

CODE OF CONDUCT AND CONFLICT OF INTEREST POLICY

ALBERTA INNOVATES - TECHNOLOGY FUTURES

DATE OF APPROVAL: OCTOBER 27, 2010
(REVISED: MAY 18, 2011)

A. INTRODUCTION

The Alberta Research and Innovation Regulation (the “Regulation”) requires that Alberta Innovates – Technology Futures (the “Corporation”) shall, by bylaw, establish a code of conduct, including conflict of interest guidelines, to apply to Directors, Officers and Employees of the Corporation.

The Corporation is a “public agency” within the meaning of the *Alberta Public Agencies Governance Act*. As a public agency, the Corporation must implement a code of conduct governing the conduct of its members and a code of conduct governing the conduct of its employees.

The Corporation is mandated with supporting technology businesses, commercialization and/or the implementation or application of technology as well as supporting funding of pre-commercial research activities at publicly and privately funded research institutions and labs. These activities touch almost all sectors of the economy, advanced educational institutions and many publicly funded regulatory and management bodies at all levels of government. The Corporation may from time to time encourage some of its Directors, Officers and Employees to actively engage in supporting commercialization activities in Client organizations potentially including temporary transfers or exchanges and the Corporation may also encourage Employees to transfer permanently into Client organizations at the time a technology supported by the Corporation and the Employee reaches commercial viability.

As a result of its mandate many of the Corporation’s Directors, Officers, Employees and Committee Members may from time to time expose themselves or the Corporation to the potential for, or appearance of, a conflict situations to arise.

The Corporation wishes to avail itself of the best potential candidates for the positions of Directors, Officers, Employees and Committee Members. The Corporation will therefore use this Code of Conduct Bylaw including the Conflict of Interest Guidelines to manage conflicts and potential conflicts to the benefit of the Corporation and the public interest, while at the same time ensuring that it is able to attract and fairly treat the best qualified Directors, Officers, Employees and Committee Members.

This Code of Conduct (“Code”) and Conflict of Interest Policy (“Policy”) applies to the Corporation’s Directors, Officers and Employees. The Corporation will make a copy of the Code and the Policy available to the public.

B. CODE OF CONDUCT

1. Introduction

The Code applies to all Directors, Officers and Employees of the Corporation. 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, Officers and Employees 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.

2. Definitions

Capitalized terms when used in this code shall have the meaning ascribed to them in Appendix "A" attached hereto.

3. Core Values of Conduct

- (a) Directors, Officers and Employees act with impartiality and integrity.
- (b) Directors, Officers and Employees demonstrate respect and accountability.

4. Guiding Principles

These principles guide the behaviour and decisions of Directors, Officers and Employees:

- (a) The actions and decisions of Directors, Officers and Employees are made to promote the public interest and to advance the mandate and long-term interests of the Corporation.
- (b) Directors, Officers and Employees are responsible stewards of public resources.
- (c) To serve the public interest, Directors, Officers and Employees have a responsibility to uphold the Corporation's mandate.
- (d) Directors, Officers and Employees have a responsibility to act in good faith and to place the interests of the Corporation above their own private interests.
- (e) Directors, Officers and Employees behave in a way that demonstrates that their behaviour and actions are fair and reasonable in the circumstance.
- (f) Directors, Officers and Employees enjoy the same rights in their private dealings as any other Albertan, unless it is demonstrated that a restriction is necessary in the public interest.
- (g) When a Director, Officer or Employee, as an individual, is subject to more than one code of conduct, the Director, Officer or Employee must consider the expectations in all. Directors, Officers and Employees understand that this Code

is not intended to conflict with other codes of conduct, and will discuss any potential conflicts with their supervisor or the Code Administrator.

- (h) The Code applies to all Directors, Officers and Employees unless a specific exemption is granted by the Code Administrator.
- (i) Directors, Officers and Employees know that when they become aware of a real or apparent conflict of interest, they must at the first opportunity disclose this conflict to their supervisor or the Code Administrator.
- (j) Directors, Officers and Employees understand that disclosure itself does not remove a conflict of interest.
- (k) Directors and Employees encourage their colleagues to act fairly and ethically and know that they are able to raise concerns about a suspected breach by another to their supervisor or the Code Administrator without fear of reprisal. Directors, Officers and Employees know that breaches of this Code may result in disciplinary action, up to and including removal of the Director or termination of the Employee.
- (l) Directors, Officers and Employees know that if they have any questions about the Code, or are not sure how to apply these principles, they should consult with their supervisor or the Code Administrator.
- (m) Each Director, Officer and Employee, upon appointment or hire, and on an annual basis thereafter, confirms their understanding of, and commitment to, the Code's expectations by completion of the Acknowledgement of Code of Conduct form as set out in Appendix "B".

5. Behavioural Standards

Behavioural standards help Directors, Officers and Employees 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, Officers and Employees must adhere to the following standards:

- (a) must not engage in any criminal activity and comply with all relevant laws, regulations, policies and procedures.
- (b) must not use their status or position with the Corporation to unduly or unfairly influence or gain a benefit or advantage for themselves or others.
- (c) maintain conduct which contributes to a safe and healthy workplace, one that is free from discrimination, harassment or violence.
- (d) 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 operations of the Corporation.

- (e) must act in a way that is consistent with the Corporation's protocols on public comment.
- (f) 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.

6. Confidential Information

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

7. Gifts and Gratuities

Directors, Officers and Employees 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.

8. Outside Activities

Directors, Officers and Employees must declare to the appropriate Code Administrator all activities that they are participating in outside the purview of the Corporation which have the potential or may be in-part be in conflict with some of the activities of the Corporation. Procedures under Section C5 of this Code and Conflict of Interest Policy will be utilized to determine what if any activities are prohibited or permitted and what safeguards, if any, need to be implemented.

9. Pre-Separation

Directors, Officers and Employees considering a new offer of appointment or employment 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 or employment.

10. Post-Separation

Once Directors, Officers and Employees 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.

11. Property

Directors, Officers and Employees 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 or Employee's work time,

must not interfere with the mission of the Corporation and must not support a personal, private business.

12. Related Persons or Parties

Directors, Officers and Employees are expected to be advocates of the mandate of the Corporation. The mandate of the Corporation includes supporting the growth and development of enterprises including by supporting the commercialization and the commercialization of technology with clients. In such dealings Directors, Officers and Employees will avoid any appearance of providing favour or special access with those in which the relationship between them might bring into question the impartiality of that Director, Officer or Employee. In the case where a Director, Officer or Employee has a relationship or is Associated with a Related Person, such relationship shall be declared to the Code Administrator in accordance with this Code of Conduct and Conflict of Interest Policy and the Code Administrator shall determine the appropriate actions to deal with any actual, potential or perceived conflicts.

C. CONFLICT OF INTEREST POLICY

1. Introduction

The Corporation has the authority and obligation to impose conflict of interest guidelines and policies on its Directors, Officers and Employees.

Pursuant to its Bylaws, the affairs of the Corporation are managed and directed by the Directors. The Directors, by virtue of their position of control over the affairs of the Corporation, stand in a fiduciary relationship to the Corporation. Consequently, the Directors must have regard to the requirements of the law governing fiduciary relationships where conflicts of interest arise.

2. Common Law Requirements

- (a) The common law imposes upon fiduciaries the duty to act in utmost good faith towards their beneficiaries. Fiduciaries must act toward their beneficiaries with a heightened sense of loyalty and fidelity. Fiduciaries must act in a manner consistent with the best interests of their beneficiaries in all matters related to the undertaking of trust and confidence. Fiduciaries must scrupulously avoid placing themselves in a position of conflict of interest.
- (b) The general rule regarding conflicts of interests is that no one who has duties of a fiduciary nature to perform is allowed to enter into engagements in which he has or can have a personal interest conflicting with the interests of those whom he is bound to protect. Even where the fiduciary acts in good faith, the foregoing restriction applies. A fiduciary cannot place his own interests ahead of those of his beneficiary, even in situations where the beneficiary benefits from the arrangement. A fiduciary cannot benefit personally from any opportunity which comes to his awareness by way of his fiduciary position. A fiduciary must not use any aspect of the beneficiary's property for personal gain. More specifically, a fiduciary must not use for personal benefit a beneficiary's assets, goods, information or opportunities.

- (c) Fiduciaries must not unduly or unfairly use their position to benefit persons closely associated with them. Where a benefit is conferred upon a person with whom the fiduciary is closely associated, the fiduciary benefits indirectly. Regard must be had to all of the surrounding circumstances to determine whether a person is associated with a fiduciary. Persons sharing business relations or a family relationship shall in most instances be characterized as associates of the fiduciary. In some instances, close personal relationships shall also give rise to an association between the fiduciary and the person. The key issue in determining whether a fiduciary is associated with another person is whether the fiduciary's ability to represent the interests of the beneficiary is or appears to be compromised as a result of the fiduciary's relationship with the third party.

3. Application of Fiduciary Principles to Directors

- (a) The Directors of the Corporation stand in a fiduciary relationship with the Corporation. The Directors must not use their position to unduly or unfairly gain benefit personally, whether such benefit accrues to them directly or indirectly. Prior to their appointment, all Directors should be screened for potential conflicts of interest and all potential conflicts of interest will be disclosed to the Code Administrator.
- (b) Directors must not unduly or unfairly use their position to benefit persons related to them or with whom they are closely associated, such as business partners.
- (c) These types of transactions are exceptional and are not anticipated to arise with any frequency. Where they do arise, the affected Director must declare a conflict, fully disclose his interest in the transaction, and refrain from voting upon the matter. Whether the transaction shall be approved shall be a matter for the Board to determine.

4. General Responsibilities of Directors, Officers and Employees

- (a) The Board has been structured so as to ensure that the Board is composed of a diverse and relevant selection of individuals. Each individual Director is expected to bring to the Board a set of viewpoints and experiences which may not be experienced by his fellow Directors. This diversity of viewpoints and experience at the Board adds strength and depth to Board decisions.
- (b) Directors must appreciate that while their appointment to the Board or to a Committee may be as a result of a particular organization, as Directors their loyalties are first and only to the Corporation.
- (c) Directors will be required to make decisions based on what they perceive to be the best interests of the Corporation. Although it is intended that Directors will draw upon their experiences and views gained through their association with other organizations, it is not intended that Directors serve as representatives of those associations on the Corporation.

- (d) Directors, Officers or Employees may find themselves in a position of conflict as a result of their associations with organizations having dealings with the Corporation. A conflict may arise where an organization seeks to enter into a transaction with the Corporation. Where a conflict arises, the affected person must declare the conflict, fully disclose any personal interest he or she may have in the transaction, and refrain from voting upon the matter. Whether the transaction will be approved will be a matter for the Board or the Committee to determine.
- (e) It would be inconsistent with their duties of loyalty to the Corporation for a Director, Officer or Employee to participate in a decision relating to a matter in which they have a conflict of interest. Their participation in any decisions related to a matter in which they have a conflict could invalidate the decision and could result in embarrassment to both the Corporation and the affected organization. If the conflict is significant, public confidence in the Corporation could suffer.

5. Conflict of Interest Guidelines

(a) Definitions

Capitalized terms when used in these Guidelines shall have the meaning ascribed to them in Schedule "A" attached hereto.

(b) Statement of Principles

- (i) These Conflict of Interest Guidelines apply to all Directors, Officers, Employees and Committee Members.
- (ii) Directors, Officers, Employees and Committee Members are required to disclose to the Chair or his designate, any situation involving that Director, Officer, Employee or Committee Member which is a conflict of interest or apparent conflict of interest. The Chair is required to disclose to the Code Administrator, other Board members or Committee Members any situation involving the Chair which is a conflict of interest or apparent conflict of interest.
- (iii) Directors, Officers, Employees and Committee Members, upon appointment or hire, and on an annual basis thereafter, will complete a Declaration of Interest form as set out in Appendix "C" to enable the Corporation to understand potential conflicts and to manage them appropriately.
- (iv) In respect to conflicts that have been identified by Directors, Officers, Employees and Committee Members, data information, analyses, reports including without limitation board materials and information will not be provided to the Directors, Officers, Employees or Committee Members who have identified a conflict of interest.

- (v) Directors, Officers, Employees and Committee Members are expected in all regards to conduct their duties with impartiality shall at all times act in accordance with and display utmost good faith towards the Corporation.
- (vi) Directors, Officers, Employees and Committee Members shall at all times act in accordance with and display a heightened sense of loyalty and fidelity to the Corporation.
- (vii) Directors, Officers, Employees and Committee Members shall not unduly or unfairly use for personal gain any of the Corporation's assets, goods, information or opportunities.
- (viii) Directors, Officers, Employees and Committee Members shall not disclose any information which is confidential to the Corporation during or after their tenure as Directors, Officers, Employees and Committee Members except as may be authorized by the Corporation or required by law.

(c) Prohibited and Permitted Transactions

Except in accordance with this policy,

- (i) The Corporation shall not enter into Transactions with a Director or a Related Person where the Director, Officer, Employee or Committee Member or Related Person may directly or indirectly benefit from the Transaction; and
- (ii) The Corporation may enter into a Transaction with a Director, Officer, Employee, Committee Member or Related Person if,
 - A. the affected person:
 - 1 declares a conflict of interest in respect of the proposed Transaction; and
 - 2 discloses to the Board or Committee the full nature and extent of his interest in the proposed transaction and, to the extent that he is able, the interest of any Related Person in the proposed Transaction; and
 - B. it is established to the satisfaction of the Board or Committee that:
 - 1 the proposed Transaction is fair and reasonable to the Corporation; and
 - 2 the proposed Transaction would meet or exceed community expectations about the conduct of the Corporation;

3 the provisions of Section B4(f) of this Code and Policy are respected; and

C. the Board or Committee approves the proposed Transaction.

- (iii) When authorizing a Transaction under these Conflict of Interest Guidelines, the Board may impose any conditions it deems necessary in the circumstances to protect the Corporation or to safeguard public confidence in its undertakings.
- (iv) For the purposes of these Conflict of Interest Guidelines, the affected person shall not participate in any decisions relating to the proposed Transaction.
- (v) For the purposes of these Conflict of Interest Guidelines, the affected person shall not be counted as part of the quorum making any decisions relating to the proposed Transaction.
- (vi) Where the Board approves a Transaction under these Conflict of Interest Guidelines, an entry shall be made into the minutes of the meeting confirming the approval of the Transaction by the Board or Committee.
- (vii) The Board may review any decision made by a Committee to approve a Transaction under these Conflict of Interest Guidelines.

(d) Disclosure of Criminal Charges

- (i) If an Employee is charged with an offence arising from their conduct while on duty and/or off duty, the Employee shall immediately report such charge to the Chair or his designate.
- (ii) The Chair or his designate may issue supplementary instructions which modify but do not detract from matters dealt with in this Policy, provided that the supplemental instructions are not more permissive than this Policy.
- (iii) Any subsequent use and disclosure of information provided to the Corporation pursuant to this Policy will be subject to the privacy provisions of Part 2 of the *Freedom of Information and Protection of Privacy Act*.

Specific Employee Responsibilities

6. Dealings in Crown Land

1. For the purposes of section 24 of the Public Service Act:
 - a. In all cases other than described in section “Acquiring Permits or Licenses for Crown Minerals or Resources”, an employee is authorized to bid on or, provided CEO approval is obtained under section (1)(b), to acquire an estate or interest in Crown land if:
 - i. the employee has obtained the prior approval of the employee’s CEO or designate, and
 - ii. the employee has disclosed that they are an employee and the details of their employment.
 - b. The Deputy Head or designate of the department granting the interest shall review and may approve the transaction only if:
 - i. it is consistent with departmental and government objectives, and
 - ii. the terms of the transaction are fair and reasonable, and
 - iii. no conflict of interest exists.
2. If an employee has obtained an estate or interest in Crown land in compliance with the Code, the employee may renew that estate or interest without obtaining approval from the Deputy Head or designate of the department whose Minister is responsible for the administration of the land.
3. Where an employee owns or has an estate or interest in land being purchased by the Crown,
 - a. the employee shall declare their employment status to the Deputy Head or designate of the department involved in the transaction, and
 - b. the Deputy Head or designate of that department shall review and may approve the transaction.

7. Acquiring Permits or Licenses for Crown Minerals or Resources

1. For the purposes of section 24 of the Public Service Act, an employee is authorized to do one or more of the following:
 - a. acquire a local timber permit or an interest in a local timber permit under the Forests Act, where the permit or interest is acquired for the employee’s own use and not:
 - i. for commercial purpose, or

- ii. for the purpose of re-selling timber;
 - b. acquire a license to conduct placer mining under the Metallic and Industrial Minerals Regulation (Alta. Reg.66/93 as amended);
 - c. acquire a permit or an estate or interest in a permit to recover exposed ammonite shell under the Ammonite Shell Regulation (Alta.Reg.59/89 as amended);
2. For the purposes of section 24 of the Public Service Act, an employee is authorized to acquire a registered fur management license under the Wildlife Act.

8. Political Activity

1. There is no restriction upon participation in political activity by employees except that:
- a. They must not participate directly in soliciting contributions.
 - b. Employees who occupy positions at manager or above may not seek nomination as a candidate in a federal or provincial election, nor hold office in a political party or constituency association. They may become candidates in a municipal election with the prior approval of the CEO.
 - c. Employees who wish to run as candidates in a provincial or federal election must take leave of absence without pay commencing on the day after the writ for the election is issued or on the day that their candidacy is publicly announced whichever is the later, and the restriction of solicitation shall not apply to such employees once a public declaration of candidacy has been made.
2. Employees who are elected to federal or provincial office shall resign their employment effective the day of the election.
3. Employees who seek election and are not elected, are entitled to return to the same or similar employment, effective the day after the election.
4. Employees who are candidates for municipal office shall, if elected, be subject to the provisions of this Code regarding outside employment.

Appendix “A”

Definitions:

“**Associated**” means a relationship, transaction or connection such that the relationship, transaction or connection:

- a. has the potential to affect or give the appearance of affecting the ability of the Director or Committee Member to act impartially on behalf of the Corporation; or
- b. between the Corporation and the person would, or would be seen to, confer a direct or indirect benefit upon the Director or Committee Member;

“**Benefit**” means a direct or indirect pecuniary or non-pecuniary advantage and includes the avoidance of a detriment, but does not include the prestige associated with the position of Director or Committee Member nor participation in activities or programs of the Corporation in which the public has an opportunity to participate;

“**Board**” means the Board of Directors of the Corporation;

“**Bylaws**” means the Bylaws of the Corporation;

“**Chair**” means the Chair of the Board;

“**Client**” means another person (individual, private or public company, association, research institution, academic institution, agency or government department) with whom the Corporation has recently, is, or is planning to engage in a Transaction;

“**Committee**” means a Board Committee or Sub-Committee of the Corporation;

“**Committee Member**” means a member of a Committee;

“**Code Administrator**” means for Directors and the Chief Executive Officer of the Corporation, the Governance and Compensation Committee of the Board. The Code Administrator for Employees other than the CEO, means the CEO, or person(s) delegated by the CEO.

“**Director**” means a member of the Board of the Corporation;

“**Employee**” means a person employed by the Corporation;

“**Member Organization**” means any organization that becomes a member of the Corporation in accordance with the Bylaws;

“**Offence**” means an offence created under the Criminal Code of Canada and/or the Controlled Drugs and Substances Act;

“**Officer**” means a Director or an Employee who is appointed as an Officer of the Corporation and includes, without limitation the Chair and the Vice-Chair and the CEO ;

“**Policy**” means this Conflict of Interest Policy;

“**Related Person**” means a person who is Associated with a Director, Employee or Committee Member;

“**Transaction**” means an arrangement, other than a gift, under which;

- a. the Corporation and another person agree to exchange value or services;
- b. the Corporation confers a benefit on another person; or
- c. the Corporation receives a benefit from another person.

“**Vice Chair**” means the Vice Chair of the corporation;



Appendix “B”

Acknowledgement of Code of Conduct

I, (print name) _____ hereby acknowledge that I have reviewed the Code of Conduct (the “Code”) as amended, and that I understand the Code, and that I agree to commit myself to the Code’s expectations to guide my conduct and exercise care and diligence in the course of my work with Alberta Innovates Technology Futures.

Signature of Director, Officer, or
Employee

Date

Signature of Code Administrator

Date



Appendix "C"
Declaration of Interest

I, (print name) _____ hereby declare my own interest in or office in the following entities (individual, private or public company, association, research institution, academic institution, agency or government department):

Type of Interest	Entity Name

Attach additional pages if required

I, (print name) _____ hereby declare my immediate family members' interest in or office in the following entities:

Type of Interest	Entity Name

Attach additional pages if required

Signature of Declarant

Date

Signature of Chair or his designate

Date