



# Ontario Securities Commission

## Code of Conduct

**Effective September 15, 2020**



## Our Vision

To be an effective and responsive securities regulator – fostering a culture of integrity and compliance and instilling investor confidence in the capital markets.

## Our Mandate

To provide protection to investors from unfair, improper or fraudulent practices, to foster fair and efficient capital markets and confidence in capital markets, and to contribute to the stability of the financial system and the reduction of systemic risk.

## Our Values

### Professional

- Protecting the public interest is our purpose and our passion
- We value dialogue with the marketplace
- We are professional, fair-minded and act without bias

### People

- To get respect, we give it
- Diversity and inclusion bring out our best
- Teamwork makes us strong

### Ethical

- We are trustworthy and act with integrity
- We strive to do the right thing
- We take accountability for what we say and do

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## Introduction

As a regulator of Ontario's capital markets, trust and respect are the cornerstone of the relationship between the Ontario Securities Commission (OSC or we) and investors, market participants, other regulators, the government and the general public.

We are committed to the highest standards of ethical conduct in all our activities. This means conducting our activities in accordance with all applicable laws and regulations, and it also means commitment to the spirit of the law. Our actions should always reflect the OSC's values, demonstrate ethical leadership, and promote a work environment that upholds our reputation and demonstrates our commitment to our core values.

This Code of Conduct (Code) is a statement of the values and principles that guide us in our day-to-day activities. All Members and employees are expected to be aware of, and comply with, this Code and the policies that reinforce the Code.

We are proud of our organization and the services we deliver. It is only through the continued commitment and effort of each Member and employee that the high quality of our work will continue to be achieved and public trust will be maintained.

# 1. Complying with this Code

## 1.1 Components of this Code

This Code consists of the following documents:

- this booklet, including any appendices
- all OSC policies listed in Appendix A

Our Board has approved and adopted this Code.

### **Our obligations under the *Public Service of Ontario Act, 2006***

All OSC Members and employees must comply with the ethical standards set out in Ontario Regulation 381/07 to the *Public Service of Ontario Act, 2006* (PSOA) *Conflict of Interest Rules for Public Servants (Ministry) and Former Public Servants (Ministry)* (the Regulation), as may be amended from time to time. A copy of the Regulation can be found on the OSC's Corporate Policies and Procedures database.

Where a provision of this Code is inconsistent with a provision of the Regulation, you must comply with the Regulation. An inconsistency arises where a provision of this Code establishes a degree of ethical conduct that is lower than is established by the Regulation.

The PSOA identifies an Ethics Executive for each public body. The Ethics Executive for our Members (other than the Chair) and our employees is the Chair of the OSC. The Ethics Executive for our Chair is the Integrity Commissioner<sup>1</sup> appointed under the PSOA.

The authority of the Integrity Commissioner is limited to dealing with matters that are governed by the PSOA, and only to the extent it involves "public servants" as defined in the PSOA, i.e. employees or Members of the Commission.

## 1.2 Who this Code applies to

Unless noted otherwise, all of the provisions of this Code apply to:

- full-time and part-time employees, including temporary, seconded or contract staff and employees on leave,
- full-time and part-time Members appointed to the Commission, and
- persons who have regular and recurring access to Commission premises and access to information of a confidential nature or one or more databases that contains confidential information, whether or not the person is retained by the Commission under a fee-for-service agreement.

The provisions of this Code do not apply to employees of the Royal Canadian Mounted Police's Integrated Market Enforcement Team who are working on OSC premises in the Joint Securities Intelligence Unit or Joint Serious Offences Team.

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<sup>1</sup> The Office of the Conflict of Interest Commissioner (OCOIC) merged with the Office of the Integrity Commissioner (OIC) effective May 1, 2019 and the powers and duties of the Conflict of Interest Commissioner under the *Public Service of Ontario Act, 2006* have been transferred to the Integrity Commissioner.

## Definitions in this Code

“Employees” refers to all full-time and part-time employees of the Commission; “Members” refers to all members of the of the Ontario Securities Commission who are appointed to the Commission by the Lieutenant Governor in Council under the authority of the *Securities Act* (Ontario).

### 1.3 Your responsibilities

Complying with this Code is a condition of your employment or appointment. In addition, you are required under the PSOA to comply with sections 2, 3, 4, 5, and 9 of this Code.

You are responsible for:

- certifying that you have received, read, understand and agree to comply with this Code, and any policies incorporated or referred to in it, when you join the OSC and annually as of December 31
- attending any required training sessions relating to this Code
- upholding the OSC’s values, principles and standards as described in this Code
- performing your duties fully and competently
- avoiding putting yourself in an actual, apparent or potential conflict of interest
- notifying the Ethics Executive if you have an actual, apparent or potential conflict of interest (see section 9, *Reporting a conflict of interest*), and
- reporting any violations of this Code (see section 10, *Reporting a violation*).

### 1.4 Exceptions

There are no exceptions to the requirements of the PSOA.

While everyone at the OSC is expected to follow this Code, common sense and good faith require us to have the flexibility to address exceptional circumstances that could otherwise lead to unjust or unreasonable results.

In appropriate circumstances, a waiver of compliance with one or more provisions of this Code other than a requirement set out in the PSOA may be granted by:

- the Ethics Executive, for employees and Members other than the Chair, subject to any contrary decision of the Lead Director, or
- the Lead Director, for the Chair.

## **Oath/Affirmation of Office and Allegiance**

When you join the OSC, you are required to swear or affirm two oaths – the Oath or Affirmation of Office and the Oath or Affirmation of Allegiance. The Oath or Affirmations of Allegiance confirms your loyalty to the Crown as the symbol of the Head of State.

The Oath or Affirmation of Office confirms your:

- duty of loyalty to the OSC,
- duty to comply with all laws of Canada and Ontario (including the recognition and affirmation of the Aboriginal and treaty rights of Indigenous peoples), and
- obligation to maintain confidentiality.

### **1.5 What happens if you do not comply**

Violations of this Code will be taken seriously and could result in disciplinary action. This could include suspension, or termination of your employment or appointment.

#### ***If a Member does not comply***

The Ethics Executive is required to report to the Minister responsible for the appointment of a Member any circumstance where, in the opinion of the Ethics Executive, a Member has:

- contravened section 2, 3, 4, 5, or 9 of this Code, or
- failed to comply with a direction received or a regulation under the PSOA.

### **1.6 Where to go for help**

Ethical situations can have serious implications for you and for the OSC. We do not expect you to deal with them on your own. We have an open door policy and encourage all employees and Members to seek guidance if they have any questions or concerns.

#### ***(a) Employees***

In most cases, your immediate supervisor is in the best position to help you. Where appropriate, you can also speak to your Director, your Human Resources representative, or a member of the General Counsel's Office.

In addition to these people, the Ethics Executive can help you with questions about confidentiality, conflicts of interest, personal trading and political activity. The Compliance Office (within the General Counsel's Office) can also answer questions about personal trading restrictions, prohibitions and reporting.

#### ***(b) Members***

You can seek guidance on adjudicative matters from the Secretary's Office. For all other matters under this Code, contact the Ethics Executive or the Compliance Office, as appropriate.

## 2. Keeping information confidential

### 2.1 What is confidential information?

Confidential information is any information that:

- is not available to the public and
- could result in harm to the OSC or the Crown or could give the person to whom it is disclosed an advantage if it was disclosed.

### 2.2 Why confidentiality is important

You may have access to confidential information about the OSC, our employees, investors, market participants, other regulators, the government and other parties that we deal with because of your position with us.

Our stakeholders, our market participants and our colleagues expect us to use and protect confidential information appropriately. Taking proper care in handling confidential information protects personal privacy and the integrity of Ontario's capital markets.

### 2.3 Using confidential information

You may not use confidential information:

- to directly or indirectly benefit you or anyone else, or
- in a business or for other activities outside your work for the OSC.

### 2.4 Disclosing confidential information

You may disclose confidential information to others at the OSC only when it is required for you to properly perform your duties.

You must not disclose confidential information outside the OSC unless you are authorized to do so by law or the OSC.

You must not accept a gift, directly or indirectly, in exchange for disclosing confidential information.

## 3. Avoiding conflicts of interest

If a provision in these rules establishes a degree of ethical conduct that is lower than that set out in the Regulation, you must comply with the Regulation.

### 3.1 What is a conflict of interest?

A conflict of interest arises when your work for the OSC could be affected by a personal interest or personal association. It becomes significant if an independent third party might reasonably take the view that your personal interest or personal association could affect, or appear to affect, your ability to act impartially.

## 3.2 Examples

Conflicts of interest may arise in various ways, for example, as the result of:

- a direct or indirect financial interest, including an interest held by a commercial undertaking that you have connections with
- a personal association or relationship with those affected, or likely to be affected, by the matter
- an expectation of a future interest (for example, future employment)
- a previous association with a matter, or
- an interest with a common interest group, such as a public or private society.

This list is not exhaustive and the situations noted above will not necessarily give rise to a significant conflict of interest in all cases.

## 3.3 Why we should be concerned about conflicts of interest

OSC employees and Members are in a position of trust and are accountable for fulfilling their duties with integrity. As members of the public service, we have a duty to serve in the best interests of the public. The public must have confidence in the impartiality of OSC decision-makers and the transparency of the services we provide. The conflict of interest rules in this Code are intended to help employees and Members act honestly and ethically in all situations.

## 3.4 Your responsibilities

You must take all reasonable steps to avoid being in an actual, apparent or potential conflict of interest. If you are involved in an actual, apparent or potential conflict of interest, you must do everything you can to remove yourself from it.

If you are not sure whether you have, or could have, a conflict of interest, ask yourself whether a reasonable person who knows the facts might conclude that you could not act impartially. If you are still unsure, consult the Ethics Executive.

## 3.5 Types of conflicts to avoid

### (a) Gifts

"Gifts" include any direct or indirect gifts, favours, payments, meals, entertainment or any other benefit that you may be offered in the course of your work. This includes, but is not limited to, gifts from any person, group or entity that:

- we regulate
- does, or seeks to do, business with the OSC or the Crown
- has dealings with the OSC or the Crown, or
- you provide services to when you perform your duties at the OSC or the Crown.

As a general rule, you may not seek or accept a gift if a reasonable person might conclude that it could influence you, or appear to influence you, in performing your duties.

You may accept a gift of nominal value only if it is reasonable in the circumstances and it:

- is a normal courtesy or customary expression of hospitality
- could not reasonably influence, or appear to influence, your judgment
- does not create an obligation for you or for the OSC, and
- would not embarrass you or the OSC if it was disclosed publicly.

You may refer to our *Guidance for Staff on Third Party Functions and Other Gifts* for further information and specific examples. If you are satisfied that attendance at an event or accepting other gifts is appropriate under our Code and this guidance, there is no requirement to pre-clear acceptance with the Ethics Executive. However, it is necessary to provide a report on all invitations to events or other gifts before accepting or within a reasonable amount of time after accepting.

If you are unsure whether you can accept a gift, consult with the Ethics Executive.

### **(b) Taking advantage of your position**

You must never use, or attempt to use, your position or employment with the OSC to:

- directly or indirectly benefit you or a member of your family
- act on any matter if your personal interest could affect your ability to act impartially, or
- act in any other way that contravenes this Code.

In this Code, “family” includes:

- your spouse, as defined in section 1 of the *Family Law Act*,
- the person who lives in a conjugal relationship outside marriage with you, and
- your children, grandchildren, parents, grandparents and siblings.

### **(c) Participation in decision-making**

You may not participate in making any decisions at the OSC or the Crown if you could benefit from the decision, unless you have prior written permission from the Ethics Executive to participate in the decisions.

If you are a member of a body or group, you may not, in the course of your duties at the OSC, participate in, or attempt to influence, any decision-making of that body or group if:

- you could benefit from the decision, or
- as a result of the decision, the interests of the body or group could conflict with the interests of the OSC or the Crown.

In either case, you must inform the body or group of the circumstances.

### **(d) Preferential terms**

You may not accept the services of a registrant on terms that you know are more favourable than the registrant normally offers.

In this Code, “registrant” has the meaning as defined in the *Securities Act* (Ontario) and the *Commodities Futures Act* (Ontario).

### **(e) Preferential treatment**

In the course of your work at the OSC, you may not:

- give preferential treatment, or the appearance that you are giving preferential treatment, to any person or entity. This includes any person or entity with or in which you or a member of your family or a friend has a relationship or an interest, or any former employee or Member at the OSC, or
- offer assistance to any person or entity dealing with the OSC other than assistance given in the ordinary course of performing your duties.

### **(f) Family relationships**

You may not:

- enter into a contract on behalf of the OSC with:
  - a member of your family, or
  - a person or entity that you or a member of your family has a significant relationship with or a substantial interest in, or
- directly or indirectly hire a member of your family.

If you are hiring someone on behalf of the OSC, you must ensure that they do not report to, or supervise the work of, a member of their family.

If you report to, or supervise the work of, a member of your family, you must notify the Ethics Executive.

### **(g) Outside employment and activities**

You may not become employed by or engage in a business or undertaking, outside your employment or appointment with the OSC if:

- your private interest in the employment or undertaking could conflict with your duties at the OSC
- the employment or undertaking would interfere with your ability to perform your duties at the OSC
- the employment is in a professional capacity and is likely to influence or harm your ability to perform your duties at the OSC
- the employment could be considered full-time employment for another person (except if you are employed part-time by the OSC, you are a part-time Member, or you are on an authorized leave of absence and the employment is permitted under the terms of your leave of absence)
- someone who is connected to the employment or undertaking could gain an advantage from your employment or appointment at the OSC, or
- OSC or government premises, equipment or supplies are used in the employment or undertaking.

You must promptly report to your Manager or Director any outside employment, business or volunteering or other undertaking when you join the OSC or after you join the OSC, and when there is a change in the activity previously reported. An Outside Employment, Business or Volunteer Activity Declaration Form, attached as Appendix B to the Code, must be completed and signed by you and your Manager or Director. A copy of the completed form must be forwarded to the Ethics Executive mailbox.

We recognize that part-time Members are engaged in outside employment or business or professional activity. We expect potential conflicts of interest to be avoided by part-time Members through the removal or recusal of a part-time Member from consideration of any matter at the OSC that may raise a conflict as a result of such outside activities. We also expect Members to remove or recuse themselves from consideration of any matter at the outside employment, business or professional activity that may raise a conflict because it relates to a matter involving the OSC or the Crown.

### **(h) Holding office at a registrant or reporting issuer**

You may not act as an officer of a registrant or a reporting issuer.

You may not act as a director of a registrant or a reporting issuer unless:

- you are a part-time Member
- you have notified the Chair in advance, and
- the Chair approves it.

In this Code, "reporting issuer" has the meaning defined in the *Securities Act*(Ontario).

### **(i) Involvement in OSC matters**

You must not exercise your authority in a matter before the OSC if you:

- have a personal or pecuniary interest relating to the matter that is, or could reasonably be perceived to, conflict with your ability to exercise an unbiased judgment,
- believe that you would be unable to render an impartial decision, or
- have continuing or prior associations or relationships, including family and other close personal relationships, that would reasonably be perceived as preventing you from rendering an impartial decision.

### **(j) Leaving the OSC**

You must not allow the prospect of your future employment or position to interfere with your duties at the OSC or the Crown.

## **3.6 After you leave the OSC**

Section 3.6 applies to every former employee or Member who worked at the OSC, immediately before he or she ceased to be a public servant.

You may find yourself in a conflict of interest after your employment or appointment with us ends, for example, because of the knowledge you gained or the relationships

you made at the OSC. To avoid an actual, apparent or potential conflict of interest between your new employment and your former duties with the OSC, the following rules apply to your activities after you leave the OSC. These rules are not intended to overly restrict former employees and Members in seeking other employment.

**(a) Confidential information**

You may not use confidential information that you obtained during your employment or appointment with the OSC in any business or undertaking.

You may not disclose confidential information to any person or entity, unless you have been authorized to do so by law, by the OSC or by the Crown.

**(b) Preferential treatment**

You may not seek preferential treatment by, or privileged access to, Members or employees of the OSC or any other public servant who works in a minister's office, a ministry or a public body.

**(c) Continued involvement in OSC matters**

You may not advise or otherwise assist any public body or any other person or entity in connection with any application, proceeding, negotiation or other matter that you were involved in when you were at the OSC, unless

- (i) the OSC or the Crown is no longer involved in it, or
- (ii) one of the exceptions noted in (e) applies.

**(d) Appearing before the Commission**

You may not communicate with, or appear before, the Commission, any Member or employee, on any application, proceeding, hearing or other OSC matter for the following period, unless one of the exceptions noted in (e) applies:

- 12 months for former Members, former Executive Directors, former Directors and Deputy Directors,
- six months for former Managers and former Assistant Managers, and
- three months for any other former employees who had more than two years of service with the OSC.

**(e) Exceptions**

The limits noted in section 3.6(c) or (d) do not apply if you:

- advise or otherwise assist the OSC with an application, proceeding, hearing or other matter that you were involved in when you were at the OSC, or
- submit written comments to the OSC in response to a public request for comment that the OSC issued.

**(f) Individuals formerly in Designated Senior Positions**

The following additional restrictions apply to a former staff or Member who was in a designated senior position immediately before ceasing to be a public servant.

For purposes of section 14 of Regulation 381/07 to the PSOA, and for purposes of section 3.6 of our Code including the corresponding restrictions set out in s.3.6(f), “designated senior position” means any of the following:

- OSC Members;
- the Executive Director;
- all members of the OSC’s Executive Management Team; and
- Deputy Directors.

“Public body” means a body that is prescribed as a public body under clause 8(1.1)(a) of the PSOA.

***(i) Employment***

You may not accept employment with a public body, person or entity or serve as a member of the board of directors or other governing body of a public body, person or entity within the first 12 months of leaving the OSC, if, during the 12 months before leaving the OSC, you had:

- substantial involvement with that public body, person or entity, and
- access to confidential information that, if disclosed to the public body, person or entity, could result in harm to the OSC or the Crown or could give the public body, person or entity an unfair advantage in relation to other parties.

***(ii) Lobbying***

You may not lobby any of the following persons for, or on behalf of, a public body or another person or entity for the first 12 months after leaving the OSC:

- any Member or employee of the OSC;
- any public servant who works in a ministry in which you worked at any time during the 12 months before you ceased to be a public servant;
- any minister of any ministry in which you worked at any time during the 12 months before you ceased to be a public servant; and
- any public servant who works in the office of a minister of any ministry in which you worked at any time during the 12 months before you ceased to be a public servant.

**Guidelines on Post-Service Conflict of Interest Rules**

The Guidelines to Post-Service Conflicts of Interest Rules provides additional clarity on the rules, including the requirements under the PSOA that apply to former employees and Members.

You will find this document and additional information on conflicts of interest including helpful resources on the OSC Intranet.

## 4. Personal trading (Conflicts of Interest)

### 4.1 Overview and key terms

When you invest your own money in the markets, you are prohibited from trading on actual knowledge of non-public information about an issuer. You must also ensure that the decisions you make are not based, or do not appear to be based on such information.

Our personal trading rules require you to:

- pre-clear all trades of securities in your “covered accounts”, with certain exceptions, such as for trades in “exempt securities”
- trade in a security only if you have been given clearance to do so
- comply with certain trading restrictions, and
- report trading of securities in your covered accounts to the Compliance Office other than trading in “exempt securities”.

Each of these requirements is explained in more detail in this section.

#### **In this Code key terms means:**

**covered account** – an account in which securities are traded and includes any of the following types of accounts:

- an investment account, in which you have a direct or indirect beneficial interest, or over which you exercise, direct or indirect control or direction. For example, this includes an investment account held:
  - in your name (solely or jointly), including RRSPs
  - by a corporation, partnership or other entity in which you participate in the investment or voting decisions, and
  - by an investment club in which you are a member.
- an investment account held solely in the name of your spouse or minor children, or
- an investment account over which you have a power of attorney or act as trustee.

If you are unsure if an investment account is a covered account, contact the Compliance Office.

**exempt securities** – securities that are listed or referred to in Appendix C

**eligible blind trust** – a blind trust, or similar non-trust arrangement, under which:

- someone other than you has sole discretion to make all trades of securities
- you are not told about these trades, and
- the Ethics Executive has been given a copy of the terms of trust or arrangement and has given written approval of it in advance (in the case of the Ethics Executive a copy of the trust or arrangement should be given to the

Lead Director for approval).

**eligible fully managed discretionary account** – an account under which:

- an appropriately registered adviser, through discretionary authority granted by the account holder, makes the investment decisions
- the adviser has full discretion to trade in securities for the account without requiring your express consent to carry out transactions,
- you and the adviser confirm in writing that you have not consulted with, influenced or attempted to influence the investment decisions, and
- the Compliance Officer has been given a copy of your managed discretionary account agreement governing the operation of your account.

You may, however, discuss investment strategy and philosophy with the adviser without affecting the eligibility of the account.

**security** – any instrument regulated under the *Securities Act* or the *Commodity Futures Act*. This includes a share, bond or debenture or other form of corporate debt, interests in trust and limited partnerships, options, commodity futures contracts and commodity futures options.

**spouse** – any person who resides in the same home as you and to whom you are married or with whom you are living in a conjugal relationship outside of marriage.

**trade** – any activity that represents a change in legal or beneficial ownership of securities. This includes purchases, sales, gifts and donations.

## 4.2 Pre-clearing trades

You must obtain approval before undertaking any trade in any covered account, unless one of the exceptions noted below applies. This is called “pre-clearing” a trade.

When you ask for pre-clearance, you must confirm that you do not know any non-public information that could reasonably be expected to have a significant effect on the market price or value of the security you want to trade.

You may not place a trade before clearance has been given, if clearance has been denied or revoked.

### **(a) Time limit for trading**

You will have five business days including the day you received clearance to trade the security. If you do not, or choose not to, trade in this time period, your pre-clearance will expire. If you still want to trade, you must obtain pre-clearance again.

### **(b) Exceptions**

You do not have to get pre-clearance for trades in:

- securities in an account held by your spouse or minor children if you certify annually that you do not:
  - participate in, implement or influence investment decisions in that account, and

- exercise any form of voting control over the securities held in that account
- exempt securities
- an eligible blind trust or an eligible fully managed discretionary account,
- a “special account” as designated by the Ethics Executive under section 4.4, and
- securities described in section 4.8 [Grace period for new employees and Members]

### **(c) When pre-clearance may be denied**

In general, where a trade is denied, the reason for denial of a trade is likely to be one of the following:

- the issuer of the security is subject to any type of regulatory review
- a regulatory decision relating to the issuer is pending, or
- the issuer of the security has made a confidential filing with the OSC.

Pre-clearance may also be denied at the discretion of the Ethics Executive in the best interest of the OSC.

#### **Guidelines to OSC Personal Trading Rules**

The *Guidelines to OSC Personal Trading Rules* provide additional information on the trade pre-approval process and the factors that will be taken into account in determining whether a trade will be approved. The Guidelines also explain how to pre-clear a trade and how to make an appeal if you have been denied pre-clearance.

### **4.3 Trading restrictions**

The restrictions in this section apply to securities trades in accounts, other than an eligible blind trust or an eligible fully managed discretionary account. This includes trades made:

- directly or indirectly by you
- on your behalf for your personal account, or
- for any account in which you have, or would have after the trade, control or direction over the securities.

#### **(a) Excessive trading**

You may not engage in excessive trading or trading that could interfere with your job responsibilities. We monitor trading activity and may require you to limit the number of your trades. This restriction applies to trades in exempt securities.

#### **(b) Hold period**

You may not buy and subsequently sell (or sell and buy) the same security within any 15-business day period, unless you get written approval in advance from the Ethics Executive, or his or her designate.

The Ethics Executive will consider all of the circumstances, including whether the trade would create an appearance of impropriety and whether it is necessary because of your financial or personal circumstances. In the case of the Ethics Executive, approval must be sought from the Lead Director.

The 15-business day hold period restriction does not apply to trades in exempt securities. This restriction applies to trades that are executed as a result of a Good-Til-Canceled (GTC), or other open order.

***(c) Insider trading***

You must not trade, or encourage anyone else to trade, a security of an issuer when you know non-public information related to the issuer that would reasonably be expected to have a significant effect on the market price or value of the security.

***(d) Tipping***

You must not inform, other than is necessary for you to properly perform your duties, another person or company of non-public information related to an issuer that would reasonably be expected to have a significant effect on the market price or value of the security.

***(e) Prospectuses, continuous disclosure reviews, applications and compliance reviews***

If you know of an unreceipted prospectus or an open continuous disclosure file, exemption application or compliance review, you may not trade, or encourage anyone else to trade, a security of that issuer while the filing is being processed, the application is pending or the review is ongoing.

***(f) Investigations***

If you know that we, another regulator or a law enforcement agency is investigating an issuer, or any of its insiders, associates or affiliates, you may not trade, or encourage someone else to trade, securities of that issuer.

***(g) Securities of registrants***

You may only trade securities of a registrant whose equity securities are listed and posted for trading on a stock exchange or whose debt securities are traded on an over-the-counter market.

***(h) Prohibited securities***

You may not trade securities listed on the prohibited securities list which can be found on the OSC intranet under the Code of Conduct.

***(i) Take-over bids, issuer bids and business combinations***

You may not trade in securities of a reporting issuer involved in an announced formal take-over bid, issuer bid or business combination, except to tender securities into the take-over bid or issuer bid or to sell securities into the market. Any tender or sale must comply with the trading restrictions in this section.

#### **4.4 Special accounts**

Trades in an account over which you exercise no direct or indirect influence or control ("special account") may be excluded from this Code if the Ethics Executive has given written approval in advance. In general, an account will be considered a special account if all of the following conditions are met:

- You notify the Ethics Executive of the account and allow the Ethics Executive to review the governing documents of the account.
- The Ethics Executive is satisfied that you have no direct or indirect influence or control over the account or over the investment decisions made for the account.
- You complete an annual certification or any other certification that the Ethics Executive asks you to complete.
- The Ethics Executive is satisfied that you are not providing any investment advice to anyone who directly or indirectly influences or controls the investment decisions for the account.

The Ethics Executive will determine whether an account is a special account on a case-by-case basis. Depending on the facts and circumstances, the Ethics Executive may require you to follow additional procedures. The Ethics Executive may revoke a special account designation at any time.

In the case of the Ethics Executive, written approval must be sought from the Lead Director.

#### 4.5 Reporting your holdings and trades

You are required to disclose information about you, your spouse, and your covered accounts and trades. The table below sets out what you are required to disclose, when you must disclose the information and how to report it.

Send all forms and reports noted in the table below to the Compliance Office. All of these forms and reports are confidential. We will only share this information with others at the OSC if it is needed to conduct our compliance reviews. We will only disclose this information outside the OSC if we are required to do so by law.

<b>What you must disclose</b>	<b>When you must disclose it</b>	<b>How to report it</b>
Personal and account information, including: <ul style="list-style-type: none"> <li>• whether you are employed with a registrant</li> <li>• whether your spouse is a registrant or is employed with a registrant</li> <li>• a list of all your covered accounts and</li> <li>• an account statement of your securities holdings and recent activity for each of your covered accounts except for:               <ul style="list-style-type: none"> <li>(i) an account held by your spouse or minor children if you do not:</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• When you start your employment or appointment with the OSC and as of December 31 each year.</li> <li>• Portfolio statements are required no less than quarterly for applicable covered accounts. Statements should be received no later than the last day of the month following the end of the calendar quarter.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete and file the Personal Trading Agreement through the PTC system.</li> <li>• See the Guidelines to OSC Personal Trading Rules for an example of the form and for instructions regarding delivery of portfolio statements, including the information that may or may not be redacted from copies of your account statements that you submit directly to the Compliance Office</li> </ul>

What you must disclose	When you must disclose it	How to report it
<ul style="list-style-type: none"> <li>- participate in, implement or influence investment decisions in that account, and</li> <li>- exercise any form of voting control over the securities</li> </ul> <p>(ii) an account that can only hold exempt securities (e.g. account is with a mutual fund dealer)</p> <p>(iii) securities held in an eligible blind trust or in an eligible fully managed discretionary account, or</p> <p>(iv) securities held in a "special account" as designated by the Ethics Executive.</p>		<ul style="list-style-type: none"> <li>• Two options: <ul style="list-style-type: none"> <li>(a) Send account reporting instructions form (one time set up) to each broker/dealer that you have an applicable covered account with to authorize the delivery of duplicate portfolio statements to the Compliance Office;</li> <li>(b) Deliver to the Compliance Office a copy of your account statement issued to you by the firm</li> </ul> </li> <li>• The reporting requirements for securities holdings do not apply to: <ul style="list-style-type: none"> <li>(i) any account held by your spouse or minor children, provided the required certification has been made annually;</li> <li>(ii) a covered account that can only hold exempt securities (e.g. account is with a mutual fund dealer);</li> <li>(iii) an eligible blind trust or an eligible fully managed discretionary account, and</li> </ul> </li> </ul>

What you must disclose	When you must disclose it	How to report it
		(iv) a "special account" as designated by the Ethics Executive.
<p>All trades in your covered accounts, except for:</p> <ul style="list-style-type: none"> <li>• securities in an account held by your spouse or minor children if you do not: <ul style="list-style-type: none"> <li>- participate in, implement or influence investment decisions in that account, and</li> <li>- exercise any form of voting control over the securities held in any such account</li> </ul> </li> <li>• trades in an account that can only hold exempt securities (e.g. account is with a mutual fund dealer)</li> <li>• securities in an eligible blind trust or in an eligible fully managed discretionary account, or</li> <li>• securities held in a "special account" as designated by the Ethics Executive.</li> </ul>	Ongoing	<p>Trade Confirmations – two options:</p> <p>(a) Send account reporting instructions to your broker/dealer authorizing the delivery of all trade confirmations for your covered account to the Compliance Office</p> <p>(b) Deliver to the Compliance Office a copy of your trade confirmation issued to you by the firm within five business days after receipt of confirmation of the transaction.</p> <ul style="list-style-type: none"> <li>• These reporting requirements do not apply to trades in: <ul style="list-style-type: none"> <li>(i) any account held by your spouse or minor children provided the required certification has been made;</li> <li>(ii) an account that can only hold exempt securities (e.g. account is with a mutual fund dealer);</li> </ul> </li> </ul>

What you must disclose	When you must disclose it	How to report it
		(iii) an eligible blind trust or an eligible fully managed discretionary account; (iv) a "special account" as designated by the Ethics Executive; or (v) exempt securities.
New covered account	Within five business days of opening the account	<ul style="list-style-type: none"> <li>• In accordance with the <i>Guidelines to OSC Personal Trading Rules</i>.</li> </ul>

#### 4.6 Mandatory divestiture of securities on the prohibited securities list

Prior to commencing employment or first commencing to serve as a Member, employee or the Member must dispose of securities on the prohibited securities list, unless these securities are held or traded in an eligible fully managed discretionary account.

#### 4.7 Grace period for new employees and Members

Within one month of commencing employment or first commencing to serve as a Member, staff or the Member may dispose of any securities in his or her covered accounts without seeking pre-clearance provided that the individual is not acting on non-public information. You must notify the Compliance Office in writing of any securities sold under this provision within 14 days of disposition .

## 5. Political activity

### 5.1 What is political activity?

The PSOA governs the political activities that you may engage in.

The PSOA defines political activity as:

- anything you do in support of or in opposition to:
  - a federal or provincial political party, or
  - a candidate in a federal, provincial or municipal election.
- seeking to become a candidate in a federal, provincial or municipal election, or

- making comments publicly and outside the scope of your duties at the OSC about matters that relate directly to those duties and are dealt with in the positions or policies:
  - of a federal or provincial political party, or
  - that have been publicly expressed by a candidate in a federal, provincial or municipal election.

## 5.2 Rules for employees

Subject to the prohibitions and restrictions set out in the PSOA, as an employee, you have the right to engage in political activity on your own time and at your own expense.

## 5.3 Rules for Members

As a Member, you generally do not have the right to engage in political activity except as expressly permitted under the PSOA.

You are expressly permitted to:

- vote in a federal, provincial or municipal election,
- contribute money to a federal or provincial party or to a federal, provincial or municipal candidate,
- be a member of a federal or provincial party, and
- attend all-candidate meetings.

### Political Activity Policy

You will find more information about your political activity rights and restrictions in our *Political Activity Policy*.

Employees and Members are reminded that neither the description in section 5 of the Code nor the description in our *Political Activity Policy* is a substitute for the provisions of the PSOA. For complete details about the political activity rules, refer to Part V of the PSOA.

## 6. Communicating outside the OSC

### 6.1 Communicating with the media

#### (a) Employees

You may not speak to the media about the OSC unless you are specifically authorized to do so.

Refer any inquiries from the media to Communications & Public Affairs staff (media\_inquiries@osc.gov.on.ca).

Any employee who deals with the media must follow our *Media Relations Policy*.

#### (b) Members

If you intend to speak to the media about the OSC, you should notify the Chair in advance. Any Member who deals with the media must follow our Media Relations Policy.

## **6.2 Public speaking engagements and publications**

If you are a Member or an employee other than a member of the Executive Management Team or Senior Management Team, you may not teach, lecture, make presentations at a public forum or write about the OSC or about issues (not limited to adjudicative matters) that may come before the Commission

- (a)** unless your Manager gives prior approval, in the case of employees, or the Chair gives prior approval in the case of Members. Part-time Members should also consult with the Office of the Secretary. In all cases, Communications & Public Affairs ([media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)) should be notified, and
- (b)** unless otherwise authorized by your Manager or the Chair, you indicate that the views being expressed are your own and do not necessarily represent the views of the Commission, the Members or staff.

## **7. Protecting and Use of OSC property**

### **7.1 Overview**

As a Crown corporation, we have an obligation to conduct our affairs and use our assets in a manner that is consistent with our core values and upholds our reputation.

### **7.2 Assets and property**

You must take all reasonable steps to protect OSC assets and property from loss, theft, damage and misuse.

You are responsible for:

- protecting and conserving our property,
- using our property prudently and only for lawful business purposes, and
- returning all OSC property in your custody when you leave the OSC.

#### **Use of the Internet, Computers and Related Assets at the OSC**

You will find more information about your responsibilities relating to OSC property in our *Appropriate Use of OSC Information and Computing Resources at the OSC Policy* on the OSC Intranet under Code of Conduct.

### 7.3 Books and records

We must maintain accurate and reliable records to meet our legal and financial obligations and to properly manage our affairs. Our books and records must accurately and fairly reflect all of our business transactions.

If you are responsible for any public or Board documents, records and reports, you must make sure that they are accurate, complete, timely and understandable.

You may not:

- make any false or misleading entry in OSC's books and records,
- conceal or help conceal any funds or assets,
- approve or make any payment with the agreement or understanding that some or all of payment will be used for anything other than the purpose described in its supporting documents,
- use OSC funds or assets for any unlawful purpose, or
- influence the OSC's independent auditors into making our financial statements materially misleading.

#### Financial and administrative policies

The OSC has various financial policies and procedures that address a broad range of activities, such as hiring consultants, buying office supplies and performing financial budgeting, reporting and analysis. You will find these policies on the OSC Intranet.

### 7.4 Expenses

You may only be reimbursed for legitimate and reasonable expenses related to OSC business activities. You must ensure that these expenses are documented and approved according to our expense reimbursement policies.

#### Travel, Meal and Hospitality Expenses Policy

You will find more information about which expenses qualify for reimbursement and how to claim your expenses in our *Travel, Meal and Hospitality Expenses Policy*.

## 8. Maintaining a safe and healthy workplace

### 8.1 Overview

The OSC is committed to the safety, health and well-being of our employees and Members. We are committed to fairness in the workplace and make every reasonable effort to accommodate the needs of our employees, Members and those who deal with us.

### 8.2 Dignity and respect

We recognize the worth and contributions of all our employees and Members.

You are responsible for:

- making sure your conduct and language are appropriate for a business setting and
- treating others with dignity and respect.

### **8.3 No discrimination or harassment**

We value and encourage the diversity of our employees and Members. We do not tolerate discrimination against any individual or group.

You have the right to work without discrimination and harassment as defined under the *Ontario Human Rights Code*, including on the basis of age, ancestry, citizenship, colour, creed, ethnic origin, family status, handicap, marital status, place of origin, race, sex or sexual orientation.

You have the right to work without discrimination and harassment based on other personal characteristics or circumstances that are clearly unrelated to your ability to perform your duties.

#### **Respectful Workplace Policy**

You will find more information about your rights and our expectations in our *Respectful Workplace Policy*. It also outlines what to do if you believe that you have been subject to inappropriate treatment.

### **8.4 Providing services to people with disabilities**

We are committed to giving people with disabilities the same opportunity to access our services and allowing them to benefit from the same services, in the same place and in a similar way as other members of the public.

You are responsible for:

- carrying out your functions and responsibilities in a manner that takes into account a person's disability, and
- completing the initial and ongoing training as may be required from time to time under the *Accessibility for Ontarians with Disabilities Act, 2005* or under the OSC's *Accessibility Policy*.

#### **Accessibility Policy**

You will find more information about our commitment to excellence in providing services to all members of the public, including people with disabilities, in our *Accessibility Policy*.

In addition, you will find information on the *Customer Service Standard*, *Accessible Recruitment*, *Multi Year Accessibility Plan* and tips sheets on inclusive hiring, accessibility speaking points for front-line staff and creating accessible documents on the OSC Intranet page "Accessibility at the OSC".

## 8.5 Safety and security

We are committed to maintaining the highest standards for the safety and protection of our employees and Members, as well as our physical property and our information.

You are responsible for conducting yourself and performing your duties without putting the safety and health of others at risk.

### Security/Safety and Emergency Procedures

You will find more information about our health and safety practices, your responsibilities and what to do if there is an accident or emergency in our *Security/Safety and Emergency Procedures*.

## 9. Reporting a conflict of interest

### 9.1 When to report

You are required to immediately notify the Ethics Executive in writing if you have an actual, apparent or potential conflict of interest under this Code, subject to the exception below.

### 9.2 Examples

The following are a few examples of when a report to the Ethics Executive is necessary:

- You receive a gift of more than nominal value from someone we regulate or do business with.
- You report to, or supervise the work of, a member of your family.
- You or a member of your family will benefit personally from a matter that you can influence through your duties with the OSC.
- Your previous employment or a previous relationship will influence your work on an assignment.
- You are involved in political activities that conflict with your duties at the OSC.

This list is not exhaustive. If you are in doubt about whether you have an actual, apparent or potential conflict of interest, consult your Ethics Executive.

### 9.3 Exception

There may be circumstances where an employee or a Member has pre-identified a conflict of interest, and has taken steps to address the conflict. A report to the Ethics Executive under section 9.1 of the Code may not be required in such circumstances.

For example, you do not have to send a report to the Ethics Executive if:

- you have notified your manager or Director (if you are an employee) or the Secretary's Office (if you are a Member) of the actual, apparent or potential conflict of interest, and
- you have agreed not to be involved with, or you have removed yourself from, the file or matter.

## **9.4 Where to send your report**

If you are required to notify the Ethics Executive under this section, e-mail your conflict of interest report to [EthicsExecutive@osc.gov.on.ca](mailto:EthicsExecutive@osc.gov.on.ca). This is a secure, confidential mailbox. You can also access this e-mail address through the OSC Address Book.

## **9.5 How your report is handled**

If you seek guidance from the Ethics Executive or report an actual, apparent or potential conflict of interest, the Ethics Executive must make a determination on the situation.

If the Ethics Executive determines that there is a conflict of interest, the Ethics Executive must give you direction on how to address the conflict. You must comply with any direction the Ethics Executive gives you.

# **10. Reporting a violation**

## **10.1 Overview**

We take violations of this Code and other types of wrongdoing very seriously, and review all reports of suspected violations.

If you know of or suspect a violation, report it, but do not conduct your own preliminary investigation. Investigations may involve complex legal issues, and acting on your own may compromise the integrity of an investigation and adversely affect you and the OSC.

We do not tolerate any form of retaliation against anyone who, in good faith, reports a suspected violation of this Code, questions whether a situation is a violation or asks for guidance on how to handle a suspected violation. It is a violation of this Code to suggest that anyone could face repercussions for reporting a suspected violation of this Code.

## **10.2 How to report a violation of this Code**

You should tell us immediately if you believe you have violated this Code, or know of or suspect someone of violating this Code.

If you are an employee, contact your Manager, your Director or your Human Resources representative. If you are a Member, contact the Ethics Executive, the Lead Director or the Secretary.

If you are uncomfortable reporting a violation to any of the people noted above, or you prefer to remain anonymous, you can use the secure reporting system, Grant Thornton CARE (Confidential Anonymous Reporting for Employees) program. This system is offered and managed by Grant Thornton LLP, an external third-party service provider. Disclosure may be made to the Grant Thornton CARE reporting system through any of

the following means:

- Online through the secure website at <https://www.GrantThorntonCARE.ca>
- By secure email at: [UseCARE@ca.gt.com](mailto:UseCARE@ca.gt.com)
- By telephone through toll-free number 1- 855-484-CARE (2273)
- By mail through the confidential post office box at:

CARE Program Grant Thornton LLP  
200 King Street West, Box 11,  
Toronto, Ontario M5H 3T4

You must act in good faith when you report a suspected violation of this Code. It is a violation of this Code for anyone to make an allegation of a violation of this Code that is false or in bad faith.

### **10.3 How to report a wrongdoing**

In this Code, “wrongdoing” means:

- a contravention by an employee or Member of any law or regulation,
- any act or omission of an employee or Member that creates a grave danger to the life, health or safety of people or to the environment,
- gross mismanagement by an employee or Member, such as a gross waste of money, abuse of authority or abuse of public assets, or
- directing or counselling an employee or Member to commit a wrongdoing.

If you know of or suspect wrongdoing, you should report it immediately. If you are an employee, contact your Manager, your Director, your Human Resources representative or the Ethics Executive. If you are a Member, contact the Ethics Executive, the Lead Director or the Secretary.

You can contact the Ethics Executive by e-mail at [EthicsExecutive@osc.gov.on.ca](mailto:EthicsExecutive@osc.gov.on.ca). This is a secure, confidential mailbox. You can also access this e-mail address through the OSC Address Book.

You may also make a report through the Grant Thornton CARE reporting system described in section 10.2 if you are uncomfortable reporting a violation to any of the people noted above, or you prefer to remain anonymous.

You can report a wrongdoing directly to the Integrity Commissioner of Ontario if:

- you believe that reporting the wrongdoing internally is not appropriate, or
- you have reported the wrongdoing internally and have concerns that the matter is not being dealt with appropriately.

If someone has reported an instance of wrongdoing to you, you must report it to the Ethics Executive.

The Ethics Executive has ultimate responsibility for dealing with reports of wrongdoing.

#### **10.4 How we handle your report**

The information you provide will be promptly sent to the relevant individual at the OSC, depending on the nature and the origin of the concern. We treat all reports of possible violations of this Code and applicable laws and regulations in a confidential and sensitive manner.

Your identity will be known by the person who received your report and the people who review or investigate it if you choose not to remain anonymous. Your identity may only be shared outside this group if it is needed to ensure fairness and due process, or to conduct a competent investigation, or if we are required by law to do so. We will advise you if this is the case. We will investigate anonymous reports, but we will take the following factors into account:

- the seriousness of the issue
- the credibility of the concern, and
- the likelihood of confirming the allegation from a reliable source.

## **Appendix A – OSC Policies List**

1. Accessibility Policy – Providing Services to People with Disabilities
2. Adjudication Guideline
3. Appropriate Use of OSC Information and Computing Resources Policy
4. Financial Policies and Procedures
5. Guidance for Staff on Invitations to Third Party Functions and Other Gifts
6. Guidelines to OSC Personal Trading Rules
7. Information and Records Management Policy
8. Media Relations Policy
9. Political Activity Policy
10. Procurement & Contract Management Policy
11. Protecting OSC Information When Outside the Office Policy
12. Respectful Workplace Policy
13. Security/Safety and Emergency Procedures Policy
14. Travel, Meal and Hospitality Expenses Policy

## Appendix B – Outside Employment, Business or Volunteer Activity Declaration Form

In accordance with section 3.5(g) of the Code of Conduct, you must promptly report to your Manager or Director any outside employment, business or volunteer activity when you join the OSC or during your employment, and when there is a change in the activity previously reported.

Such activities may be permitted under certain circumstances provided that they do not contravene with conflict of interest requirements of the Code and your Manager or Director is aware of and has no concerns with your involvement in the outside employment or activity.

You must complete a separate form for each outside activity. A copy of this completed form signed off by you and your Manager or Director must be sent to the Ethics Executive mailbox, [ethicsexecutive@osc.gov.on.ca](mailto:ethicsexecutive@osc.gov.on.ca).

### Part 1 – EMPLOYEE INFORMATION

Name:

Branch:

Title:

### Part 2 – OUTSIDE ORGANIZATION DETAILS

Name of organization:

Nature/Type of organization:

Address:

Does the OSC regulate the organization? Yes  No

### Part 3 – OUTSIDE ACTIVITY DETAILS

Type of outside activity: Employment  Business  Volunteer

Position:

Start date (mm/dd/yy):

Number of hours per week:

Does this activity occur during regular business hours? Yes  No

Are you receiving compensation, direct or indirect financial benefits from this activity?

### Part 4 – CONFLICT OF INTEREST DISCLOSURE

Are there any potential conflicts of interest between your duties at the OSC and your outside employment or business? (refer to section 3.5(g) of the Code) Yes  No

If yes, provide details:

### Part 5 – EMPLOYEE ACKNOWLEDGEMENT

I acknowledge that I have accurately reported the details of my outside employment, business or volunteer activity to my Manager/Director and confirm that I will not be using the OSC premises or equipment and supplies in carrying on these activities. I agree to comply with any additional conditions outlined below by my Manager/Director. I will promptly submit an updated form to advise my Manager/Director if there are any significant changes in the nature or scope of my outside activity.

Employee's signature: \_\_\_\_\_ Date: \_\_\_\_\_

### Part 6 – MANAGER/DIRECTOR'S ACKNOWLEDGEMENT

I acknowledge that I have been made aware of my staff member's outside activity and have assessed any potential conflict of interest concerns. I am satisfied that any potential conflict can be properly managed in accordance with the following conditions:

(Manager/Director should provide the details of any conditions and/or disclosures, if applicable, that the employee must meet.)

Manager/Director's Name: \_\_\_\_\_

Manager/Director's signature: \_\_\_\_\_ Date: \_\_\_\_\_

## Appendix C – Exempt Securities

You can trade the following securities (called “exempt securities”) at any time without pre-clearing them. You may but do not have to report these trades after you make them.

If you are not sure whether a security is an exempt security, ask the Compliance Office before you place your trade.

### Debt securities

- bonds, debentures, notes or other evidence of indebtedness issued by or guaranteed by the federal government, a provincial or territorial government or the government of a foreign jurisdiction
- bonds, debentures, notes or other evidence of indebtedness issued by or guaranteed by Canadian municipalities
- bonds, debentures, notes or other evidence of indebtedness issued by or guaranteed by a bank listed in Schedule I, II, or III of the *Bank Act* (Canada)
- fixed income notes maturing within 365 days

### Investment Funds

- A publicly-traded investment fund managed by an investment fund manager that is,
  - an open-end investment fund
  - a closed-end investment fund
  - a limited partnership pooled fund vehicle
  - a pooled fund, or
  - any other investment fund that represents an underlying basket of securities

### Index products

- exchange traded funds that are publicly traded
- index products or other products that replicate the composition of widely recognized broad market indexes of securities traded on a public exchange

### Money market instruments

- negotiable promissory notes maturing within 365 days that are not convertible or exchangeable into another type of security
- commercial paper maturing within 365 days that are not convertible or exchangeable into another type of security
- bankers’ acceptances
- money market funds

### Other

- securities of issuers that are not listed on a Canadian stock exchange and that are not primarily regulated by Canadian jurisdictions
- guaranteed investment certificates (GICs)
- group registered education savings plans
- securities evidencing indebtedness secured by a mortgage or charge on real or personal property in Canada

- securities evidencing indebtedness secured by personal property in accordance with personal property security legislation
- securities received under dividend or distribution reinvestment plans
- foreign currency
- hedge funds
- securities of a private company (as defined in the *Securities Act*)
- capital calls on private equity funds
- commodities
- securities that are derivatives derived from exempt securities
- securities bought under an automatic share purchase plan or similar kind of automatic share ownership plan, provided you pre-clear plan with the Compliance Office by providing the following information prior to setting up the plan and before making any changes :
  - the details of the plan, including the security, the quantity or amount, and the frequency of the automatic transactions
  - when you start and stop participating in the plan
  - when you make any changes to the details of the plan and what those changes are (**note**: any addition or removal of securities from the plan would require prior approval from the Compliance Office and if such approval is denied, the order must remain active)
- any other security that the Commission may designate as an “exempt security” for the purposes of this Code