

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. embodies the best practices regarding compliance with Directors' duties to the Plan and demonstrates their commitment to serving the best interests of the Plan Members.

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 Policy 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, pensioners and survivors
Sponsor(s)	Province of Nova Scotia and Nova Scotia Teachers Union
TPPTI/Trustee	Teachers' Pension Plan Trustee Inc.

Code of Conduct

Directors are expected to:

1. act in good faith and in the best interests of the Plan Members;
2. act with the prudence and reasonable care of a person dealing with the property of another;
3. act with the skill, competence, and diligence of a competent member of the Board;
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 Plan Members;
7. take actions that are consistent with the funding objectives of the Plan and the policies that support those objectives;
8. review on a regular basis the efficiency and effectiveness of the Plan's success in meeting any Plan goals, including assessing the performance and actions of the Plan service providers, such as NS Pension, consultants and actuaries;
9. maintain confidentiality of Plan Member information;
10. communicate with Plan Members 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:

The overriding objective of the Plan is to provide a secure retirement as established by the Plan. Directors have a duty to act for the benefit of the Plan Members.

Each Director shall always act in the best interests of the Plan Members and shall:

- (a) place the interests of the Plan Members above those of the Sponsors of the Plan, even if the Director is employed by or appointed to the Board by a Sponsor;
- (b) oversee the policy of the investments of the Plan by endeavoring to have the Plan assets meet the Plan liabilities over the life of the Plan;
- (c) recommend to the Sponsors a funding policy which will address the financial exigencies that exist in the financial security of the Plan and 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. 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.

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 the required service to the Directors and that each 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 Plan Members.

3. Act with skill, competence, and diligence

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

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.

The Trustee shall ensure that appropriate training and educational opportunities are provided to each new Director.

4. Maintain independence and objectivity

Each Director is expected to 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 the Director's 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 Plan 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 Plan Members;
- (e) avoid any employment or contractual relationship with or any interest in firms that

provide services to the Plan;

The inappropriate treatment of benefits, entertainment, gifts and favours can negatively impact TPPTI's reputation with its Plan Members and broader stakeholders. This section of the Policy applies not only to Directors but also to their family members, other relatives and associates.

Directors should not accept gifts, benefits, entertainment or other personal favours, which would create, or appear to create, a favoured position for persons or organizations doing business with TPPTI.

Directors must not solicit or accept gifts, benefits, entertainment or other personal favours in exchange for, or as a condition of, the exercise of their duties or as an inducement for performing an act associated with the duties and responsibilities of their position.

Directors may generally accept gifts, hospitality or other benefits, of nominal value (ie. less than \$250), associated with their association with TPPTI, if such gifts, hospitality or other benefits:

- are within the bounds of propriety, a normal expression of courtesy, or within the normal standards of hospitality;
- would not give rise to suspicion regarding the Director's ability to be objective and impartial; and
- would not compromise the integrity of TPPTI or its Board of Directors.

Any gift, hospitality or other benefits that exceeds a \$250 value must be approved in writing by the Chair before being accepted or in the case where the Chair receives the gift, hospitality or other benefit, approved in writing by the Chair of the Governance, Communications and Member Services Committee before being accepted. In cases where the benefit is received by a Director prior to the approval process and then subsequently not approved by the Chair (or Chair of the Governance, Communications and Member Services Committee, if applicable), the Director must return or provide reasonable reimbursement for the benefit as soon as practical. If there is no opportunity to return or reimburse for the unapproved benefit, it must, if practical, be immediately turned over to the Chair (or Chair of the Governance, Communications and Member Services Committee, if applicable), who will decide on a suitable use of the benefit.

When a Director recognizes that they have or may have 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 remain removed from the meeting until the matter has been determined by the Board.

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, rules, and regulations 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) 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 schedules 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 auditor or legal counsel.

6. Deal fairly, objectively, and impartially with all Plan Members

Directors shall maintain the trust that Plan Members place in them and the Directors shall deal with the Plan Members in a fair and objective manner. Directors shall treat all Plan Members "evenhandedly" and shall not favour one class of Plan Members over another except as deemed necessary by the Directors.

7. Take actions that are consistent with the objectives of the Plan and the policies that support those objectives

Directors shall regularly conduct asset liability studies for the Plan and develop the overall asset allocation of the Plan. The investment of the fund assets may 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. Individual Directors do not have authority to select, engage or terminate investment managers. 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 any Plan goals, including assessing the performance and actions of Plan service providers, such as NS Pension, 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 investment managers;
- (b) reviews and assesses the performance of investment managers;
- (c) adheres to the 'Statement of Investment Policy and Goals'.

9. Maintain confidentiality of Plan Members' information

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

The Directors shall maintain a Privacy and Confidentiality Policy that addresses how personal and confidential information will be collected, used, stored and protected and shall ensure that this policy consistent with protection of personal and confidential information under applicable protection of information legislation.

10. Communicate with Plan Members and supervisory authorities in a timely, accurate, and transparent manner

Directors have a responsibility to ensure that communications with Plan Members 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:

- | | |
|--|-----------------------|
| <input type="radio"/> February 18, 2014 | <input type="radio"/> |
| <input type="radio"/> February 17, 2015 | <input type="radio"/> |
| <input type="radio"/> November 12, 2019 | <input type="radio"/> |
| <input type="radio"/> December 9, 2021 | <input type="radio"/> |
| <input type="radio"/> September 12, 2023 | <input type="radio"/> |