

CODE OF CONDUCT AND CONFLICT OF INTEREST POLICY

Purpose

The conduct of those who govern the Teachers' Pension Plan significantly impacts the lives of thousands who are dependent on these pensions for their retirement income. Consequently, it is critical that the Teachers' Pension Plan (which for the purpose of this document includes the Teachers' Pension Fund and referred to as "the Plan") be overseen by a strong, well-functioning governing body which is acting in accordance with fundamental ethical principles of honesty, integrity, independence, fairness, openness and competence.

The Code of Conduct and Conflict of Interest Policy for Directors of Nova Scotia Teachers' Pension Plan Trustee Inc. (TPPTI) represents the best practices when complying with their duties to the Plan and demonstrate the commitment to serving the best interests of the beneficiaries.

This Policy provides guidance to TPPTI Directors overseeing the Plan regarding their individual duties and responsibilities and is not meant to replace the overall policies and procedures established for the governance of the Plan. However, to reflect best ethical practice, incorporating the fundamental ethical principles embodied in this code will enhance those policies and procedures.

Definitions

Board	the Board of Directors of TPPTI
Board Director/Director	a member of the Board
Chair	chairperson of the Board
Committee	the internal committees established by the Board, being Investment; Audit and Actuarial; Governance, Communications and Member Services
Committee Chair	chairperson of a Committee
NS Pension	Nova Scotia Pension Services Corporation
NS Pension Director	a Board Director who also sits on the board of directors of NS Pension

Plan	Teachers' Pension Plan
Plan Membership/ Plan Members	active and deferred members, pensions and survivors
Sponsors	Province of Nova Scotia and Nova Scotia Teachers Union
Trustee	Teachers' Pension Plan Trustee Inc.

Code of Conduct

Teachers' Pension Plan Trustee Inc. Directors

1. Act in the best interests of the Plan members, pensioners and beneficiaries;
2. Act with prudence and reasonable care of a person dealing with property of another;
3. Act with skill, competence, and diligence of a competent member of TPPTI;
4. Maintain independence and objectivity by, among other actions, avoiding conflicts of interest, refraining from self-dealing, and refusing any gift that could reasonably be expected to affect their loyalty;
5. Abide by all applicable laws, rules, and regulations, including the terms of the Plan documents;
6. Deal fairly, objectively, impartially, and in good faith with all beneficiaries;
7. Take actions that are consistent with the established mission of the Plan and the policies that support that mission;
8. Review on a regular basis the efficiency and effectiveness of the Plan's success in meeting the goals, including assessing the performance and actions of the Plan service providers, such as NS Pension, consultants and actuaries;
9. Maintain confidentiality of Plan beneficiary information;
10. Communicate with beneficiaries and supervisory authorities in a timely, accurate and transparent manner.

Code of Conduct and Conflict of Interest Guidance

1. Act in good faith and in the best interests of the Plan members, pensioners, and beneficiaries

The overriding objective of the Plan is to provide a secure retirement as established by the Plan. TPPTI has a duty to act for the benefit of the Plan members, pensioners, and beneficiaries.

TPPTI shall always act in the best interests of the Plan members, pensioners, and beneficiaries and shall:

- (a) Place the interests of the Plan members, pensioners, and beneficiaries above that of the sponsors of the Plan even if the Director is employed by or appointed to TPPTI by either of the Plan sponsors;
- (b) Oversee the policy of the investments of the Plan by ensuring that the Plan assets will meet the Plan liabilities over the life of the Plan;
- (c) Recommend to the Plan Sponsors a funding policy which will address the financial exigencies that exist in the financial security of the Plan which result from market fluctuations and other external forces.

2. Act with prudence and reasonable care.

Directors will exhibit the care and prudence necessary to meet their obligations to Plan members, pensioners and beneficiaries. The exercise of prudence requires acting with the appropriate level of care, skill, and diligence that a person acting in a like capacity and familiar with such matters would use under the same circumstances.

In the context of serving as a Director, prudence requires:

- (a) Acting in good faith, without improper motive or purpose;
- (b) Exercising discretion fairly and consistently depending on the circumstances;
- (c) Having the necessary skill and ability to act with prudence and reasonable care; such prudent, reasonable care to be that of a person dealing with the property of another;
- (d) Directors can rely on external third party service providers provided the Directors have made reasonable and diligent effort to:
 - i. Ensure the service providers have sufficient skill and ability to provide their required service to the directors and that the third party provider will act with appropriate skill, competence and diligence;
 - ii. Ensure the third party experts are independent, free of conflict of interest and have the proper incentives to act in the best interests of the members, pensioners and beneficiaries.

3. Act with skill, competence, and diligence

Skill, competence, and diligence require Directors to be knowledgeable about the matters and duties to which they had been entrusted. Failure to apply skill, competence, and diligence of prudent person dealing with the property of another, will be a violation of this code. Improper or ill-advised decisions can be costly to the Plan and detrimental to the Plan's members, pensioners and beneficiaries.

Directors will have an appropriate understanding of the following:

- trust and pension law
- pension plan funding and liabilities
- policies of the Plan

Directors should not act if they lack appropriate understanding or knowledge related to any potential decision they are about to make.

Directors are expected to take training and education programs necessary to ensure that their level of knowledge and understanding about the duties and responsibilities as a Director remains current.

Directors shall ensure that there is a proper training and education program for new Directors which will be provided to the new Director before commencing their service.

4. Maintain Independence and Objectivity

Maintain independence and objectivity by, among other actions, avoiding conflicts of interest, refraining from self-dealing, refusing any gift that could reasonably be expected to affect your loyalty.

Directors shall avoid actual and potential conflicts of interest between their work with the Plan and other personal or outside interests. Conflicts of interest are many and varied and shall be avoided at all times.

Directors shall:

- (a) not solicit contributions for any matter from service providers to the fund either personally or on behalf of another;
- (b) not allow political interest to influence a decision to be made on behalf of the plan;
- (c) not put themselves in position where their interests and the interests of the plan conflict;
- (d) not allow their relationship with their appointing party to, in any way, influence their acting in the best interests of the members, pensioners and beneficiaries;

- (e) not receive any personal profit or gain as a result of their position as a Director such personal property gain does not include receiving benefits under the Plan;
- (f) avoid any employment or contractual relationship with or any interest in firms that provide services to the plan;
- (g) refuse any gift or benefit from a third party supplier or potential third party supplier of any value which could be interpreted as an award for engaging third party supplier or as an invitation to engage a third party supplier to supply services in the future.

When a Director recognizes that they may have or has a conflict of interest, the Director shall take appropriate measures to deal and manage the conflict of interest by:

- (a) disclosing to all the other Directors and NS Pension the perceived or real conflict of interest;
- (b) abstaining from any vote and excluding themselves from any meeting in which the subject matter of the conflict is discussed and remaining removed from the meeting until the matter has been determined by TPPTI;

5. Abide by all applicable laws, rules, and regulations, including the terms of the Plan documents.

Directors shall:

- (a) direct NS Pension to consult with professional advisors retained by the Plan to provide technical expertise on applicable laws, regulations so that to ensure that TPPTI remains in compliance with all applicable legislation including, but not limited, to:
 - Income Tax Act of Canada
 - Teachers' Pension Act
 - Human Rights Act
- (b) regularly investigate to ensure the Plan has updated compliance policies and procedures designed to maintain compliance with the legislation and agreements that govern the operation and administration of the Plan;
- (c) develop appropriate checklists to ensure compliance with the above-noted obligations.
- (d) report suspected statutory violation, unethical conduct, or financial irregularities to the appropriate person including the Plan's internal auditor, administrator or legal counsel;

6. Deal fairly, objectively, and impartially with all members, pensioners and beneficiaries.

The Directors shall maintain the trust that the members, pensioners and beneficiaries of the Plan place in them and the Directors shall deal with the Plan members, pensioners and

beneficiaries in a fair and objective manner. Directors shall treat all members, pensioners and beneficiaries “evenhandedly” and shall not favour one class of members, pensioners and beneficiaries over another except as deemed necessary by the Directors.

7. Take actions that are consistent with the established mission of the Plan and the policies that support that mission.

The Directors shall establish the funding policy of the Plan and shall develop the overall asset allocation of the fund, the expected rates of return, and other actuarial assumptions. The investment of the fund assets shall be done by third party suppliers in accordance with the policies developed by the Directors. The Directors shall delegate to NS Pension or other third party supplier(s), the authority to oversee the investments of the Plan and NS Pension, or other third party supplier, shall report their performance with respect to the investments to the Investment Committee on a regular basis in a format determined by the Directors. The Directors shall not have the responsibility to individually select investment managers, to engage them, or terminate them. The Directors shall establish the guidelines which shall be utilized by NS Pension or any other third party supplier with respect to the policy for engagement and termination of any investment manager.

8. Review on a regular basis the efficiency and effectiveness of the Plan’s success in meeting its goals, including assessing the performance and actions of service providers, such as investment managers, consultants, and actuaries.

The Directors shall have the knowledge and understanding to critically review and verify the performance of NS Pension or any other third party investment manager.

The Directors shall ensure that NS Pension:

- (a) has in place proper monitoring and control procedures for the investment managers;
- (b) reviews and assesses the performance of investment managers;
- (c) meets the statement of investment policy and goals of the Directors.

9. Maintain confidentiality of information of Plan members, pensioners and beneficiaries.

Directors hold strictly confidential all information communicated to them as Directors and they shall take all reasonable measures to preserve this confidentiality. This discretion applies to information related to members, pensioners and beneficiaries as well as any information of a confidential nature relating to the Plan’s investments.

The Directors shall develop a Privacy and Confidentiality Policy that addresses how confidential information will be collected, used, stored and protected and shall ensure that this policy is in compliance with the protection of information by PIPEDA (Personal Information Protection and Electronic Documents Act, S.C. 2000, c. 5)

10. Communicate with participants, members, pensioners and beneficiaries, and supervisory authorities in a timely, accurate, and transparent manner.

Directors have a responsibility to ensure that communication with participants, members, pensioners and beneficiaries, and supervisory authorities occur in a timely, accurate and transparent manner.

Enquiries

Any questions of uncertainty pertaining to the meaning or application of this Code of Conduct and Conflict of Interest Policy should be referred to the Chair. In the event the Chair has any such question, it will be referred to the Chair of the Governance, Communications and Member Services Committee.

APPROVED BY MOTION at the Teachers' Pension Plan Trustee Inc. meeting of March 22, 2011, with subsequent revisions on:

- February 18, 2014
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