misappropriation or Embezzlement - Or any other form of improper conversion of funds, property or other assets, or knowingly assisting others to engage in such conduct is strictly prohibited.

(b) Corrupt Practices, Preferential Treatment or Accepting Offering Improper Payments (e.g., bribes or other inducements) – Is strictly prohibited. Similarly, you do not give preferential treatment to any one customer (or their family or related business enterprises) when they enter into business relationships with AFSC.

## **5.0 Protection of AFSC's Properties and Information**

Our relationships with customers, suppliers and with each other are based on trust. You will protect the properties and safeguard the confidentiality of all non-public information of AFSC, its customers, employees and suppliers (past, present and prospective).

You are also committed to protecting AFSC's properties as well as those of our suppliers from improper use and will respect applicable intellectual and other property rights. Some specific commitments are highlighted below.

(a) Use and Disclosure of Customer and Employee Information – Information obtained directly or indirectly from a customer, an Employee or a Board Member may be used or shared with others only for the specific purpose or transaction for which it was given or collected and cannot be disclosed without the consent of the individual. Although circumstances may arise where an individual's consent is not required (e.g., where it is necessary to protect AFSC's interests or where there is a legal obligation, such as a court order, to disclose), you must be careful to disclose only the information that is warranted in such situations. When in doubt, you will not disclose without seeking advice from your manager or Legal Counsel.

(b) Freedom of Information and Protection of Privacy Act (FOIP) and AFSC Policy – Personal information of customers and employees shall be collected, used and disclosed as required by FOIP and AFSC policy. Accordingly, you will respect and protect an individual's privacy by ensuring that personal information is properly handled.

(c) Disclosure of AFSC Information – AFSC has designated certain employees as authorized spokespersons to ensure material information about AFSC is disclosed properly and only those persons may respond to inquiries from the public or media.

(d) Protecting AFSC Properties & Interests – Any product or technology you develop in the course of your duties with AFSC is the property of AFSC. You shall not sell, trade, market or distribute any such product or technology unless otherwise authorized by the Administrator or Designate. AFSC assets, including premises, technology, systems, products, information or processes, strategies, plans, operations and customer relationships are proprietary to AFSC and shall only be used for legitimate business purposes of AFSC. When making use of AFSC assets, such as telephones, computers or related software, your use must be reasonable and appropriate. Similarly, you must respect the property rights of others. You shall not duplicate copyrighted material such as software, printed, recorded or broadcast materials without the authorization of the copyright holders.

(e) Information Management & Security – You must comply with AFSC policies designed to ensure the accuracy, completeness and proper maintenance and security of records, data and information you own, create, collect, use and manage – in all types of media. This includes being aware of and compliance with the retention periods for information records.

## **6.0 Conflicts of Interest**

You must not involve yourself in a Conflict of Interest unless allowed by this section of the Code of Conduct. You shall not involve yourself directly or indirectly in processing any business transactions of AFSC in which either you or an Associated Person or Relative is a party to the transaction.

You must not permit a private interest to adversely affect, or even appear to adversely affect, your action or decision on behalf of AFSC. Even the appearance of a conflict of interest can undermine AFSC's and your reputation for integrity. To effectively carry out your responsibilities at AFSC, it is essential that your personal actions or Private Interests not interfere with your ability to perform your work at AFSC objectively and impartially. The following are examples of situations where conflicts of interest may arise:

(a) Misuse of Position – The use of your position or connection with AFSC to gain or attempt to further your private interest or to confer a benefit or inflict a disadvantage upon others is strictly prohibited. Similarly, you must not personally benefit or confer a benefit upon others from your access to AFSC properties or information, or take for yourselves opportunities that come your way as a result of any position you hold at AFSC. You must also ensure that personal business relationships with AFSC customers or suppliers are managed separately from your work for AFSC and that any conflicts between the two are resolved in AFSC's favour.

(b) Gifts, Entertainment, Other Benefits and Payments – Each individual employee must avoid situations where offering, giving or accepting, directly or indirectly for themselves or for anyone else, a gift, prize, entertainment, hospitality or other benefit from a third party (all are referred to as "Gifts" in this section of the Code) creates an

expectation in the mind of others that special or preferential treatment will be provided in exchange for the Gift.

A Gift may be offered, given or accepted for or by a person, group or organization who conducts or who would like to conduct business with AFSC only where:

- It is of a value less than \$400.00;
- It is a mere token of attendance at a conference, event or customer visit and has a value less than \$400.00; or
- It is generally accepted business hospitality and has a value less than \$400.00.

The amounts above apply to each individual employee and are not collective.

In any case, employees are prohibited from:

- Soliciting or seeking a Gift from a customer, business partner or contractor;
- Accepting, offering or giving any Gift that is cash or readily convertible to cash;
- Accepting, offering or giving any Gift that may reasonably be perceived by a member of the public to be made in exchange for business favor from AFSC;
- Accepting, offering or giving any Gift that may reasonably be perceived as being in bad taste or would risk embarrassment to AFSC; or
- Accepting, offering or giving a Gift over \$400.00 from / to the same individual or company more than once in any 12 month period.

Where an employee attends a conference or event, and the cost of attendance is paid for by AFSC, an employee may keep a prize of any value if the prize was the result of a draw where the employee personally paid for the ticket drawn.

Employees must decline sponsored travel from any organization or individual unless the employee is a guest speaker or panelist at a public conference. In all cases, prior approval from the employee's Vice-President is required.

(c) Recruitment – In the employee recruitment process, if the applicants include your Relative you shall disqualify yourself from the recruitment process.

(d) Other Employment - You may have other paid employment including self-employment if it:

- (i) does not cause an actual or apparent conflict of interest,
- (ii) does not involve the use of AFSC properties, information or work time,
- (iii) is not performed in such a way as to appear to be an official act, or to represent an AFSC opinion or policy, and
- (iv) does not interfere with your regular duties.

(e) Risk Management Programs - You or your Associated Person may participate in universally available programs delivered or administered by AFSC, including production insurance and compensation and stabilization programs, provided that no preferential benefits not available to others under similar circumstances are

received. You must remove yourself from any involvement on behalf of AFSC in the transaction, including any decision-making role.

(f) Romantic Workplace Relationships – If you are, or if you become, involved in a romantic workplace relationship you are responsible for ensuring that it does not raise issues such as abuse of power, harassment, favoritism, bias or Conflict of Interest. If you are involved in a romantic workplace relationship that might raise such issues, you must notify your direct supervisor and ensure you are removed from influence, input, or decision making power over the other employee.

(g) Business Transactions – Except as provided in Section 6.0(g) below, you or your Associated Person may enter into a business transaction with AFSC involving a loan, guarantee, contract of services or transfer of any interest in property including a lease or sale provided that you make full disclosure and it is determined by the Administrator that the transaction is consistent with AFSC's policies and procedures, contains terms that are fair and reasonable, gives no preferential benefits not available to others under similar transactions and that no actual or apparent conflict of interest is present. You must remove yourself from any involvement on behalf of AFSC in the transaction, including any decision-making role.

(h) Further Restrictions Upon Board Members - Notwithstanding Section 6.0(f), if you are a Board Member you or your Associated Person or both shall not:

- (i) become a party to a contract under which AFSC lends money to, guarantees a debt of, or provides counselling or advisory services to, you or your Associated Person;
- (ii) act as a director of (except if appointed by or approved by the Minister responsible for AFSC to represent the Government of Alberta or AFSC), act as an officer of, hold any employment in, or directly or indirectly hold more than 5% of the voting rights in a customer of AFSC that is party to a contract under which AFSC lends money to, guarantees a debt of, or provides counseling or advisory services to, the customer.

(k) Disclosure of Interest - Board Members must disclose on an annual basis their participation, if any, in programs delivered or administered by AFSC.

## **7.0 Leaving AFSC**

(a) Pre-Separation – If you are considering a new offer of employment or appointment, you must be aware of and manage any potential conflicts of interest between your current position and your future circumstance, and must remove yourself from any decisions benefitting your new position or employer.

(b) Post-Separation – Once you have left AFSC, you must not disclose or use personal or confidential information that you became aware of during your time with AFSC.

## **8.0 Public Relations**

Participation in community service and civic affairs is both encouraged and valued. When you become involved in community and civic activities, it is important to make it clear that your participation is personal and that you are not representing AFSC unless otherwise authorized by AFSC. Some specific examples include:

(a) Political Participation - You have the right to participate in political activities including holding membership in a political party, as a supporter of candidate(s) for elected office or seeking elected office. However, you must not use your position with AFSC in seeking contributions for a political party or activity from clients of AFSC or from entities doing business with AFSC. When running for office, supporting others running for office or backing a cause, it is important to make clear that your activity is personal and that AFSC is in no way associated with your political views or allegiances. You must not use AFSC's properties, information or work time for such purposes. If you seek an elected municipal, provincial, federal office, you must disclose to the Administrator your intentions in writing as soon as possible for further instructions relating to your duties with AFSC.

(b) Public Expression of Personal Views – It is acceptable to express personal views or participate in activities publicly anywhere at any time as long as it is clear you are not speaking or participating on behalf of AFSC. Before publicly expressing views on matters that could affect AFSC, you must discuss the information with the Administrator to ensure that the expression of such views is appropriate and not detrimental to AFSC.

(c) Volunteer Activities – Approval is not required to serve religious, educational, cultural, social and charitable or other non-profit entities in voluntary or unpaid roles, but you must ensure that your participation in such activities does not conflict with your responsibilities to AFSC.

## **9.0 Administration of the Code**

(a) Disclosure - It is your responsibility to disclose in writing to the Administrator those private interests and relationships that you think may impact or could be seen to impact the decisions or actions you take on behalf of AFSC. You shall disclose to the Administrator as soon as you are aware of any business transaction AFSC proposes to enter into in which you or an Associated Person or Relative may be an interested party.

You disclose these real or apparent conflicts of interest so that the Administrator is aware of situations that could be seen as influencing the decisions or actions you make on behalf of AFSC. This provides you, following a review by the Administrator, an opportunity to take action to minimize or remove the conflict. To actively manage a conflict of interest, options include:

- (i) removing yourself from matters in which the conflict exists or is perceived to exist; including any decision-making role,
- (ii) giving up the particular private interest causing the conflict, and
- (iii) in rare circumstances, resigning your position with AFSC,



(b) Other Codes of Conduct – When you, as an individual, are subject to more than one code of conduct, or to professional obligations concerning client confidentiality, you must consider the expectations in all. You understand that this Code is not intended to conflict with other codes of conduct or professional obligations, and you will discuss any potential conflicts with the Administrator.

(c) Reporting a Potential Breach by Another - You must be constantly on guard against those who would attempt to abuse our services or products to further their interests. You shall report any suspicious activities or actual or potential breaches of the Code, any laws, rules, regulations or AFSC policy firstly to your manager or, in the case of Board Members, to the Board Chair, who shall arrange to have the matter investigated. If no significant progress is evident within a reasonable time, you may report the matter to the Administrator. AFSC will respect the confidentiality of the identity and information provided by individuals when concerns are requested to be treated anonymously.

(d) Safe Disclosure Policy - You may also raise concerns anonymously under the Safe Disclosure Policy without identifying yourself through an independent outside firm engaged by the Corporation for the purpose. AFSC prohibits retaliation against anyone who reports concerns in good faith or otherwise assists or participates in any related review, investigation or proceeding.

A Report or complaint found to be made in bad faith will be viewed as a violation of the Code and may result in disciplinary action, up to and including termination of employment or Board membership as applicable.

(e) Responding to a Potential Breach - Once a potential breach has been reported, AFSC's procedures for responding to and managing a potential breach will be promptly initiated. The Administrator will review the circumstances and details of the potential breach and will notify the Employee or Board Member. The accused Employee or Board Member has the right to complete information and the right to respond to the potential breach. The identity of the reporter will not be disclosed unless required by law or in a legal proceeding. The Administrator will make a decision and complete a report of the review in a timely manner. The decision may range from finding no potential breach to one that reveals suspected criminal conduct.

(f) Consequences of a Breach - Compliance with the Code is an integral part of your responsibilities with AFSC. If you do not comply with the standards of behaviour identified in this Code, including taking part in a decision or action that furthers your private interest, you may be subject to disciplinary action up to and including termination of your employment or removal of your Board membership. AFSC may also pursue other remedies for any damages or harm as a result of a breach.

(g) Review of a Decision - You can request in writing that the Ethics Commissioner review a decision that has been made by the Administrator about a real or apparent breach of the Code, including a conflict of interest involving you.

(h) Administrator's Role and Responsibilities

- (i) The Administrator will implement, manage, promote and exercise powers vested under this Code including any matters incidental to the authority.
- (ii) The Administrator may delegate any or all of the duties and responsibilities under this Code to a Designate(s). The Administrator will receive and ensure the confidentiality of all disclosures and ensure that any real or apparent conflict of interest is avoided or effectively managed.
- (iii) The Administrator is responsible for providing advice and managing all concerns and complaints concerning potential breaches of the Code, including conflicts of interest.

**10.0 Where to Get Advice**

If you require advice and guidance in determining whether misconduct or a conflict exists, or need clarification, you may discuss the issue with:

- (i) in the case of employees, your supervisor or manager, or
- (ii) the Administrator or Designate.

**11.0 Acknowledgement and Acceptance**

You are required to sign a copy of the Code acknowledging your acceptance, to be retained, in the case of Board Members, by the secretary to the Board or such other officer or employee of AFSC designated by the Administrator or Designate, and in the case of employees, by the Human Resources Division of the Corporation. You will be provided with a copy for your records.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

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Date

\_\_\_\_\_  
Date