

Directors' Code of Conduct

(adopted by the Board of Directors of [insert corporation name]
by resolution dated [insert date of resolution])

1. Purpose

The purpose of this Directors' Code of Conduct ("Code of Conduct") is to provide guidance to directors of [insert corporation name] (the "Corporation") respecting the conduct required by law or expected by the Corporation of them in the fulfilment of their duties as directors of the Corporation.

This Code of Conduct is not intended to be exhaustive. If an issue arises that is not directly addressed by this Code of Conduct, the issue should be addressed in accordance with the general principles set out in this Code of Conduct, or through the exercise of sound business and ethical judgment. This Code of Conduct does not override the requirements of the law, and if there is any inconsistency between this Code of Conduct and the applicable law, the applicable law governs.

2. Fiduciary Duties

The fiduciary duty, or the "duty of loyalty", of the directors of a non-profit corporation is set out in clause 109(1)(a) of *The Non-profit Corporations Act, 1995*, which states:

109(1) Every director and officer of a corporation, in exercising his or her powers and discharging his or her duties, shall:

- (a) act honestly and in good faith with a view to the best interests of the corporation;

The duty of loyalty includes a number of specific responsibilities:

2.1 Corporate Opportunities

A director must not take personal advantage of, or divert to their own benefit, commercial opportunities they learn about in the course of carrying out their duties as a director.

A director must not engage in any financial transactions, contracts or private arrangements for personal profit, which accrue from or are based upon the director's fiduciary position or authority, or upon confidential or non-public information the director gains by reason of such position or authority.

2.2 *Duty to Protect Confidential Information*

Directors are bound by their fiduciary duty to the Corporation to maintain the confidentiality of information received by them in their capacity as directors. Information which is confidential, proprietary to the Corporation or non-public must not be divulged to anyone other than persons who are authorized to receive the information.

2.3 *Duty to Avoid Conflicts of Interest*

As fiduciaries of the Corporation, directors must avoid any conflict, or the appearance of any conflict, between their own personal interests or the interests of any closely connected person¹ and the interests of the Corporation. Directors must attempt to avoid not only actual conflict, but the potential for conflict.

A director has a conflict of interest if the director makes a decision or participates in the making of a decision in the execution of the director's office and at the same time knows or reasonably ought to know that in the making of the decision there is the opportunity to further the director's private interests or the private interests of a closely connected person.

A director will always be in a conflict of interest where the director, a closely connected person, or a corporation in which the director or closely connected person has a controlling interest² or has a financial interest³ in a matter before the Board of Directors (the "board").

¹Closely connected person means the agent, business partner, family (spouse or partner, parent or child) or employer of the director.

²Controlling interest means an interest that a person has in a corporation if the person beneficially owns, directly or indirectly, or exercises control or direction over shares of the Corporation carrying more than 25% of the voting rights attached to all issued shares of the Corporation.

³A director has a financial interest in a matter if the director or someone in the director's family has a controlling interest in, or is a director or senior officer of, a corporation that could make a financial profit from or be adversely affected financially by a decision of the Corporation, or the director or closely connected person could make a financial profit from or be adversely affected financially by a decision of the Corporation.

A first step in avoiding or responding to a conflict of interest is to disclose the interest. Financial assets or investments which are directly or indirectly connected to the nature of a director's work should be disclosed in writing to the Corporation, or entered into the minutes of a meeting of directors. The disclosure should include the nature and the extent of the interest.

If the board is considering a matter where a conflict of interest, or a perceived conflict of interest, exists, the conflicted director shall:

- before any consideration or discussion of the matter, disclose the conflict of interest;
- leave the meeting during the discussion of the matter;
- abstain from attempting, in any way, whether before, during or after the meeting, to influence voting on the matter; and
- abstain from voting on the matter.

3. Directors who are City of Saskatoon Council Members

A director who is also a member of the council of the City of Saskatoon must ensure that they act in the best interests of the Corporation. These directors are liaisons, not advocates, for the council of the City of Saskatoon. These directors are expected to vote their conscience, keeping in mind the views of the council of the City of Saskatoon, but not being directed by them.

4. Duty of Care

Clause 109(1)(b) of *The Non-profit Corporations Act, 1995* speaks to the director's duty of care to the Corporation. It states that every director must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In fulfilling the duty of care, directors have a responsibility to ensure that systems are in place to provide directors with the information they need to make informed decisions and to ensure that board decisions are sound and made pursuant to proper procedures.

5. Regulatory Duties

Various federal and provincial statutes impose or extend liability to directors (e.g. the liability for unpaid employees' wages under *The Saskatchewan Employment Act*, the liability for unremitted GST under the federal *Excise Tax Act*, the liability for unremitted source deductions on employees' pay, and the like). Directors must be satisfied that

management has implemented appropriate safeguards to ensure the Corporation complies with such legislation.

6. Ethical Guidelines

In fulfilling their duties and obligations, directors must adhere to the following guidelines:

6.1 *Directors' Respectful and Harassment-Free Workplace Policy*

The Corporation has adopted the *Directors' Respectful and Harassment-Free Workplace Policy* attached as Schedule "A", which forms part of this Code of Conduct. All directors are bound by the *Directors' Respectful and Harassment-Free Workplace Policy* in all of their activities on behalf of the Corporation.

6.2 *Preferential Treatment*

Directors must not act in their official role to assist organizations or persons in their dealings with the Corporation if this may result in preferential treatment to that organization or person.

6.3 *Corporate Property*

Directors must not use corporate property or services to pursue their private interests or the interests of a closely connected person. Corporate property includes real and tangible items such as equipment and intangible items such as reports, information, proprietary rights, patents, trademarks, copyrights, logos, name and reputation.

6.4 *Gifts, Benefits and Entertainment*

Directors must not solicit or accept benefits, entertainment or gifts in exchange for, or as a condition of the exercise of, their duties or as an inducement for performing an act associated with the director's duties or responsibilities with the Corporation.

Directors may accept gifts, hospitality or other benefits associated with their official duties and responsibilities 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 raise questions about the director's objectivity and impartiality; and
- do not compromise the integrity of the Corporation.

An improper gift or benefit should be refused or returned to the person offering it as soon as possible. If there is no opportunity to refuse or return an improper gift or benefit, or where the refusal or return may be perceived as offensive for cultural or other reasons, the gift or benefit must be disclosed and turned over to the Corporation to make a suitable disposition of the item.

6.5 *Remuneration*

A director shall not accept remuneration from any source, including the Corporation, for services rendered as a director of the Corporation. A director may accept remuneration if approved by the council of the City of Saskatoon. Remuneration does not include gifts, benefits and entertainment as described in subsection 5.4, reimbursement of actual and reasonable expenses incurred by the director in the performance of the director's duties, provided the same is approved by the board or is pursuant to a policy approved by the board, or any pay a director receives from the director's employer if the director attends to the director's duties of office for the Corporation during normal working hours of the director's employment with the director's employer.

6.6 *Public Comment*

The board chair shall act as the spokesperson for the board, and shall be the only person who makes official public comments for the Corporation, unless alternate arrangements are approved by the board in special cases.

6.7 *Board Independence of Management*

The board should establish appropriate structures and procedures to enable it to exercise objective judgment on corporate affairs independent of management. At a minimum, board independence requires that a sufficient number of directors not be employed by the Corporation, and not be closely related to the Corporation or its management through significant economic, family or other ties. This Code of Conduct does not prevent interest group representatives from being appointed as directors.

7. Investigation Process

The board has approved the following process to deal with complaints involving members of the board:

7.1 *Complaints Forwarded to Chair or Vice-Chair*

All complaints pertaining to breaches of this Code of Conduct, including the *Directors' Respectful and Harassment-Free Workplace Policy*, shall be forwarded to the chair, or if the complaint is in respect of the chair, to the vice-chair, who shall provide copies to the board, and arrange such an investigation as deemed appropriate in the circumstances.

7.2 *Cooperation with Investigation*

Every director must cooperate fully with an investigation under this Code of Conduct, including the *Directors' Respectful and Harassment-Free Workplace Policy*, whether they are the subject of the complaint or not.

7.3 *Report of Results*

The results of the investigation will be reported to the chair, or, if the complaint is in respect of the chair, to the vice-chair.

7.4 *Board Consideration*

The chair, or, if the complaint is in respect of the chair, the vice-chair, shall convene a meeting of the board to consider the report. The director whose conduct is the subject of the complaint is entitled to make submissions to the board respecting the subject matter of the complaint, but shall not participate in the board's decision. If the board concludes that the allegations are well-founded, the board shall determine if sanctions are warranted. Sanctions may include, but are not limited to, revocation of appointments to committees or offices of the Corporation, revocation of appointments to other boards as a nominee of the Corporation, or a recommendation to the Governance and Priorities Committee of the council of the City of Saskatoon to remove the individual as a director of the Corporation.

7.5 *City Right to Remove*

This Code of Conduct does not and cannot restrict the ability of the council of the City of Saskatoon to remove a director from the board if it thinks fit.

7.6 *Information to City*

The board shall, subject to any requirements respecting non-disclosure or confidentiality, provide a summary of all substantiated complaints and sanctions issued, if any, as well as any other information pertaining to the complaint that may be requested, to the council of the City of Saskatoon.

8. **Post Service Reminders**

When a director leaves the board, the Corporation should provide a written reminder of the director's responsibility not to make use of confidential information or take improper advantage of knowledge gained due to the director's previous position with the board.

9. **Subsidiaries**

The principles set out in this Policy apply to directors when serving on the board of a subsidiary company.

10. **Acknowledgement**

I acknowledge receipt of the above Code of Conduct and the attached *Directors' Respectful and Harassment-Free Workplace Policy* and agree that they bind me in my conduct as a director of [insert corporation name].

I acknowledge that my appointment is subject to compliance with the above Code of Conduct and the attached *Directors' Respectful and Harassment-Free Workplace Policy*, and that breach of the same may result in sanctions, up to and including my removal from the Board of Directors.

Date

Signature of Director

Schedule “A”

Directors’ Respectful and Harassment-Free Workplace Policy

(adopted by the Board of Directors of [insert corporation name]
by resolution dated [insert resolution date])

1. Purpose and Objective

The purpose and objective of this Policy is to ensure a respectful working environment free from inappropriate behaviours, including discrimination and harassment, both verbal and physical.

This Policy is not intended to discourage or prevent a complainant from exercising any other legal rights pursuant to any other law, including the right to file a complaint with the Saskatchewan Human Rights Commission under *The Saskatchewan Human Rights Code, 2018* and the right to request the assistance of an occupational health officer to resolve a complaint of harassment under *The Saskatchewan Employment Act*.

2. Definitions

2.1 In this Policy:

- (a) “**discrimination**” means discrimination on the basis of any of the following prohibited grounds as set out in subsection 2(1) of *The Saskatchewan Human Rights Code, 2018*:

- (i) religion;
- (ii) creed;
- (iii) marital status;
- (iv) family status;
- (v) sex;
- (vi) sexual orientation;
- (vii) disability;
- (viii) age;
- (ix) colour;
- (x) ancestry;
- (xi) nationality;
- (xii) place of origin;

- (xiii) race or perceived race;
 - (xiv) receipt of public assistance;
 - (xv) gender identity;
- (b) **“disrespectful behaviour”** means any rude, discourteous or impolite statements or actions;
- (c) **“disruptive workplace conflict”** means a dispute or interaction between two or more individuals that prevents or impedes normal work functions or activities and negatively impacts the ability to work cooperatively and productively in the workplace;
- (d) **“harassment”** means harassment as defined in clause 3-1(1)(l), subsection 3-1(4) and subsection 3-1(5) of *The Saskatchewan Employment Act*, which read as follows:
- “3-1(1)(l) “harassment” means any inappropriate conduct, comment, display, action or gesture by a person:
- (i) that either:
 - (A) is based on race, creed, religion, colour, sex, sexual orientation, marital status, family status, disability, physical size or weight, age, nationality, ancestry or place of origin; or
 - (B) subject to subsections (4) and (5), adversely affects the worker’s psychological or physical well-being and that the person knows or ought reasonably to know would cause a worker to be humiliated or intimidated; and
 - (ii) that constitutes a threat to the health or safety of the worker;
- (4) To constitute harassment for the purposes of paragraph (1)(l)(i)(B), either of the following must be established:
- (a) repeated conduct, comments, displays, actions or gestures;
 - (b) a single, serious occurrence of conduct, or a single, serious comment, display, action or gesture, that has a lasting, harmful effect on the worker.

- (5) For the purposes of paragraph (1)(l)(i)(B), harassment does not include any reasonable action that is taken by an employer, or a manager or supervisor employed or engaged by an employer, relating to the management and direction of the employer's workers or the place of employment";
- (e) **“inappropriate behaviour”** includes disrespectful behaviour, harassment, discrimination, and behaviour that causes or contributes to a disruptive workplace conflict, and is discussed in more detail in **Appendix A – Further Information on Inappropriate Behaviours**.

3. Rights, Obligations and Responsibilities of Directors

- 3.1 Every employee of the board, including employees of the City of Saskatoon providing assistance or services to the Corporation, and directors have the right to a respectful working environment free from inappropriate behaviours. Directors have a responsibility to ensure that all persons are treated with courtesy and respect, and to ensure that harassment and other inappropriate behaviours do not occur. The Corporation does not condone and will not tolerate harassment of its employees, directors or the general public.
- 3.2 Directors are the leaders and role models for the Corporation and should lead by example and conduct in building and maintaining a working environment that is free of inappropriate behaviours.
- 3.3 Directors should be vigilant in working to prevent inappropriate behaviours by being polite, courteous and respectful and by practicing good conflict resolution methods in dealings with employees, other directors and the public.
- 3.4 Directors should, both individually and as a group, attempt to deal with concerns as they arise so that such concerns are resolved without the necessity of complaints having to be made.
- 3.5 Directors who believe they have been subjected to inappropriate behaviour have a right to bring their concerns to the attention of the chair, or, if the complaint is in respect of the chair, to the vice-chair.
- 3.6 Directors who believe employees, members of the public or other directors have been subjected to inappropriate behaviour have a responsibility to

bring those concerns to the attention of the chair, or if the complaint is in respect of the chair, to the vice-chair.

- 3.7 Directors who are in breach of this Policy may be subject to sanctions as set out in the Directors' Code of Conduct.
- 3.8 Directors shall maintain the confidentiality of complaints in accordance with section 4.
- 3.9 Directors accused of inappropriate behaviours must be informed of the complaint against them. They shall receive fair treatment, including appropriate supports, and be kept informed throughout the process.
- 3.10 Directors who threaten to retaliate against a complainant or a witness for taking part in an investigation will be subject to sanctions.
- 3.11 Complainants will not be uprooted from their workplace or have their working conditions changed as a result of remedial action against a harasser.
- 3.12 Frivolous, malicious or vexatious complaints may result in sanctions against the complainant.

4. Confidentiality

To protect the interests of the complainant, the alleged harasser and any others who may report incidents of harassment, confidentiality will be maintained throughout the investigatory procedure to the extent possible.

The name of a complainant, the name of an alleged harasser and the circumstances related to a complaint will not be disclosed to any person, except where disclosure is necessary for the purposes of investigating the complaint or taking corrective action with respect to the complaint or as otherwise required by law.

5. Process and Directors' Code of Conduct

The chair, or if the complaint is against the chair, the vice-chair, shall treat all complaints seriously, and ensure that complaints are investigated through the process set out in the Directors' Code of Conduct.

At any stage in the resolution process, both the complainant and the alleged harasser have the right to consult with and be represented by any person of their choice.

Investigation appropriate to the circumstances will depend upon the nature and severity of the alleged conduct, and may include:

- Informal resolution
 - may include face-to-face discussions, facilitated or mediated discussions, or verbal or written statements, and may be concluded with or without formal reports; and/or

- Formal investigation
 - may be used if informal resolution does not work or is inappropriate for the circumstances;
 - a formal investigation may be conducted by a board member or members appointed by the chair or by an external agency, including the City of Saskatoon, retained by the chair;
 - the duties of the chair shall be taken by the vice-chair if the complaint is against the chair;
 - a director who has taken part in conducting an investigation shall not take part in the board's decision pursuant to the Directors' Code of Conduct; and
 - formal investigation will result in a report to the board to be dealt with by the board as required by the Directors' Code of Conduct.

APPENDIX A

Directors' Respectful and Harassment-Free Workplace Policy

FURTHER INFORMATION ON INAPPROPRIATE BEHAVIOURS

Inappropriate behaviours may occur in person, in writing, electronically via e-mails, text messages, instant messages, or through the internet and social media (for example on Facebook, Twitter, Snapchat or Instagram).

Examples of inappropriate behaviours include, but are not limited to, the following:

Verbal/psychological abuse - denigrates, intimidates or threatens a person

- criticizing or belittling someone persistently or constantly;
- condescending or patronizing behaviour or comments which undermine self-respect;
- unwelcome banter, teasing, taunting, or jokes that are offensive;
- slurs, insults or name-calling;
- swearing at or yelling at someone.

Sexual harassment - unwelcome sexual invitations, advances, or demands, whether indirect or explicit, to engage in behaviour of a sexual nature

- comments about clothing, body, or sexual activities, including implied sexual overtones;
- staring, leering, or ogling at body parts, or other offensive gestures;
- unwanted physical contact such as patting, pinching, touching, feeling, stroking, or straddling;
- viewing or displaying sexually explicit material, such as derogatory or offensive pictures, graffiti, or pornography;
- suggestion of or demand for sexual favours in exchange for employment advantages or opportunities, promises of advancement, or any threat of withdrawal of any such advantages or opportunities;
- stalking.

Physical Abuse – intentional bodily contact resulting in injury or physical discomfort

- pushing, tripping, kicking, biting, choking, hitting or spitting;

- use of object to cause injury or physical discomfort;
- unwelcome physical contact including touching, patting or pinching.

Other inappropriate behaviours – any behaviours that create a hostile or intimidating work environment, sometimes referred to as bullying, including:

- hazing;
- pranking;
- refusing to work with or have contact with a person;
- excluding or isolating someone at work;
- tampering with or vandalizing someone's personal belongings or work equipment;
- spreading malicious or false rumours, gossip, or innuendo;
- viewing or displaying explicitly discriminatory, racist or homophobic materials;
- viewing or displaying denigrating adornments or rituals associated with religious beliefs;
- blocking or interfering with applications for training, leave or promotion;
- undermining, deliberately impeding, discrediting or sabotaging a person's work;
- intruding on a person's privacy by pestering, spying or stalking;
- intimidation;
- coercion;
- threats of violence.

Note: Directors will be held accountable for inappropriate social media posts, phone calls, e-mails or visits to an employee or other director's home, incidents at luncheons, and/or after work socials, that occur outside of the Corporation's property or work hours, if the issue originated within the workplace or if the issue is negatively affecting the workplace.

What is **not** bullying or harassment?

- expressing differences of opinion;
- consensual social interaction;
- inadvertently saying or doing something that hurts someone else;
- offering constructive feedback, guidance or advice about work-related behaviour, including performance reviews;
- reasonable actions taken by a supervisor to manage and direct workers or the place of employment;
- reasonable disciplinary actions in response to culpable conduct.

Inappropriate behaviour is often rooted in misunderstandings or stereotypes about people who are different from ourselves. Dialogue and continuous learning may assist in resolving and preventing these issues.