

ETHICS AND CONDUCT

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PURPOSE

1.1 Purpose

Our actions and decisions must be without reproach given our regulatory role in BC securities markets. We must always be honest and impartial and show integrity by:

- complying with the law
- maintaining high ethical standards
- avoiding actual and apparent conflicts of interest
- avoiding behaviour that could harm the good reputation of the BCSC

1.2 Application

This ethics and conduct policy applies to all BCSC commissioners and employees. You must *always* comply with this policy - it is a condition of your employment.

We may take disciplinary steps, including terminating the service of employees who do not comply with this policy.

1.3 Exemptions

Your director¹ may exempt you (in writing, copy to HR) from a policy requirement if you show that the requirement causes you unreasonable hardship. The Chair and Governance Committee review all exemptions from this policy annually.

1.4 Initial and annual certification of compliance with commission policies

You must undertake to comply with commission policies when we hire you, and you must certify your compliance with commission policies every year when asked by your supervisor² (see Appendix A).

¹ “director” means
(1) your director;
(2) the ED, if you report to the ED;
(3) the Chair, if you work in the Office of the Chair or are a commissioner, and;
(4) the Governance Committee chair, if you are the Chair.

² “supervisor” means the person who completes your performance tracker.

GENERAL CONDUCT

2.1 Service to the public

You must serve the public professionally and courteously.

2.2 Workplace behaviour

Your conduct, including your language, must be appropriate for a business setting. You must treat your colleagues with respect and dignity. You must not exploit a work relationship for private advantage or benefit.

You must not participate in making a decision if a reasonable person would question your objectivity. For example, you must not participate in personnel decisions involving relatives, close friends, or people living with you.

2.3 Indemnity

BCSC indemnifies you from personal liability for damages that result from your honest and diligent efforts, taken in good faith, to perform your duties on behalf of the BCSC.

2.4 Duty of confidentiality

Section 11(1) of the *Securities Act* requires that you keep confidential all information created or obtained in the course of your duties, with few exceptions. Your duty to keep information and records confidential continues after you leave the Commission.

You must tell your supervisor before you disclose information externally.

Read section 4.1 (Third party information requests) of this Policy and our [information management and privacy policies](#) for more guidance.

2.5 Representing the BCSC

You³ must not:

- teach, lecture or write about the BCSC unless authorized by your director
- speak to the media about the BCSC, unless authorized by the Director of Communications and Education.

When authorized to represent the BCSC, follow the Media and Social Media Policies.

2.6 Dispute resolution

You should use constructive feedback and active listening to resolve workplace conflicts with other employees. If you need help to fix a problem, you should discuss it first with your supervisor. Your supervisor should deal with the matter promptly. When informal methods fail or if you consider the problem serious, you can follow the dispute resolution process in Appendix B.

³ The Chair and the ED are exempt.

2.7 Discrimination, bullying and harassment

You must not discriminate against, or bully and harass, anyone in the course of your employment.

Discrimination means discrimination based on a person's sex, race, colour, ancestry, place of origin, political belief, religion, marital status, family status, physical or mental disability, sexual orientation, gender identity or expression, age, or criminal conviction that is unrelated to the person's employment. Discrimination includes sexual harassment. Sexual harassment⁴ means conduct or comments of a sexual nature that are unwelcome, and that detrimentally affect the work environment or lead to adverse job-related consequences.

Bullying and harassment includes any inappropriate conduct or comment by a person that the person knew or reasonably ought to have known would humiliate or intimidate another person. This excludes any reasonable action taken by an employer or supervisor relating to the management and direction of workers or the place of employment.

We strive to provide a respectful workplace. To do this we:

- educate supervisors to prevent workplace discrimination, bullying and harassment
- train employees on how to recognize discrimination, bullying and harassment, and train employees on their reporting obligations
- provide training on how to diffuse potentially violent situations, and what procedures to follow if violence occurs
- offer support to those affected by discrimination, or bullying and harassment, including investigating all complaints, and acting to stop discrimination, bullying and harassment

2.8 Workplace safety

We maintain a safe workplace and respect your health and safety by complying with WorkSafeBC regulations.

⁴ Sexual harassments include but are not limited to:

- a person in authority asking an employee for sexual favours in return for preferential treatment;
- sexual advances with actual or implied work-related consequences;
- unwelcome sexual invitations;
- unwelcome remarks, questions, jokes or innuendo of a sexual nature;
- verbal abuse, intimidation or threats of a sexual nature;
- leering, staring or making sexual gestures;
- display of pornographic or other sexual materials;
- offensive graffiti, cartoons or sayings; and
- unwanted physical contact.

CONFLICT OF INTEREST RULES

3.1 Duty to avoid conflicts

You must avoid actual or apparent conflicts of interest, and must identify and disclose any actual or potential conflicts to your director. When deciding if the circumstances could be an actual or apparent conflict, consider whether a reasonable person who knew the facts would conclude that you could act impartially.

Ask your director for guidance if you are unsure.

For purposes of this section, knew means information you actually knew or ought reasonably to have known because of your particular work assignment, or routine access to that information through work-related systems.

3.2 Types of conflicts to avoid

You must not:

- (1) use your position or non-public information to benefit yourself, family, friends, or associates
- (2) accept preferential treatment from a registrant
- (3) act in a matter if a reasonable person would question your objectivity
- (4) hold office in or be a director of, or perform services for any registrant or any reporting issuer without the prior written consent of your director
- (5) accept outside work or business which could conflict with your BCSC work
- (6) use your position to raise money or memberships for political parties or candidates or any other cause
- (7) accept a gift, favour, or service from anyone, other than:
 - the normal exchange of gifts between friends or family,
 - the normal exchange of hospitality between persons doing business together,
 - tokens exchanged as part of protocol, or
 - the normal presentation of gifts to persons participating in public functions, speeches, lectures, or seminars.

3.3 Securities transactions

This section applies to all securities in which you have, or would have after a proposed securities transaction, beneficial ownership, or control or direction over, except securities in a blind trust⁵.

⁵ "Blind trust" means a blind trust, or similar non-trust arrangement, under which: (1) another person has sole discretion to make all purchases and sales of securities; (2) you are not told about these securities transactions; (3) your supervisor has a copy of the terms of the trust or arrangement and has given written consent.

- (1) Material non-public information** — You must not enter into, or encourage someone to enter into, a transaction in relation to a security when you know non-public information that could reasonably affect the price of the security.
- (2) Prospectuses and applications** — If you know of an unreceipted prospectus or open exemption application, you must not enter into, or encourage someone to enter into, a transaction in relation to the subject security or issuer until three days after the prospectus receipt is issued or a decision on the application is made. This restriction does not apply to purchases and sales of:
- mutual fund securities,
 - securities of other investment funds not redeemable on demand or not redeemable at all, including labour sponsored funds and exchange-traded funds,
 - exchange-traded index participation units,
 - securities under an automatic share purchase plan,
 - securities under a reinvestment plan for dividends, interest and distributions of capital, or
 - securities held by an agent or trustee with a legal obligation to sell under a prior agreement
- (3) Investigations** — If you know we are investigating an issuer, or any of its insiders, associates or affiliates, you must not enter into, or encourage someone to enter into, a transaction in relation to securities of the issuer.
- (4) Registrants** — You may only buy or sell securities of a registrant through a stock exchange or, in the case of debt securities, in an over-the-counter market.

3.4 Commission proceeding conflicts to avoid

As a commissioner, you must not participate in a proceeding if:

- you have an association (past or current business or personal relationship) or personal interest that could reasonably be perceived as preventing you from making an impartial decision, or
- you think you would be unable to render an impartial decision

3.5 Proceeding conflicts of interest

When asked to participate in a proceeding, a commissioner must tell the Chair about any continuing or prior interest, association, or relationship that could give rise to a conflict of interest. The Chair will decide if you can participate in the proceeding. The Chair's decision is final.

You must not ask any party to a proceeding to waive any conflict of interest or to consent to your participation in a proceeding if your participation would be contrary to this policy. However, if all parties to a proceeding voluntarily agree in writing or on the record, you may participate in the proceeding.

3.6 Post-Employment Restrictions on Executives and Senior Managers

Definitions

1. For the purpose of the restrictions set out below:
 - a. “Executive” and “Senior Manager” have the meanings defined in the Commission governance policy;
 - b. “CMRA” means the independent capital markets regulatory authority if established under the Memorandum of Agreement Regarding the Cooperative Capital Markets Regulatory System between the Government of British Columbia and other governments in Canada;
 - c. “Outside Entity” means a person or entity, other than:
 - i) a public sector employer as defined in Section 1 of the *Public Sector Employers Act*,
 - ii) a capital markets regulator, including a self-regulatory organization,
 - iii) a stock exchange or alternative trading system, or
 - iv) a capital markets infrastructure provider.
 - d. “Substantial Involvement” means to make a decision or recommendation on a Commission application, investigation, proceeding or negotiation that significantly affects the business interests of an Outside Entity.

After Leaving the Commission

2. If the Executive or Senior Manager had Substantial Involvement with an Outside Entity in the year before the date of the end of the Executive’s or Senior Manager’s employment with the Commission then, for the year following that date, the Executive or Senior Manager must not
 - a. accept a position with, or a board appointment to, or enter into a service contract with, that Outside Entity that could lead to a material conflict of interest or situation materially prejudicial to the Commission; or
 - b. advise or otherwise assist that Outside Entity in connection with any Commission application, investigation, proceeding or negotiation in which the Executive or Senior Manager was involved.
3. The restrictions described above will cease to apply when the CMRA is established, or the Commission is dissolved, or otherwise ceases to exist as a legal entity.

REPORTING

Ask your director for guidance if you are unsure of your reporting obligations.

4.1 Reports

Conflicts of interest

You must immediately report in writing to your director any actual or potential conflict of interest. For example, you must report when you hold securities of, or have a personal or other interest in, an issuer involved in a matter assigned to you.

Third party information requests

You must immediately tell your director if a third party asks you to provide information or summons you to testify about anything work-related. Your director will decide if we should comply or hire a lawyer.

Our [information management and privacy policies](#) contain additional reporting requirements.

An unsafe workplace

You must immediately report any unsafe situation to HR.

Misconduct

You must immediately report serious misconduct. Follow the process in Appendix C.

Discrimination, bullying and harassment

You should immediately report any discrimination, or bullying and harassment. Use the form in Appendix D to document the complaint. HR can help you complete the form. Then follow the process in Appendix C to report the complaint.

4.2 Act in good faith

You must act in good faith when you report a breach or complain under this policy. That is, you must be satisfied that a reasonable person would conclude that the information you intend to report suggests a serious breach or bona fide complaint. We may discipline you for making false or malicious reports or complaints.

4.3 No retaliation

We encourage you to raise breaches of, and complaints under, this policy within rather than outside the Commission. We will protect you from reprisals if you report or complain in good faith. We will discipline, and may dismiss, anyone who retaliates against a reporter or complainant.

4.4 Confidentiality

We will keep your report or complaint confidential, except we will share enough information to allow us to investigate the matter, and will disclose any information required by law. We ask that you, and will ask that others involved in our investigation, also keep information confidential. We may discipline anyone who does not keep a report or complaint confidential.

4.5 Timeliness

You should make your report or complaint promptly. Do not let problems fester. It is very hard to resolve old matters. Evidence and memories deteriorate quickly. We will not usually pursue a report or complaint based on events more than 6 months old.

Appendix A - Confirmation of compliance with commission policies⁶

To: (Insert Director),

BC Securities Commission

I have read and understand the following commission policies⁷ and will observe them:

- Ethics and conduct
- Information management
- Privacy

I will not depart from commission policy without a written exemption from you.

If my spouse is a registrant or employed by a registrant under *the Securities Act*, I have listed their names below.

Name of Spouse:

Name of Registrant/Employer:

Dated:

Signed: (Print Name)

⁶ We will ask you to confirm your compliance annually, during the year-end performance assessment process.
⁷ We maintain current versions of these commission policies on the HUB under “Tools; Policies & Guidelines” page.

Appendix B - Dispute Resolution Procedure

Purpose

This procedure describes how to address work-related disputes. It intends to promote:

- fair and efficient resolution
- communication, particularly constructive feedback
- teamwork and cooperation

We encourage you to talk openly with your supervisor about any work-related problems, and to involve HR when and as you see fit. You will solve most problems or complaints this way. However, when informal methods fail or if you consider the problem serious, follow this process.

Procedure

Talk to your supervisor

Discuss the problem with your supervisor.⁸ Ask your supervisor to follow this dispute resolution process. Your supervisor will try to solve the problem and to respond within five business days. Your supervisor will commit to a decision date if he or she needs more time.

Appeal to your director

If the problem is not resolved to your satisfaction, your supervisor will invite you to speak to your director.⁹ Your director will try to solve the problem by applying Commission policies to the facts, and will respond to you within five business days. Your director will commit to a decision date if he or she needs more time.

Appeal to the HR Manager

If you are not satisfied with your director's decision, bring the problem to the HR Manager. In some cases, the HR Manager may help you present the problem to your director again. Otherwise, the HR Manager will record your problem, review it with your director, interpret Commission policy and practice, and research the legal aspects of your problem. Your director and the HR Manager will decide together, and respond within five business days.

Appeal to the ED

If you are not satisfied with the joint decision, you may ask that the ED review the problem. The ED will consider the facts, consult with the Chair or the Chair's delegate, and provide a final decision within ten business days.

⁸ If the complaint is against your supervisor, you may go to the next level of management or to the HR Manager.

⁹ If your supervisor reports to a manager, your next step is to discuss the problem with that manager. If the problem is not resolved to your satisfaction, that manager will invite you to speak to your director.

Appendix C – Misconduct Reporting Procedure¹⁰

Purpose

Our Ethics and Conduct Policy requires commissioners and employees to act honestly and impartially, and with integrity. This procedure describes how you report serious misconduct at the BCSC. Serious misconduct means any work-related situation or behaviour you reasonably believe is a serious breach of our Ethics and Conduct Policy.

Reporting misconduct involving the Chair, Vice Chair, General Counsel, Independent Commissioners, the Executive Director, or HR department employees

Provide evidence of the misconduct to the chair of the Governance Committee¹¹. You may also report it anonymously using our confidential reporting line (www.grantthorntontcare.ca/) maintained by Grant Thornton. The reporting line sends such complaints to the Governance Committee chair.

The Governance Committee chair or his/her delegate will acknowledge receipt to known complainants within five business days. The Governance Committee chair or his/her delegate will promptly investigate all complaints made to him/her and take appropriate corrective action if warranted by the investigation. The Governance Committee chair or his/her delegate will inform known employee complainants of the investigation outcome.

The complainant cannot appeal the outcome.

Reporting misconduct involving other employees

Provide evidence of the misconduct to HR. You may also report it anonymously using our confidential reporting line (www.grantthorntontcare.ca/). The reporting line sends such complaints to HR.

HR will acknowledge receipt to known complainants within five business days. HR will promptly investigate all complaints. If warranted by the investigation, HR will work with the responsible supervisor, who will take appropriate corrective action. HR will inform known employee complainants of the investigation outcome.

The complainant can appeal the outcome. If the complainant is not satisfied with the investigation outcome, the complainant may ask the Executive Director to review the complaint. The Executive Director will consider the complaint and provide a final decision within ten business days.

Review

Management reports complaints of serious misconduct to the appropriate board committees immediately.

¹⁰ This procedure does not prevent you from filing a Human Rights or WorkSafeBC complaint. The BCSC will cooperate with a Human Rights Tribunal or WorkSafeBC investigation.

¹¹ If the misconduct involves the Governance Committee chair, report it to the HR Committee chair. The HR Committee chair will be in charge of investigating the complaint and taking any required corrective action.

Appendix D – Discrimination, Bullying and Harassment Complaint Form

You should immediately report any discrimination, or bullying and harassment.

Use this form to document the complaint. HR can help you complete the form. Then follow the process in Appendix C to report the complaint.

We will investigate all complaints, engaging a third party to investigate when a conflict of interest exists. If appropriate, we will take action after concluding the investigation, including informing known employee complainants of the investigation outcome.

Complainant: _____

Alleged wrongdoer: _____

Personal statement

Describe in as much detail as possible the incident(s), including:

- the names of the parties involved
- any witnesses to the incident(s)
- the location, date, and time of the incident(s)
- details of the incident(s) including actions, behaviour, events or circumstances
- prior attempts to resolve (if any)
- any additional details that would help with an investigation
- the remedy you seek

Attach any supporting documents, such as emails, handwritten notes, or photographs. Physical evidence, such as vandalized personal belongings, can also be submitted.

Signature	Date
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