



Policy Name: Board of Directors Code of Conduct

Policy Owner: Chief Innovation Officer

Date Adopted: April 2023

Review Frequency: Annual

Review Date: April 2024

Table of Contents

| | |
|---|----|
| 1. Purpose..... | 2 |
| 2. Confidentiality | 2 |
| 3. Courtesy | 2 |
| 4. Conflict of Interest | 2 |
| 5. Acceptance of Gifts..... | 4 |
| 6. Incident Reporting | 4 |
| 6.1. Reporting Unethical, Illegal, Fraudulent or Improper Activity or Behavior | 5 |
| 6.2. Definition and Examples of Unethical, Illegal, Fraudulent or Improper Activity or Behavior | 5 |
| 6.3. No Retaliation | 5 |
| 6.4. Innocent until Proven Guilty..... | 6 |
| 6.5. Disciplinary Action regarding False Complaints | 6 |
| 6.6. Confidentiality | 6 |
| 7. Social Media | 7 |
| 7.1. Rationale..... | 7 |
| 7.2. Guidelines for Use of Social Media..... | 7 |
| 7.3. Legal Responsibilities for Social Media Communication | 8 |
| 7.4. Media Inquiries related to Social Media | 8 |
| 7.5. Monitoring Own Communications | 8 |
| 7.6. Monitoring Public Social Media..... | 9 |
| 8. Disciplinary Action | 9 |
| 9. Consequences..... | 9 |
| 10. Confirmation Form | 9 |
| 11. Policy Approval..... | 9 |
| 12. Revisions History | 9 |
| APPENDIX A- POLICY STATEMENT – Board of Director Code of Conduct..... | 10 |

Policy Name: Board of Directors Code of Conduct

1. Purpose

The Code of Conduct Policy establishes the rules governing business and ethical conduct of the Directors of the credit union. It is important that ethical and lawful conduct be evident in all business practices to protect the organization's reputation and preserve member and community trust. The goal of this policy is to discourage conduct that would damage the credit union's good name or business interests or its relationship with its stakeholders (the credit union members, creditors, suppliers, etc.) or the community at large. The credit union will protect the reporting Director (the "Complainant") from reprisals or victimization for reporting in good faith.

2. Confidentiality

In the normal conduct of business, Directors may have access to and deal with privileged information that belongs to the credit union considered sensitive or confidential.

Each Director must use the utmost care and discretion in the handling of confidential information and other information not normally available to the public. This sharing of confidential information is by reason of directorship and such information shall not be disclosed to third parties and shall not be used for personal benefit or for the benefit of family, friends, or associates.

Improper use or disclosure of such information can provide an unfair advantage to competitors and put the credit union at an actual or apparent disadvantage in terms of the conditions and pricing of purchases, leases, and rentals of all kinds, which may result in an actual or apparent financial gain to directors, relatives, and friends. This would jeopardize the credit union's negotiating position on agreements and contracts of all types and may constitute a personal invasion of privacy. All such uses and disclosures of privileged information are prohibited during and following a Director's term until such time as the information is made available to the general public.

3. Courtesy

Impressions left with the public are extremely important; therefore, every Director should have the utmost understanding of public relations.

4. Conflict of Interest

It is expected that Directors may sometimes pursue personal and private business interests or participate in other organizations. A Director shall always discharge his or her duties in the best interests of the credit union. It is incumbent upon the Director to disclose conflicting material interests,

Policy Name: Board of Directors Code of Conduct

in writing, to the Chairperson and request to have entered, in the minutes of meetings of Directors, the nature and extent of the material interest. The Director shall not participate in any vote conducted by the Directors relating to the conflict.

Along with the responsibility of reporting any conflict-of-interest situation, Directors are responsible for disclosure of any situation or matter where they have a *potential* conflict of interest. Where a Director is unsure whether any conflict of interest may exist, it is his/her responsibility to seek clarification from the Board of Directors of the credit union.

A director or officer shall be deemed to have a material interest in any material contract in which any of the following persons is a party or in which they have a material interest:

- (a) the spouse of the director or officer; or
- (b) the parent, child, grandparent, grandchild, brother or sister of the director or officer or of the spouse of the director or officer; or
- (c) the spouse of any person mentioned in clause (b).

A director or officer shall be deemed to have a material interest in any material contract involving another person where the director or officer is

- (a) a creditor of that person for a debt that is in excess of \$5,000.; or
- (b) a guarantor of the debts of that person in an amount that is in excess of \$5,000.; or
- (c) the owner or beneficial owner of not less than 20% of the issued shares of any class of shares, of that person; or
- (d) a partner of that person; or
- (e) a member along with that person in any association; or
- (f) a director or officer position of that person.

It is a Director's right to have a financial interest in external organizations, be they personal holdings in a proprietorship, partnership, or a corporation. These holdings, however, shall not affect the Director's loyalty or judgment regarding the credit union. Should Directors find that the performance of their duties is in any way affected by their personal financial interest, they shall immediately declare and disclose a conflict of interest.

A conflicting interest may also occur when a Director sits on the Board of another corporation or organization which has dealings with the credit union. Should a Director find that the performance of his/her duties or his/her ability to give impartial or disinterested service to the credit union is reduced by

Policy Name: Board of Directors Code of Conduct

reason of sitting on the Board of another corporation or organization, he/she shall declare and disclose such interest.

It is the responsibility of the Director to remove any uncertainty that might develop or exist with respect to the applicability of this code of conduct.

Directors should also note that they may continue to owe the credit union a duty not to be in a conflict-of-interest situation even after they cease to be a Director.

5. Acceptance of Gifts

The Directors will not give or receive improper payments, gifts and excessive entertainment or benefit to or from any individual or organization which the credit union does business or is seeking to do business with. Gifts of cash, commissions, loans, shares in profit, securities, or the equivalent of any of these are absolutely prohibited.

The Directors must not attempt to improperly influence relationships with the organizations and individuals with whom it deals. Equally important, there must be no perception of improper influence.

In their capacity, Directors must carefully consider the implications of giving or receiving a gift. Gifts are permissible only where the items are of nominal value and:

- are given or received infrequently;
- legitimately serve a business purpose;
- are appropriate to the business responsibilities of the individual; and
- are within limits of reciprocation as a normal business expense.

Directors will not give or receive gifts in excess of nominal value without the knowledge and consent of appropriate authorities. Nominal value is defined as \$500.

Directors may accept gifts of entertainment (dining, amusement, sporting or recreational event) if they conform to the basic principles listed above.

6. Incident Reporting

The Board of Directors endeavors to provide an environment based on trust and respect, where concerns can be raised and addressed without fear. Therefore, the Board of Directors will develop a process for confidential reporting of any suspected unethical, illegal, fraudulent, or improper behavior of a Director. When making such a report, all Directors have the right to do so on a confidential basis and, if they wish, anonymously.

Policy Name: Board of Directors Code of Conduct

The credit union recognizes the importance of protecting the interests of a Director accused of unethical, illegal, fraudulent, or improper activity or behavior and, by the provisions of this policy, allows any Director accused of unethical, illegal, fraudulent, or improper activity or behavior to describe and explain their conduct during the required investigation.

This policy applies to Directors during situations connected to the credit union. For example, this policy applies during business trips, off-site meetings, company social gatherings, and any other event or place related to directorship.

6.1. Reporting Unethical, Illegal, Fraudulent or Improper Activity or Behavior

This Policy requires all Directors of the credit union to report any unethical, illegal, fraudulent, or improper activity or behavior, or suspected activity or behavior by directors by making a written complaint in accordance with this policy and submitting it to the Board Chair.

6.2. Definition and Examples of Unethical, Illegal, Fraudulent or Improper Activity or Behavior

Unethical, illegal, fraudulent, or improper activity or behavior may include but is not limited to:

- Fraud (an intentional deception or intentional misrepresentation by a Director in the context of carrying out their respective duties and responsibilities) including financial and accounting fraud.
- Making false statements, creating false documentation (financial records, financial statements, computer data, etc.), conflicts of interest (personal gain through preferences, kickbacks, gifts of material value and improper business relationships), theft, bribery, cybercrime, money laundering and violation of laws (legislation in a civil, regulatory and/or criminal context) and/or violations of the company's code of conduct.
- Suspected auditing irregularities
- Violation of the credit union policies
- Endangerment to the health and safety of Directors or the public
- Negligence of duty

6.3. No Retaliation

A complainant, who in good faith makes a complaint, shall not suffer harassment, retaliation, or adverse consequences (such as termination) from the Fusion Credit Union Board of Directors.

A Director who is experiencing retaliation or whose right to make an incident report is interfered with is encouraged to file a written retaliation complaint to: the Chief Executive Officer, the Chair of the Board, or the Chair of the Audit Committee. The recipient of a retaliation complaint has the same obligations, including confidentiality, as those for a person receiving an incident reporting report.

Policy Name: Board of Directors Code of Conduct

Any Director that harasses or retaliates against a complainant is subject to discipline up to and including termination of directorship.

6.4. Innocent until Proven Guilty

The credit union is committed to protecting Directors who have had a complaint made against them; therefore, concurrent with the law the credit union will treat such people as innocent until proven guilty. Similarly, as much as possible, keep confidential the identity of the person(s) who are named in the report and will only release information when required to do so as part of the investigation.

Where a disclosure has been made, the following obligation extends to all Directors:

- The Director(s) shall not retaliate against a Director who has had a complaint filed against them.

6.5. Disciplinary Action regarding False Complaints

Any Director making a Complaint must do so in good faith and have a reasonable factual basis for believing the allegations are consistent with unethical, illegal, fraudulent, or improper activity or behavior. The Complainant may be subject to discipline up to and including termination of directorship, if the complaint is made:

- knowing it to be false, or
- maliciously without caring whether it is true or false, or
- without any reasonable factual basis.

Directors found to have been involved in negative conduct (as defined herein) or failing to report known or suspected negative conduct (as defined herein) may be subject to disciplinary action up to and including termination of directorship. In addition, Directors could face civil or criminal penalties should the situation warrant.

6.6. Confidentiality

The Privacy Officer, Chief Executive Officer or any other person involved will exercise care to keep confidential the identity of any Director making a complaint, the fact that a complaint has been made, as well as the details of that complaint.

However, the fact that a complaint has been made and/or the identity of the Complainant may be disclosed to the individual who is the subject of the complaint, persons being interviewed in the investigation or law enforcement authorities if:

- confidentiality is incompatible with a fair investigation;
- in the discretion of the Privacy Officer or Chief Executive Officer there is an overriding reason for identifying or otherwise disclosing the identity of the Complainant; or
- such disclosure is required by the Court or law enforcement authorities.

Policy Name: Board of Directors Code of Conduct

In this instance, the Complainant will be informed of the disclosure and the extent of that disclosure.

7. Social Media

This policy applies to all uses of social media undertaken by or on behalf of Directors. This includes but is not limited to, communication that directly or indirectly relates to the credit union. This use may occur while Directors are undertaking their duties or outside work hours on personal time, without regard to whether Directors are using credit union equipment or Directors' personal equipment.

7.1. Rationale

When Directors use social media, they may harm the credit union as a result of their use of the credit union's name, their use of their name or other identifying information, their internet protocol addresses, their relationship with the credit union or the general content of the communication. Such communication can cause harm and other unwanted effects including, but not limited to:

- damage to the credit union's reputation and goodwill;
- damage to the credit union's relationship with business partners and its clients;
- unauthorized release of confidential and proprietary information, including, but not limited to, information about the credit union or its Directors and the credit union's business partners and its members.

The credit union does not wish to unduly interfere with the private lives of its Directors, or to infringe on Directors' rights to freedom of expression. Therefore, this Policy has been created to mitigate the risk of such harm to the credit union, and to establish open and transparent guidelines for Directors who wish to use social media.

7.2. Guidelines for Use of Social Media

Directors who communicate using social media shall do so in a manner which is respectful of other Directors, business partners and clients, and shall not communicate in a manner that harms the credit union's interests. Such harm to the credit union's interests includes, but is not limited to, the examples set out above. Social media usage shall be consistent with all other credit union policies and procedures, including, but not limited to the Confidentiality policy and applicable policies governing the use of copyright materials, corporate logos and other forms of branding and corporate identity.

The following are examples of social media uses that are expressly prohibited by this Policy. Directors are advised the following list is not exhaustive:

- any use of social media that has a negative impact on Director productivity or efficiency
- making a communication that contains confidential and proprietary information about, or related to, Staff or Directors, credit union business partners and its members
- making a communication that contains information about other Directors which, in the view of a reasonable person, those Directors would expect to be private

Policy Name: Board of Directors Code of Conduct

- making a communication in a manner that constitutes real or perceived harassment and discrimination of Directors or credit union business partners and its members or any other third party
- claiming to communicate on behalf of the credit union, unless authorized, or required, by the Directors' duties
- making a communication that contravenes competition laws because the Directors' affiliation with the credit union is not disclosed
- violating any other credit union policy or procedure, or any applicable common law and statutory law, without limitation.

7.3. Legal Responsibilities for Social Media Communication

Directors acknowledge legal responsibility for their social media communication. Communication that directly or indirectly relates to the credit union shall be accompanied by a disclaimer which indicates the Directors' views are solely their own and may not be representative of the views held by the credit union's Directors or the credit union's business partners and its clients.

Communications that directly or indirectly relate to the credit union shall conform with applicable copyright and intellectual property law, and in particular:

- Directors shall not copy or distribute credit union copyrighted materials without prior consent of the owner of the copyright or license
- Directors shall not use material copyrighted by the credit union logos and branding material without the prior express written permission of an appropriate credit union Executive
- Directors acknowledge that the credit union shall have copyright in and ownership of all social media communication they create in their duties. Directors hereby waive their existing and after-acquired moral rights in all such communication.
- Directors who use social media should read and familiarize themselves with the Social Media provider's terms of service and privacy terms before using that provider's service.

7.4. Media Inquiries related to Social Media

Any media inquiries related to a social media communication that directly or indirectly relate to the credit union shall be immediately referred to individuals designated by the credit union to receive media inquiries. No Directors shall speak to media about such communication without the prior express permission of appropriate credit union executive. Directors shall not purport to communicate as a representative of, or on behalf of, the credit union without prior express written consent of an appropriate credit union executive.

7.5. Monitoring Own Communications

Directors who communicate directly or indirectly using social media shall monitor subsequent related communications generated by other individuals in response to such communication. Directors shall take all action within their power to immediately remove all such communication generated by other individuals which may cause harm to the credit union's interests.

Policy Name: Board of Directors Code of Conduct

7.6. Monitoring Public Social Media

The credit union reserves the right to monitor public social media communication of Directors. The term "public" used in this policy will be interpreted by reference to, among other things, the number of individuals who are able to access the communication and the identity of the individuals who are able to access the communication. Questions regarding whether such communication is "public" should be directed to the Chief Executive Officer. There shall be a presumption that such communication is public.

8. Disciplinary Action

Directors who violate this Policy may be subject to disciplinary measures, up to and including dismissal from the Fusion Credit Union Board.

9. Consequences

A Director found to be in breach of any of the principles listed above will be immediately removed from any executive position and be asked by the Board to abide by this policy or resign. It is the board's right to call a special meeting to remove the Director.

10. Confirmation Form

All Directors must annually complete, execute and return the Code of Conduct Confirmation Form. See Appendix A.

11. Policy Approval

The Fusion Credit Union Board of Directors has reviewed and approved this Board of Directors Code of Conduct on April 25, 2024.

12. Revisions History

March 2022:

- Housekeeping Changes (grammar, formatting).

April 2023:

- No recommended changes

April 2024:

- No material changes recommended. Housekeeping Changes recommended (grammar, formatting)
- Section 4: Conflict of Interest updated with further guidance from the Credit Union and Caisses Populaires Act.; The direction regarding material interest was pulled directly from the Credit

Policy Name: Board of Directors Code of Conduct

Union and Caisses Populaires Act Section 91 (2) and 91 (3) and provides additional guidance to material interest in relation to other parties.

- Removed name of Policy Owner

APPENDIX A- POLICY STATEMENT – Board of Director Code of Conduct

I, _____, have read and understood the responsibilities within the board code of conduct policy and understand that as a director of Fusion credit union, I am required to comply with this policy.

Date _____

Signature

Printed Name