Nova Scotia Public Service
Long Term Disability Plan Trust Fund

CODE OF CONDUCT

Purpose

The Code of Conduct establishes the standard of conduct required of Trustees and sets out the behavioural principles essential to proper Board governance. The Code ensures that management of the Trust Fund will be overseen in a manner that protects and promotes confidence and trust in the integrity, objectively and impartiality of the Board of Trustees.

Conduct

Each Trustee owes a fiduciary duty to the Trust. In carrying out Board responsibilities, Trustees will:

- Act honestly and in good faith.
- Exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.
- Understand the role, responsibilities, expectations, and legal duties of a Trustee.
- Exercise Trustee powers only for the intended purpose.
- Demonstrate due diligence and commitment in preparation for and attendance at Board meetings, special events and other Board activities.
- Respect and consider diverse and opposing viewpoints to encourage open and collective decision-making.
- Acknowledge the shared ownership and accountability of Board decisions through demonstrated acceptance, respect, and support for Board decisions.
- Ensure that the financial affairs of the Trust are conducted in a responsible and transparent manner.
- Ensure that Plan members receive the best quality service and coverage the Trust can provide.
- Adhere to the responsibilities and processes established within the Trust Deed, NSPS-LTD Plan Trust Fund policies, and other directives approved by the Board.

Note: More specifically, in carrying out Board responsibilities Trustees will act in accordance with the Trustee Terms of Reference (attached as appendix A).

Confidentiality

Every Trustee has a duty to preserve and protect confidential information of the Trust. This duty continues after the Trustee's Board appointment has ended.

Confidential information is any non-public information obtained by a Trustee by reason of Board appointment. This specifically includes strategic and marketing plans, contracts, member lists, databases, intellectual property, and Board minutes. Confidential information does not include information required to be disclosed pursuant to legislation, directed for release by the Privacy & Disclosure Policy, or as agreed to by the Board.

Trustees must take all reasonable steps to protect confidential information, including following best practices regarding information access and security.

All proceedings, documents, notes, lists, etc. which are part of the function of the Trust are the property of the Trust and must be returned to the Trust or destroyed at the conclusion of the Trustee's appointment.

Plan member's privacy shall always be safeguarded.

Conflict of Interest

Trustees are in a "conflict of interest" whenever they themselves, members of their family, business partners or close personal associates, may personally benefit either directly or indirectly, financially, or otherwise, from their position on the Board.

Except for the Chair, Trustees shall serve without remuneration from the Trust Fund. No Trustee shall directly or indirectly receive any benefit from their Board position. Trustees may be paid reasonable expenses incurred in the performance of their duties.

A Trustee's entitlement to a Plan Benefit does not constitute a conflict of interest for a Trustee.

Procedures

Trustees shall annually provide affirmation of Code of Conduct compliance.

Trustees shall act in the best interests of the Trust Fund rather than any personal interest, constituency interest, or the interest of their appointing party or employer.

Given the need to protect the integrity of the Trust Fund, it is important that concerns about potential or perceived Code of Conduct violations be raised and addressed as soon as identified. It is the responsibility of each Trustee to declare in writing to the Board Chair those interests and relationships they think could be seen to impact the decisions and actions they take on behalf of the Trust Fund. Where there is a change of circumstances, the Trustee shall disclose in writing any relevant new or additional information about those interests as soon as possible.

Trustees who have or may have violated the Code are expected to disclose as soon as possible to the Board Chair. All information relevant to the possible violation shall be disclosed. The Trustee shall not participate in any discussion or decision affecting the matter.

Trustees who are aware of a real, potential, or perceived breach of the Code of Conduct on the part of another Trustee are responsible to raise the issue with the Trustee in conflict and the Board Chair.

If a Trustee is uncertain regarding a potential Code violation or the appropriate course of action to address the matter, they should discuss the matter with the Board Chair (or in the absence of the Board Chair, the Chair of the Strategic Initiatives and Governance Committee).

When a real, perceived, or potential breach is identified and reviewed the conclusion of the matter will be brought to the Board's attention at the next scheduled Board meeting and documented in Board minutes.

Oversight

The Board Chair shall oversee compliance with the Code of Conduct by all Trustees. In the event the Chair, becomes aware of noncompliance the Chair shall discuss the matter privately with the Trustee to determine how compliance might be achieved.

If the Chair or the Trustee are not satisfied with the outcome, the Chair shall bring the matter to the Board for review. Upon discussion and vote of the Board, the Board shall determine whether the Trustee has complied with the Code of Conduct. The Trustee at issue will be absent from the discussion and vote. If a Trustee has been determined to be non-compliant, the Chair shall advise the appointing Plan Sponsor.

APPROVED BY MOTION October 21, 2021, Board meeting

Subsequent review approved by motion on:

- December 7, 2022
- December 12, 2025

NEXT FORMAL REVIEW Fall 2028

Affirmation

Every Trustee shall read and become familiar with the Code of Conduct. Each Trustee will annually affirm, in writing, compliance with the Code of Conduct.

I, _____ have read and understood the Code of Conduct and I affirm that I will comply with the terms and principles of the Code.

Signature_____

Date _____

Appendix A
Trustee Terms of Reference

Overview

In carrying out the responsibilities as a member of the Board of Trustees, each Trustee owes a fiduciary duty to the Trust Fund and must:

(a) Act honestly and in good faith with a view to the best interests of the Trust Fund.
(b) Exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.
(c) Oversee the business and affairs of the Trust Fund.
(d) Hold strictly confidential all information communicated to them in the context of their duty to the Trust Fund.
(e) Preserve and protect confidential information of the Trust Fund.

Duties and Responsibilities

Trustees have two basic legal obligations to the Trust:

- Duty of Care – requires that Trustees exercise appropriate diligence in making decisions and in overseeing management.
- Duty of Loyalty – requires that Trustees make decisions based on the best interest of the Trust's Plan members and without regard to any personal interest or that of the Trustee's appointing Plan Sponsor.

In addition to these two basic obligations, Trustees need to demonstrate the following:

Informed Judgment

- Provide wise counsel on a broad range of issues; be able to think strategically about complex issues.
- Proactively apply their own knowledge, experience, and expertise to issues.
- Demonstrate a commitment to achievement and of making good business decisions.
- Understand the difference between governing and managing, and not encroach on management's areas of responsibility and authority.
- Be an available resource to management and the rest of the Board.
- When appropriate, communicate with the Chair or CEO between meetings.
- Demonstrate a willingness and availability for one-on-one consultation with the Chair or CEO.

Integrity

- Demonstrate high ethical standards and integrity; understand the role, responsibilities, expectations, and legal duties of a Trustee.
- Be willing to be accountable for and be bound by Board decisions.

Independence

- Be able to act independently of Plan management.
- Be able to act independently of other influences or direction.
- Be willing to take a stand, even if it is contrary to prevailing opinion.
- Disclose contracts or arrangements in which the Trustee has an interest.
- List all other boards the Trustee sits on.
- Participate fully and frankly in deliberations and discussions during meetings.
- Encourage free and open discussion of the affairs of the Trust Fund.

Financial Literacy

- Demonstrate financial literacy, including the ability to understand financial statements.

Industry Knowledge

- Develop a thorough understanding of the Trust Fund's role.
- Become and remain knowledgeable of the Trust Fund's products, services, and industry.
- Maintain a clear understanding of emerging trends and issues.

Board Effectiveness

Meeting Protocol

- Advise the Chair in advance when planning to introduce significant or previously unknown information or material at a Board meeting.
- Contribute to the development of meeting agendas and advise the Chair of any matter which they wish to be discussed by the Board at a future meeting.
- Work effectively with others and manage conflict constructively.
- Follow meeting principles:

  Listen - attentively and acknowledge what others say
  Speak - courteously and be aware of your words and body language
  Understand - we may not always agree but we all share the same commitment to Plan members.

Meeting Preparation and Attendance

- Commit the necessary time to prepare for and attend each Board and Committee meeting.
- Review materials provided to exercise oversight and as necessary for decision making.
- When attendance is not possible, become familiar with the matters covered at the meeting.
- Maintain an excellent Board and committee meeting attendance record; Trustees are expected to attend 100% of all regularly scheduled meetings for the full duration of each meeting. In respect to fiduciary effectiveness, the Chair will notify the appointing Plan Sponsor for remedy if a Trustee's absence exceeds two (2) Board meetings per annum.
- Be in attendance for the full duration of the meeting, whenever possible.
- Trustees are expected to make reasonable efforts to attend face to face meetings in person.