

Conflict of Interest Policy and Procedures

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Alberta Energy Regulator
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Part 1 – AER Conflict of Interest Policy and Procedures

1 Introduction (12 02 13)

Albertans and the industries under the jurisdiction of the Alberta Energy Regulator (AER) have a right to fairness, transparency, competence, and quality service from the AER. This special obligation demands that there not be or be perceived to be any conflict of interest between the private interests of AER directors, hearing commissioners, and employees and their respective responsibilities to fulfil the AER’s mandate. For the purposes of the *AER Conflict of Interest Policy and Procedures* (Conflict Policy), “conflict of interest” or “conflict” is defined as a situation or circumstance that places, or may be perceived by others as placing, a director, hearing commissioner, or employee in a position where his or her personal interests may influence his or her decisions or actions in carrying out his or her responsibilities as an AER director, hearing commissioner, or employee. Examples include situations where

- an individual’s private or personal interests influence or appear to influence the impartial, objective performance of the individual’s AER duties,
- an individual’s private or personal interests are or appear to be in direct or perceived conflict with the individual’s official duties and responsibilities to the AER, or
- an individual gains or appears to gain an advantage (for him/herself or others) by virtue of his or her duties as an AER employee, director, or hearing commissioner.

At the same time, AER directors, hearing commissioners, and employees should be treated fairly under the Conflict Policy and all restrictions should be essential for maintaining public interest and confidence in the AER as a fair, impartial regulator. The provisions of the Conflict Policy have been designed to protect the AER and its directors, hearing commissioners, and employees.

All questions, comments, or concerns about this Conflict Policy should be directed to the members of the AER Ethics Committee.

For descriptions and examples of how the Conflict Policy applies in hypothetical situations, please refer to part 2 of this policy.

The AER is subject to the *Freedom of Information and Protection of Privacy Act* in relation to the use and disclosure of any information provided by a director, hearing commissioner, or employee under the Conflict Policy.

To demonstrate the AER’s commitment to transparency and accountability, this Conflict Policy is available to the public on the AER’s website.

2 Definitions (21 03 18)

For purposes of this Conflict of Interest Policy and Procedures, unless the context otherwise requires, **Conflict Policy** means this *Conflict of Interest Policy and Procedures*, as amended from time to time.

AER premises and equipment includes office space, telephone, computing services, email, Internet, photocopiers, and supplies.

Conflict of Interest or Conflict means a situation or circumstances that places, or may be perceived by others as placing, a director, hearing commissioner, or employee in a position where his or her personal interests may influence his or her decisions or actions in carrying out his or her responsibilities as an AER director, hearing commissioner, or employee.

Designated contact means the following:

- for an employee, that employee's manager or vice president
- for members, senior officials, and designated senior officials, the Office of the Ethics Commissioner of Alberta
- for the Chair of the Ethics Committee, the Chief Executive Officer (CEO)
- for full-time hearing commissioners, the Chair of the Ethics Committee

Designated Senior Officials refers to a designated senior official within the meaning of section 23.921(4) and (5) of the *Conflicts of Interest Act*, which includes the Chief Executive Officer, the Chief Hearing Commissioner, and any other senior official designated by order of the Lieutenant Governor in Council.

Director means an individual appointed as an AER director by order in council and includes the AER Chair.

Employee includes any person employed by the AER, including casual employees and contractors engaged by the AER.

Ethics Commissioner means the Office of the Ethics Commissioner of the Government of Alberta.

Ethics Committee consists of the following (or their equivalents as organizational changes take place from time to time):

- Executive Vice President of Law & General Counsel (Chair)
- Vice President of People, Culture, and Learning (Member)
- Chief Financial Officer (Member)
- Executive Vice President of Strategy and Regulatory (Member)

- An administrative assistant from People, Culture, and Learning as designated from time to time (secretary)

Hearing commissioner means an individual appointed as a full-time hearing commissioner pursuant to an Order in Council and includes the Chief Hearing Commissioner, but does not include part-time hearing commissioners.

Material interest means direct or indirect beneficial ownership of securities representing more than 10 per cent of the issued and outstanding voting securities of an entity or issuer regulated by the AER.

Members include directors and full-time hearing commissioners.

Minimal additional expense means that the member's or employee's personal use of AER premises and equipment is limited to those situations in which the AER is already providing premises or equipment. The individual's use of such premises or equipment would not result in any additional expense to the AER, only normal wear and tear or the use of small amounts of electricity, ink, toner, or paper. Examples include making a few photocopies, using a computer printer to print out a few pages of material, making occasional brief personal phone calls, infrequently sending personal email messages, and limited use of the Internet for personal reasons.

Minor child refers to a child under the age of majority (18 years old).

The **private or personal interest** of a member or an employee does not include an interest

- in a matter that is of general application,
- that affects a person as one of a broad class of the public,
- that affects the compensation or benefits of the member or employee, or
- that is trivial.

Relative includes spouse, children, stepchildren, legal dependents, parents, siblings, in-laws, grandparents, grandchildren, nieces, nephews, aunts, uncles, and first cousins.

Senior Officials refers to a senior official within the meaning of section 23.921(3) and (5) of the *Conflicts of Interest Act*, which includes the Chair of the Board of Directors, the Chief Executive Officer, the Chief Hearing Commissioner, and any person or class of persons holding a position identified from time to time by the Lieutenant Governor in Council.

Senior Position means a director, senior officer, or the equivalent of an entity regulated by the AER.

Spouse includes two people who are living together on a bona fide domestic basis, including individuals in a common-law relationship. The term does not include a spouse who is living apart from the member

or employee if that individual and his or her spouse have separated pursuant to a written separation agreement or if their support obligations and family property have been dealt with by a court order.

Supervise means to directly supervise or exercise influence over the assignment of duties, performance evaluation, or related responsibilities of an employee.

3 Application (21 03 18)

3.1 General

This Conflict Policy applies to all employees, officers, directors, senior officials, designated senior officials, and hearing commissioners except any individuals that have been expressly exempted from one or more provisions of this policy. The Ethics Committee or designate has authority in exceptional circumstances to exempt a member or an employee from application of all or any provisions of the Conflict Policy provided the exemption does not contradict requirements under the *Conflicts of Interest Act*.

This Conflict Policy is in addition to any statute governing members or employees. There are specific requirements for applicable to senior officials and designated senior officials in this policy as per the requirements of the *Conflicts of Interest Act*.

Conflicts between the private interests of members or employees and their responsibilities to the public not specifically addressed in this Conflict Policy must be dealt with according to the principles and intent of the Conflict Policy.

4 Administration of the Conflict Policy (12 02 13)

4.1 Ethics Committee

The Chair of the AER, as the primary sponsor of the Conflict Policy, will designate an Ethics Committee to administer the Conflict Policy. The AER CEO will appoint the Chair of the Ethics Committee.

4.2 Ethics Committee Responsibilities

The Ethics Committee is responsible for ensuring the Conflict Policy is maintained and administered in a fair and consistent manner. The Ethics Committee will provide the Chair and the CEO of the AER with an annual update on compliance with the Conflict Policy. As well, the Ethics Committee will ensure that all allegations and claims against members or employees who are alleged to be in breach of the Conflict Policy will be reviewed by a qualified, fair, and impartial individual (i.e., a member of the Ethics Committee or someone designated by the Ethics Committee) who will investigate the allegation or claim and submit a recommendation to the Committee who will then render a decision. The Chair of the Ethics

Committee reviews the disclosures of the Ethics Committee members. The CEO of the AER reviews the disclosures of the Ethics Committee Chair.

The Ethics Committee

- administers the Conflict Policy for the AER and issues instructions as necessary for implementation of the Conflict Policy;
- may issue supplementary instructions that modify but do not detract from matters dealt with in this Conflict Policy, provided that the supplemental instructions are not more permissive than this Conflict Policy;
- promotes the Conflict Policy and any supplemental Conflict Policy on a regular basis to ensure that employees are aware of their obligations;
- maintains written records of matters referred to it, the process and investigation undertaken in relation to such matters, the resolution of the matter, and the process undertaken in response to a finding that the Conflict Policy has been breached;
- ensures that the process considers the privacy of the parties involved and is fair to all parties involved; and
- initiates and undertakes reviews of the Conflict Policy as circumstances warrant.

5 Individual Responsibilities (21 03 18)

5.1 Impartiality, Disclosure of Conflicts, and Decision Making

Members and employees must conduct their duties with impartiality at all times. It is critical that the members and employees disclose all real or perceived conflicts of interest between their AER-related duties and their personal interests and/or relationships. Further, these parties also have a responsibility to avoid real and perceived conflicts of interest and to take all steps necessary to remove themselves from any conflict. Disclosure, while necessary and important, does not itself remove a conflict of interest.

Decisions must be written in accordance with the guidelines, policies, and protocols developed by the AER. Decision makers must act in accordance with legislation, policy, and natural justice.

Hearing Commissioners and staff decision makers must devote sufficient time and attention to their official duties and obligations to ensure informed and balanced decision making.

Generally speaking, members and employees are subject to two types of real and perceived conflicts: conflicts arising from financial interests and conflicts arising from relationships with an entity or an employee of an entity regulated by the AER. Specifically, a member or an employee will generally be considered to be in a conflict of interest if they

- have a direct or indirect financial interest in an entity regulated by the AER or
- are a relative (see definition in section 1) of a person employed by or on the board of directors of any entity or issuer regulated by the AER (e.g., employee, director, officer, etc.) or any entity or person who participates in AER processes and proceedings (e.g., landowners, stakeholder groups, etc.) or with whom the AER has a business relationship (e.g., software vendors, recruiting firms, landlords, etc.)

The above types of conflict are not exhaustive. A conflict may also exist if a member or an employee has a close personal friendship with or is in a serious romantic relationship with a person employed by an entity regulated by the AER or with whom the AER has a business relationship. Whether or not a real or perceived conflict exists is fact specific and depends on the circumstances of each case. If a member or an employee is in doubt, they should disclose the matter to and discuss it with their designated contact and seek direction as to how the situation should be managed. **Disclosure is the key and helps to protect both the AER and the member or employee. If the member or employee does not disclose the real or potential conflict, it cannot be addressed and/or managed.**

Section 12 of the Conflict Policy requires written disclosure of financial interests at the time of commencement of employment or engagement with the AER and on an annual basis thereafter. Members and employees must also disclose any relationships noted in the second bullet above to their designated contact as soon as they arise. This way, the designated contact can take steps to ensure that the member's or employee's involvement in files, hearings, or other matters that involve the entity with whom the member or employee has a relationship can be avoided altogether or minimized.

Designated contacts are expected to take all steps necessary to manage and/or resolve any conflict that is brought to their attention. Designated contacts are strongly encouraged to seek guidance and direction from the Ethics Committee on the most appropriate way to manage and/or resolve any real or perceived conflict of interest disclosed to them by a member or an employee.

As a general rule, members, hearing commissioners, and employees must disqualify themselves from any application, proceeding, file, inspection, or other matter involving an entity in which they, their spouse, or their minor child has a financial interest or with which they have a relationship that may bring, or be perceived to bring, their impartiality into question.

In some situations, following disclosure by the member or employee, the member's or employee's designated contact may determine that the member's or employee's duties and responsibilities in relation

to the file or matter do not conflict with his or her financial interests or relationship with a regulated entity. Alternatively, the member's or employee's designated contact may adopt other methods to manage the real or perceived conflict (e.g., reviewing or having other colleagues review the member's or employee's work and recommendations or ensuring that the member or employee is not in a position to make or influence decisions on the file or matter).

Designated contacts must document their discussions with the member or employee, the decision made in relation to the real or perceived conflict, and the reasons for the course of action chosen.

In summary, the requirements applicable to member and employee disclosure of real or perceived conflicts are

- disclosure to the member's or employee's designated contact,
- avoidance of the conflict (or, if that is not possible, management and mitigation of the conflict), and
- documentation of the disclosure and decision-making process in relation to the real or perceived conflict.

5.2 Disclosure of Criminal Convictions

A member or employee convicted of a criminal offence under the *Criminal Code* or any other legislation that imposes criminal offences (e.g., *Motor Vehicle Act*, *Controlled Drugs and Substances Act*, *Firearms Act*, etc.) arising from the member's or employee's conduct while on or off duty must immediately report the conviction to the Vice President of People, Culture, and Learning, who will then determine the necessary course of action based on the circumstances.

Members and employees must not engage in any criminal activity and must comply with all relevant laws and regulations.

5.3 Furthering Private Interests (21 03 18)

Members and employees must not act in self-interest or further their private interests by virtue of their position as a member or employee of the AER or through the carrying out of their duties as a member or employee of the AER.

Members and employees may be in a conflict of interest and in violation of this Conflict Policy if they

- participate or might reasonably be perceived to participate in a decision in the course of carrying out their duties knowing that the decision might further a private, personal, or financial interest of theirs or of a relative's;

- use their public role or might reasonably be perceived to use their public role to influence or seek to influence an AER or government decision that could further a private interest of theirs or a of a relative's; or
- use or communicate information or might reasonably be perceived to use or communicate information not available to the general public that was gained in the course of carrying out their duties to further or seek to further their own private interest or that of a relative.

5.3.1 Furthering Private Interests – Senior Officials

A senior official will be in a conflict of interest if the senior official takes part in a decision in the course of carrying out their office or powers knowing that the decision might further a private interest of the senior official, a person directly associated with the senior official, or the senior official's minor or adult child.

A senior official will be in a conflict of interest if the senior official uses their office or powers to influence or to seek to influence a decision to be made by or on behalf of the Crown or a public agency to further a private interest of the senior official, a person directly associated with the senior official, or the senior official's minor child or to improperly further any other person's private interest.

A senior official will be in a conflict of interest if the senior official uses or communicates information not available to the general public that was gained by the senior official in the course of carrying out his or her office or powers to further or seek to further a private interest of the senior official or any other person's private interest.

A senior official must disclose any real or apparent conflict of interest in accordance with this Conflict Policy.

5.4 Reporting Violations of the Conflict Policy

Members and employees should report violations of the Conflict Policy (including fraud) by other members or employees to their designated contact or the Ethics Committee so that appropriate steps can be taken to address the issue.

No action will be taken by the AER against an individual for reporting violations under this part unless the complaint is made maliciously or without reasonable grounds. Whenever possible, the name of the individual reporting such information will be kept confidential and no documentation regarding the reporting will be placed on the reporting individual's personnel file.

6 Dealing with Others (21 03 18)

Hearing commissioners and employees often exercise regulatory, inspection, enforcement, or other decision-making authority over others. When this occurs, they must disqualify themselves from activities

with others if the relationship between them may bring their impartiality into question. In situations in which this would impair service delivery, hearing commissioners and employees must advise their designated contact of the details before exercising their authority, and must act in accordance with any instructions received. In emergency situations, hearing commissioners and employees must act impartially and notify their designated contact immediately after exercising their authority.

In limited circumstances, the AER may permit relatives of an employee or member to work in the same group or branch provided that the designated contact ensures that all steps are taken as necessary to ensure that there is no opportunity to exercise favouritism and no conflict of interest exists for the employees and members involved. An employee may not supervise a relative.

In the staff hiring and selection process, AER staff making the hiring decision must disqualify themselves where applicants include relatives or close personal friends if the continued participation of such staff could raise, or could reasonably be seen to raise, a question as to their impartiality. This also applies to recruiting casual, hourly staff or employees hired through special employment programs, such as the summer student program.

Members and employees must disclose to their designated contact and/or the Ethics Committee all situations that may be or may appear to be conflicts of interest under this section, as far as these are known to them.

7 Respectful Workplace (21 03 18)

Members and employees must comply with the AER's Respectful Workplace Policy.

8 Outside Employment and Volunteer Activities (21 03 18)

Subject to section 10, members and employees may take supplementary employment, including self-employment, and participate in volunteer activities while employed at the AER, including leaves of absence, unless such pursuits

- cause an actual or perceived conflict of interest (e.g., involvement in companies that the AER directly or indirectly regulates), or
- are performed in such a way as to appear to be an official act or to represent an AER opinion or policy, or
- interfere through telephone calls, or in other ways, with regular duties, or
- involve the use of AER premises and equipment except as stated under the section called Limited Personal Use of AER Premises and Equipment.

Prior to accepting any supplementary employment or participating in a voluntary activity where it appears or where they believe that a conflict of interest might arise, members and employees must notify their designated contact in writing about the nature of such supplementary employment or volunteer activity.

Members and employees cannot accept additional compensation for duties performed in the course of their AER responsibilities.

Members and employees must not allow the performance of their official duties to be influenced by offers of future employment or the anticipation of offers of employment nor may they use their position or AER premises or equipment to solicit services as a private consultant.

8.1 Senior Officials – Restrictions on Concurrent Employment

This section only applies to the Chief Executive Officer and the Chief Hearing Commissioner. It may apply to the Chair if the position has been designated for the purposes of section 23.921(4)(b) of the *Conflicts of Interest Act*, or it may apply to a person holding a position identified under section 23.921(3)(c) if that position has been designated for the purposes of section 23.921(4)(b) of the *Conflicts of Interest Act*.

The Chief Executive Officer, the Chief Hearing Commissioner, and any position that has been designated for the purposes of section 23.921(4)(b) of the *Conflicts of Interest Act* are restricted from being involved in any appointment, business, undertaking, or employment, including self-employment, other than an appointment, business, undertaking, or employment that is subject to the *Conflicts of Interest Act*.

If the senior official wishes to apply to the Ethics Commissioner for approval in writing to engage in concurrent employment pursuant to section 23.926(2) of the *Conflicts of Interest Act*, the senior official must first obtain the approval in writing from the AER board of directors.

The effective date of this restriction is outlined in the transition provisions of Part 4.3 of the *Conflicts of Interest Act*. The restriction applies to existing senior officials (as of December 15, 2017) following a two-year notice period. The restriction applies immediately to all new senior officials appointed after December 15, 2017, and to all existing senior officials reappointed after December 15, 2017.

9 Limited Personal Use of AER Premises and Equipment (13 09 99)

AER members and employees are permitted limited use of AER premises and equipment for non-AER-related purposes providing such use involves minimal additional expense to the AER, is performed on the member's or employee's non-work time, does not interfere with the mission of the AER, does not support a personal business interests and complies with the Conflict Policy.

10 Teaching (01 09 04)

With the consent of their designated contact, employees may teach courses at public institutions during normal working hours. Generally, such activities are acceptable where

- arrangements can be made for the employee to perform all regular duties;
- if being paid for teaching, the employee is either teaching after normal AER work hours (e.g., night or extension courses) or is teaching during paid vacation or non-paid AER time (i.e., employees cannot perform paid teaching duties during paid AER work time unless they take vacation days to do so);
- the time commitment is reasonable in the circumstances. Generally speaking, the commitment should not exceed two days;
- the employee's absence does not cause hardship to the AER or any other employee;
- course preparation, marking and all other non-teaching activities relating to the course are performed on the employee's own time and without using any AER equipment or stationery; and
- no other conflict arises or results from such activities.

Occasionally teaching short courses or guiding short field trips as part of technical or professional memberships and conferences is also acceptable, provided that the employee is not paid for such services and his or her designated contact has consented. Adjunct professor appointments at local post-secondary institutions are acceptable provided that the employee does not receive remuneration or compensation for the appointment, the duties associated with the appointment do not interfere with the employee's AER-related duties and responsibilities, and the employee does not hold or administer research funds granted to the department in which he or she is appointed.

If the employee's designated contact determines that the teaching duties may interfere with the employee's normal duties, they may prohibit an employee from teaching a course. Alternatively, the designated contact may require that the employee take unpaid leave or use vacation time to teach the course or courses and/or may impose other conditions on the approval (e.g., payment of all or any portion of the remuneration received by the employee to the AER or a registered charity).

11 Professional Associations (13 09 99)

When AER employees serve in a volunteer capacity with their respective professional associations, they may, on approval by their designated contact, make limited use of AER services, such as printing, graphics, and mailing.

12 Investments and Management of Assets (21 03 18)

12.1 Restrictions on Assets/Interests

Members and employees are not permitted to have any direct or indirect monetary or financial interest (including securities) in any issuer or entity regulated by the AER, including

- oil, gas, oil sands, coal, pipeline, or mineral energy properties or interests in Alberta;
- any oilfield service company, mineral extraction or exploration company, or downstream energy or drilling service company operation in Alberta,;
- any phase of oil, gas, crude bitumen, coal, or mineral exploration regulated by the AER; and
- any other asset or interest designated from time to time as a prohibited asset under the Conflict Policy.

(referred to in the Conflict Policy as “prohibited assets”)

The investment restrictions noted in this Conflict Policy also apply to prohibited assets that are owned jointly by a member or an employee with another party who is not subject to the Conflict Policy (e.g., a friend or sibling) and to any account over which the member or employee exercises influence or control. To clarify, the investment restrictions in this Conflict Policy do not apply to prohibited assets that are solely owned by spouses or minor children of employees who do not hold an executive vice president position or above *provided* the employee does not have any direct or indirect beneficial ownership in or exercise any direct or indirect influence or control over those assets.

Members and employees who own or control prohibited assets must divest of those assets within two (2) years from the date on which their employment or engagement with the AER commences unless otherwise specified by the Ethics Committee. During this two-year period, members and employees must not deal with, adjudicate on, or have any direct or indirect involvement with any matters that pertain to entities in which they may hold or own prohibited assets. However, the two-year period does not apply to members or employees who terminate employment or engagement and then return to the AER. Individuals returning within one year of their employment or engagement end date will normally be required to divest of all prohibited assets within 60 days from the date they resume employment or engagement, as the case may be.

All employees except executive vice presidents (EVPs), the CEO, and full-time hearing commissioners must complete the Certification and Financial Disclosure Summary (Form HR-43A1) (attached as appendix 1 to the Conflict Policy) at the time they commence employment or engagement with the AER and annually thereafter. All EVPs, the CEO, and members must complete the Certification and Financial Disclosure Summary for the CEO, Chair, directors, and full-time hearing commissioners (Form HR- 43A2) (attached as appendix 2 to the Conflict Policy) at the time they commence employment

or engagement with the AER and annual thereafter. See section 12.1.2 for additional disclosure requirements applicable to designated senior officials.

Members and employees whose spouse is employed in a senior position with, or whose spouse or minor child holds a material interest in, an entity regulated by the AER must refrain from participating in any application, file, or matter involving that entity during the time that circumstance exists and for at least six months following the latest date on which their spouse or minor child holds such position or interest.

Members and employees who own prohibited assets must disclose those assets in section 3 of the Form HR-43A1 or Form HR-43A2, whichever applies. The Ethics Committee or the Office of the Ethics Commissioner, as applicable, will then determine whether a conflict exists and what action, if any, should be taken.

The Ethics Committee uses established procedures to make decisions as they apply to individual circumstances. Persons who are subject to this policy must come into compliance with the policy by divesting of prohibited assets within the time period established by the Ethics Committee or employment action (ranging from removal or transfer of job duty to termination, if necessary) may be required. The disclosure form and decision will be retained with the employee's file.

Members and employees with possible conflicts of interest must notify their designated contact or the Office of the Ethics Commissioner, as applicable, in accordance with sections 5 and 12. Disclosure to and discussions with the Ethics Committee is strongly encouraged in situations where an employee is uncertain as to whether a real or perceived conflict exists.

Breaches of the investment restrictions, divesting requirements and disclosure obligations outlined in this policy will be considered very seriously by the Ethics Committee. The consequences of noncompliance will be swift and severe and may result in immediate termination of employment or engagement for cause.

12.1.1 Designated Senior Officials – Restrictions on Holdings

Designated senior officials, after the expiry of the statutory time period, are not permitted to own or have a beneficial interest in securities of publicly traded issuers unless the securities are held in a blind trust or an investment arrangement approved by the Government of Alberta Ethics Commissioner under the *Conflicts of Interest Act*.

For the purposes of this section, the statutory time period is

- in the case of a person who becomes a designated senior official after the coming into force of section 23.93 (7) of the *Conflicts of Interest Act*, 60 days after becoming a designated senior official or,
- in the case of person who is a designated senior official when section 23.93(7) of the *Conflicts of Interest Act* comes into force, 60 days after the coming into force of this section

- in the case of a designated senior officials who acquires ownership of or a beneficial interest in securities of a publicly traded issuer by gift or inheritance, 60 days after receiving the gift or inheritance

The effective date of this restriction is outlined in the transition provisions of Part 4.3 of the *Conflicts of Interest Act*. The restriction applies to existing designated senior officials (as of December 15, 2017) following a two-year notice period. The restrictions apply immediately to all new designated senior officials appointed after December 15, 2017, and to all existing designated senior officials reappointed after December 15, 2017.

12.1.2 Disclosure Requirements – Designated Senior Officials

Every designated senior official shall file the following annually with the Ethics Commissioner in a form and manner prescribed by the Ethics Commissioner:

- a statement disclosing all restricted holdings as per section 12.1.1 and
- a statement disclosing restricted holdings of persons directly associated with the senior designated official.

The effective date of these requirements is outlined in the transition provisions of Part 4.3 of the *Conflicts of Interest Act*. The requirements apply to existing designated senior officials (as of December 15, 2017) following a two-year notice period. The requirements apply immediately to all new designated senior officials appointed after December 15, 2017, and to all existing designated senior officials reappointed after December 15, 2017.

12.2 Exempt Assets

The following types of assets/interests are not prohibited assets within the meaning of this policy and are not required to be disclosed:

- Assets and interests in partnerships, proprietorships, joint ventures, private issuers, family businesses, and directly owned shares in public issuers that do not do business with the AER or with entities that are not regulated by the AER;
- Real property that does not have energy or mineral rights included in the title or rental properties used or intended for use by members or employees or their families;
- Assets and interests intended for private use and that are not of a commercial character, including
 - household goods and personal effects,
 - works of art, antiques, and collectibles,
 - automobiles and other personal means of transportation,

- cash and deposits,
 - Canada Savings Bonds (and other security investments of fixed value issued/guaranteed by any level of government in Canada or government agencies),
 - guaranteed investment certificates and similar financial instruments, and
 - annuities and life insurance policies.
- Assets or securities held in third-party-managed funds, including mutual funds, exchange-traded funds, pension plans, investment funds, and limited partnerships, provided such assets are managed by an independent third party and the member or employee does not have any direct ownership of the asset or security or exercise any direct or indirect influence or control over the investment decisions made by the manager and/or the securities or assets purchased by the manager or held in the fund. Examples include public mutual funds, investment funds, and exchange-traded funds (ETFs) that are regulated under National Instrument 81-101 *Mutual Funds Prospectus Disclosure*, National Instrument 81-102 *Investment Funds*, National Instrument 81-106 *Investment Fund Continuous Disclosure*, and other applicable national instruments adopted under provincial securities legislation relating to regulation of mutual funds and investment funds. Private mutual funds, investment funds, and ETFs that are not subject to the above instruments and/or are issued to the investor in reliance on an exemption from the prospectus requirements in securities legislation are not permitted.

12.3 Compliance with Applicable Laws

The trading restrictions contained in this Conflict Policy are not exhaustive. Canadian securities legislation also imposes trading restrictions on a person who has material information about a publicly traded entity that has not been publicly disclosed. Members and employees are cautioned to ensure that any trading activity complies with those legal requirements in addition to the Conflict Policy.

Examples of material information are

- a significant acquisition, sale, merger, contract, or takeover bid, merger, plan of arrangement, amalgamation, or other corporate reorganization transaction;
- a change in the general character or nature of an issuer;
- information about the nature or quality of an issuer's assets;
- issuance of a significant enforcement actions or consequences by the AER against an AER-regulated issuer;
- an impending favourable or unfavourable decision, order, or direction by the AER in relation to an AER-regulated issuer;
- financial information (e.g., quarterly results).

It is against the law (and an offence under securities legislation) for a member or an employee to buy or sell securities based on undisclosed material information, including if the information is obtained in the course of employment or engagement with the AER. It is also against the law to pass the undisclosed material information on to someone (tipping), intentionally or not, who may then buy or sell the securities.

Insider trading laws are complicated and continue to evolve. An employee who is unsure if certain information is material should consult the Ethics Committee.

12.4 Specific Requirements for Part-Time Hearing Commissioners

Part-time hearing commissioners are expressly prohibited by the terms of their agreement with the AER from placing themselves in a conflict of interest situation. In particular, they are required to disqualify themselves from adjudicating any proceeding involving an entity in which they have a financial interest or with which they have a relationship that may bring their impartiality into question.

13 Gifts (21 03 18)

As an AER member or employee, you must not accept gifts from other organizations or corporations other than small, inexpensive mementos or souvenirs or inexpensive invitations to events in Alberta. Generally, the value of the gifts should not exceed \$100 and must not include cash or cheques. Invitations to events attended by AER employees or members should not exceed a value of \$200.

In addition, gifts from a single source within a calendar year must not exceed a maximum cash value of \$600.

Members and employees may not accept fees, gifts, or other benefits that are connected directly or indirectly with the performance of their AER duties from any individual, organization, or corporation, other than

- the normal exchange of hospitality between persons doing business together;
- tokens or mementos exchanged as part of protocol;
- the routine presentation of gifts to persons participating in public functions, awards, speeches, lectures, presentations, or seminars.

The above-mentioned gifts and hospitality should be of nominal or nil monetary value.

AER members and employees must not solicit gifts, hospitality, or other benefits from employees of issuers regulated by the AER. Gifts, hospitality, or other benefits may be solicited from entities that are not regulated by the AER for the purpose of club/team events provided that the principles of the Conflict Policy are adhered to.

14 Political Activity (12 02 13)

Members and employees are not restricted from participation in political activity, except that

- they must not participate directly in soliciting contributions;
- the section called “Outside Employment and Volunteer Activities” applies;
- members may not seek nomination as a candidate in a federal, provincial, or municipal council (does not include school board members) election or hold office in a political party or constituency association;
- employees who run as candidates in a federal, provincial, or municipal council (does not include school board members) election must take a leave of absence without pay commencing on the day after the writ for the election is issued or on the day that their candidacy is publicly announced, whichever is later—the restriction of soliciting contributions does not apply to such employees once the leave of absence starts;
- employees who are elected to federal, provincial, or municipal council (does not include school board members) office must resign their employment effective the day of the federal or provincial election; and
- employees who seek election and are not elected are entitled to return to the same or similar employment effective the day after the election.

15 Statements (21 03 18)

For the purposes of this section, a statement is any verbal communication or written communication using paper or electronic media.

- Members and employees who speak or write publicly should be guided by the *AER Media Relations Guide (Internal Guide 23)*.
- Responsibility for maintaining the confidentiality of information or documents includes ensuring that such materials or information are not directly or indirectly made available to unauthorized persons. Members and employees must adhere to the requirements of the *Freedom of Information and Protection of Privacy Act*.
- Fraudulent, harassing, threatening, discriminatory, sexually explicit, or obscene messages and/or materials must not be stated, transmitted, printed, requested, or shared. (Refer to section 21, “Respectful Workplace,” in the *Personnel Policy Manual*.)
- Chain letters, solicitations, and other forms of mass mailings not related to AER business and authorized activities are not permitted.

15.1 Requests for AER Staff as Witnesses in or to Provide Information Relating to Third-Party Litigation or Proceedings (21 03 18)

Members and employees who approached to be witnesses in or provide information in connection with third-party litigation or proceedings relating to matters within their expertise and/or AER business must

- comply with the Conflict Policy, including the requirements regarding making statements, disclosing trade knowledge, violating intellectual property rights of the AER, and disclosure of confidential information;
- advise persons seeking such information that they are not permitted to discuss AER business and if further information is sought, refer parties seeking nonconfidential information to the AER FOIP Coordinator or Information Services as applicable (i.e., as opposed to providing information directly; see also section 16 of the Conflict Policy);
- be compelled to attend in accordance with the applicable court rules (e.g., notice to attend, subpoena, etc.);
- contact the AER Law Branch before attending as a witness in the litigation or proceeding; and
- advise their direct leader and make satisfactory work arrangements regarding time off to attend as a witness in the litigation or proceeding.

AER employees are not required to make themselves available in relation to third-party litigation or proceedings for any purpose other than attending as a witness and after being compelled by court process to do so. Please consult Law Branch if you receive a request to attend or provide information in connection with litigation of any type.

16 Trade Knowledge, Intellectual Property, and Confidential Information (12 02 13)

- Any product or technology developed by members and employees in performing their job responsibilities with the AER is the property of the AER.
- A member or an employee may not sell, trade, market, or distribute any such product or technology unless otherwise authorized by the Ethics Committee.
- Members and employees must respect the proprietary knowledge and intellectual property rights of customers, suppliers, and others.
- Members and employees must respect copyright and licence agreements.
- Members and employees must not sell, trade, market, distribute, or disclose information and data collected or retained by the AER that is confidential or not publicly available.
- Members and employees should refrain from providing non-confidential information and data to third parties if such information is available through Information Services and/or through an access request

under the *Freedom of Information and Protection of Privacy Act (FOIPPA)*. In those cases, members and employees should refer third parties to AER Information Distribution Services. This ensures proper tracking of information requests and the proper charging of fees where applicable. It also permits the AER to properly apply and comply with the provisions of *FOIPPA*.

17 Adherence to AER Policies (12 02 13)

Members and employees are responsible to know and adhere to AER policies. Leaders are responsible to know, comply with, communicate, and enforce AER policies.

18 Post-Employment Restrictions (21 03 18)

At no time shall a former member or employee use or give to others confidential information obtained while employed at or engaged by the AER.

The AER retains for itself all proprietary rights in and to all new intellectual property arising out of the services the member or employee provided while employed at or engaged by the AER.

Members and employees must not allow performance of their official duties to be influenced by offers of future employment or the anticipation of offers of employment.

18.1 Post-employment Restrictions – Designated Senior Officials

Designated senior officials are subject to the post-employment restrictions in the *Conflicts of Interest Act* for a period of 12 months from the last day of their employment with the AER.

The effective date of this restriction is outlined in the transition provisions of Part 4.3 of the *Conflicts of Interest Act*. The restriction applies to existing designated senior officials (as of December 15, 2017) following a two-year notice period. The restrictions apply immediately to all new designated senior officials appointed after December 15, 2017, and to all existing designated senior officials reappointed after December 15, 2017.

19 Review Process (12 02 13)

A member or an employee may appeal a ruling of a conflict of interest to the Chair of the AER. The appeal would be made to a neutral party appointed by the Chair and mutually acceptable to both parties.

A member or an employee may also apply to the Ethics Commissioner for a review of the conduct of the Chair, the CEO, or a member under the AER Conflict Policy.

20 Penalties and Consequences (12 02 13)

Members and employees who fail to comply with any provisions of the Conflict Policy may be subject to disciplinary action, up to and including termination of their employment or engagement.

Part 2 – Guide to AER Conflict of Interest Policy and Procedures

This guide provides further interpretation and clarification of the *AER Conflict of Interest Policy and Procedures* (Conflict Policy) and its implications for AER members and employees.

To use this guide effectively, you should read the actual Conflict Policy alongside with the explanations found in this guide of the Conflict Policy. The section numbering in this guide matches the numbering in the Conflict Policy.

1 Introduction

The Conflict Policy is based on the AER values of

- fairness,
- competence, and
- quality service.

The following principles are linked to these key values. These principles will assist you in assessing the ethical implications of your actions or proposals made to you.

The principles state that under the Conflict Policy, AER members and employees must

- not use their public role for private gain,
- treat members of the public and one another fairly, and
- be neutral in performing their duties.

You should feel free to discuss any matter you are unsure about or any actions or situations that you feel may breach the Conflict Policy with your designated contact, a Human Resources Manager, or the Ethics Committee. This cannot be emphasized enough: **Open and honest discussion greatly decreases the possibility of a breach of the Conflict Policy.**

Also note that it is recognized that some staff are legally bound to a Conflict Policy of Ethics under the *Professional Societies Act*. Both the AER Conflict Policy and the Professional Conflict Policy apply to these individuals, and no conflicts should exist between them. If you believe there is or could be a conflict, discuss this with your executive manager or manager.

What Is a Perceived Conflict of Interest?

A conflict of interest exists when your actions/situation may be reasonably perceived in such a way that questions your fairness or impartiality. AER members and employees are strongly advised to avoid all perceived conflicts of interest.

Example

Two employees—a sister and brother—work in the same group, and one manages the other. Although the manager may not treat the sibling any differently from the other employees, other people may perceive that such a conflict of interest exists.

2 Definitions

See section 2 in the Conflict Policy.

3 Application

See section 3 in the Conflict Policy.

4 Administration of the Conflict Policy

See section 4 in the Conflict Policy.

5 Individual Responsibilities

All AER members and employees are expected to observe the guidelines regarding impartiality, disclosure, and furthering private interests.

Impartiality

Impartiality means you should not give or be perceived as giving preferential treatment in any official matter to individuals or organizations in which you have a personal interest and/or relationship.

Examples

- You approve a routine application for an organization at which a relative or friend is employed (though not in a position of influence), following the standard process and established criteria. In this case, no conflict of interest exists because you did not give preferential treatment.
- You work as an applications coordinator. Your close friend works for a company that has submitted an application to the AER for approval. He calls you to ask whether you can “expedite” the processing of the application as a favour to him because it will reflect very favourably on him at work if the application is approved right away. It would be a conflict of interest for you to expedite processing of the application, as that would be giving preferential treatment to your friend’s employer.
- You are assigned to assist in a hearing on an application. Before the hearing commences or during the hearing, you start a romantic relationship with an employee of the applicant who is scheduled to give evidence at the hearing on the applicant’s behalf. This would likely result in a conflict, as you may be perceived to be in a position to exert influence on the decision makers.

- You are assigned to assist with an application for a licence for a pipeline that will be located in an area where there have been several previous failures of pipelines operated by the applicant. Prior to joining the AER, you worked for a company retained by the applicant to investigate the pipeline failures. This would likely be a conflict, as you may be perceived to have information from your previous position that may affect the applicant and/or the outcome of the application.
- You were assigned to assist in a hearing of an application and are now in the process of assisting in the drafting of the decision regarding the application following the hearing. You are invited to a Stampede function hosted by the applicant. Generally speaking, it is not advisable to attend a function hosted by an applicant during the decision-making process. You should check with your designated contact before accepting the invitation.

Disclosure

It doesn't matter whether the conflict of interest is real or perceived, you must disclose it. You must also work with your designated contact to resolve the conflict or remove yourself altogether from the real or perceived conflict.

Furthering Private Interests

A member's or employee's private interest is one that is unique to you, your spouse, or your minor child (any child under the age of majority) - as opposed to an interest that would apply to all AER members or employees, or members of the general public.

A private interest could be

- a volunteer or paid job you have with an outside organization,
- a spouse's or minor child's volunteer or paid employment,
- a financial investment you have made, or
- any other matter concerning your personal finances.

A private interest does not include

- a program or benefit that applies to all Albertans,
- a matter that affects an AER member or employee as one of a broad public category,
- an interest that affects the compensation or benefits of a member or employee, if the matter is under review, or
- a trivial interest of very minor significance or nominal or no monetary value.

Examples

- You recommend your spouse's consulting firm to do some research work for the Alberta Geological Survey. If you are in a position of influence, you would be using your public role to attempt to influence an AER decision (e.g., awarding a contract), which would further the private interest of your spouse by creating potential income.
- Your spouse works for Company X. Company X files an application and you are selected to work on the application. In this situation, you should disclose the fact that your spouse is employed by Company X to your leader and be careful not to give any confidential information to your spouse. If your spouse is in a position of influence within the company, you must remove yourself from the application so that the AER not only is but also appears to be impartial. This also applies where the application will be the subject of a hearing and you are assisting in the hearing.
- You are a farmer as well as an AER employee. You are still eligible to participate in AER decisions developed specifically for farmers and to benefit from them.
- Your child owns \$100 in securities of an entity regulated by the AER. Although the value of those securities is minimal, you must disclose that financial interest to the AER and avoid participating directly in decisions or applications involving the entity as you have a trivial interest. If a decision or disposition on an application submitted by the entity were to have a significant impact on share price or the value of the securities, your interest may no longer be considered trivial and could be a conflict of interest.

Reporting Violations of the Conflict Policy

See section 5 in the Conflict Policy.

6 Dealing with Others

Inspection, Regulatory, or Discretionary Authority

Under the Conflict Policy, you may not exercise inspection, regulatory, or other discretionary authority over others in situations where your impartiality could be questioned. You may not give preferential treatment to relatives, friends, or others if it could be perceived that you are giving them an advantage/benefit because they know you.

In emergency situations when it may not be possible to obtain direction before you get involved, you should handle the situation impartially and then let your designated contact know what happened.

Examples

- You are an inspector responsible for inspecting a site owned by a close personal friend or family member.

- You are assigned to help mediate a negotiated settlement process between an energy company and some local landowners, and you learn your brother is an intervener.

Working With Relatives

The Conflict Policy permits two members of a family to work in the same group, provided there is no opportunity to exercise favouritism and no chance for one to benefit from the other's decisions.

Example

- You are part of a team to assist in the allocation of new office space and furniture, and your brother makes a private request to you to “see what you can do to find me an office.” If such a situation should arise, you should inform your brother that such intervention on your part could be a conflict of interest or inform your designated contact so that he or she may assign your responsibilities to someone else so that your impartiality is not compromised, or potentially seen to be compromised.

Recruitment and Selection of Employees

If you participate in the staff hiring process or the awarding of contracts, you must be careful not to show favouritism: these processes must be fair and be seen to be fair. This means you should withdraw from a hiring selection panel if an applicant is a relative or a person with whom you have a close, personal relationship. If you remained involved, your impartiality could be questioned if that candidate were selected.

Examples

- You are the line supervisor for conducting interviews and a relative of yours, as defined in the Conflict Policy, applies for the position.
- Your staff have reviewed bids for contracts and you find that your uncle's firm has been recommended to be awarded one of the contracts.

7 Respectful Workplace (21 03 18)

See AER Respectful Workplace Policy.

8 Outside Employment and Volunteer Activities

As an AER member or employee, you may have an outside job or volunteer position as long as it does not cause an actual or perceived conflict of interest with your job responsibilities at the AER and/or the AER's mandate and mission.

If you are interested in taking on an extra job or a volunteer position that may present an actual or perceived conflict, you must obtain approval from your designated contact before you accept any such

position. They can help you determine whether that position will interfere with your regular duties and responsibilities as an AER member or employee and/or constitutes a real or perceived conflict of interest.

Outside Work

A conflict of interest may exist if it appears to others that you have gained unfair advantage in obtaining outside work because of your public role with the AER. This could occur in groups that are privatizing, outsourcing, or divesting certain functions and you, as a member or an employee, want to submit a bid for the contract.

A conflict of interest can exist if you perform duties (self-employed or for another organization) that are part of the core processes of the AER. It is also a conflict situation if you work for a company that is under the jurisdiction of the AER or does business with the AER. Some examples of business types that could present such a conflict are oilfield service companies, mineral extraction and exploration companies, downstream energy and drilling service companies.

Example

- A conflict of interest would occur if you held a part-time job for a company that developed emergency response plans and your job duties at the AER included the review of emergency response plans. This would cause an actual or perceived conflict of interest.

Volunteering

While the AER supports its members and employees in participating in volunteer activities, the same restrictions apply as in regard to having an outside job. Your volunteerism should not interfere with your normal duties at the AER, and the volunteer organizations should gain no advantage from your public role at the AER.

As a member or employee of the AER, you must be mindful of your public role when you are involved with an organization that is lobbying the AER or the Government of Alberta. Depending on your role at the AER, you could be in a conflict situation if you help to publicly advance views that are contrary to AER policy.

Interference with Normal Duties

As an AER member or employee, you are expected to keep personal business during work hours to a minimum. A conflict of interest would occur if you spent significant amounts of AER office time on personal business.

Following this, it is not acceptable for you to sell a non-AER product or service to AER members or employees or members of the public using AER offices, utilities, or equipment as a business base.

Circulating catalogues to your colleagues or placing or posting them in the kitchen of your department is acceptable. However, sales of products or services to AER members or employees cannot interfere with your responsibilities and duties as an AER member or employee and must use only minimal amounts of AER time and resources. Further, you must be mindful not to make your colleagues uncomfortable or feel pressured to participate in or buy products or services from you. The classified ad section of the AER portal is generally the most appropriate place for members and employees to advertise products or services.

Using AER premises, equipment (including the portal), and/or stationery to assist in charitable or fundraising activities must be approved by your designated contact. Use of AER common facilities such as Govier Hall, the main lobby, or meeting rooms and kitchen areas for such activities must be approved through Workplace Services.

Example

- You are raising money for a charity or non-profit organization (e.g., Girl Guides) by selling chocolate bars on your floor. This is acceptable as long as it does not interfere with your position at the AER or cause discomfort to your co-workers and there is no or very limited personal use of AER premises and equipment.

Receiving Additional Compensation

It is unacceptable to receive additional compensation for performing your AER duties.

Example

- A conflict would occur if you accepted additional compensation or an honorarium from an outside company for providing advice/presentations as part of your normal AER responsibilities.

Looking for Other Employment While at the AER

You must be careful that job-hunting for other positions does not interfere with your current role at the AER.

You may not use AER-paid time to create resumes or cover letters, do telephone interviews with prospective employers, or go on “quick interviews.” Similarly, you would be in conflict if you used AER equipment to print resumes or fax job applications to potential outside employers.

Examples

- You are expecting a call on your office telephone to let you know whether you got a new job, and you use your “call display” to screen out all other calls. By neglecting to answer regular business calls, you are interfering with your responsibilities as an AER staff member.

- A conflict of interest would occur if you used AER premises or equipment to solicit services as a private consultant.

If you have a second business that you feel may affect your duties or role at the AER in any way, discuss it with your designated contact. This will help you to conduct outside activities while staying within the allowed AER guidelines. If your designated contact finds that you are in violation of the guidelines on outside employment, they may consider various options to rectify the situation. They might request that you give up the outside employment, transfer, have your duties reassigned, or, in the worst case, resign. Disciplinary action may be taken if you refuse to cooperate in resolving the conflict.

9 Limited Personal Use of AER Premises and Equipment

AER members and staff are permitted limited use of premises and equipment for an outside interest, as long as the use is of an appropriate nature, does not result in any additional expenses to the AER, and does not result in excessive wear and tear of the organization's equipment.

Acceptable Use of Equipment and Premises Includes

- making a few photocopies,
- using a computer printer to print out a few pages,
- making occasional brief personal telephone calls,
- infrequently sending personal email messages, and
- limited use of the Internet for personal reasons.

Internet Usage

The AER makes the Internet available so members and employees may benefit from the business-related research it offers. For example, it is fine to use the Internet to look up information on various industry and governmental websites, as well as on our own. You may also use the Internet on your own time (i.e., lunch time or outside of work hours) for appropriate personal purposes, within reason.

For more detailed information, see Acceptable Use Policy.

Examples

- You may spend a few minutes of your lunch hour or outside of work hours researching travel arrangements or reading an on-line newspaper.
- You may not visit non-work-related chat sites or bulletin boards on a regular basis using AER Internet access or use it to view inappropriate, explicit material such as
 - visual pornography of any kind,

- pornographic written material of any nature, including jokes, or
- websites that promote violence.

10 Teaching

The Conflict Policy recognizes the AER’s desire to support educational efforts. See section 10 of the Conflict Policy regarding the requirements applicable to outside teaching by AER employees.

11 Professional Associations

Many AER staff belong to and sometimes hold positions in professional associations and societies. The AER encourages this as long as you have the approval of your designated contact.

12 Investment and Management of Assets (21 03 18)

As an AER member or employee, you must be—and be seen to be—impartial in performing your duties. Therefore, you may not have monetary interest of any kind in any business that is regulated by the AER.

12.1 Prohibited Assets

See section 12 of the Conflict Policy.

Examples

- A conflict of interest would result if you bought or sold assets or securities of an entity that the AER regulates. A conflict would also exist if you recommended, directed (e.g., via having an ownership interest in and/or exercising trading authority or power of attorney over an account), or influenced the purchase or sale by another person (including your spouse or minor children) of assets or securities of an entity that is regulated by the AER. This would be a conflict because you are indirectly engaging in activity that is prohibited by the policy. It is also a conflict because you may have or be perceived to have an unfair advantage over others because of your employment with the AER.
- There may be situations where a member or employee owns prohibited assets jointly with another party (e.g., a friend or sibling). Prohibited assets that are jointly owned by a member or employee with another party are subject to the Conflict Policy and must be divested in accordance with the Conflict Policy. It is acceptable for a member or an employee to transfer jointly owned prohibited assets to a party who is not subject to the Conflict Policy. However, following such transfer, the member or employee cannot have any direct or indirect legal or beneficial ownership in or influence, direction or control over those assets.
- Prohibited assets that are not owned directly and that are fully managed by independent third parties without any influence or decision-making and/or direct ownership by the member or employee are not prohibited assets within the meaning of the Conflict Policy. For example, public limited

partnerships, investment funds, mutual funds, or ETFs regulated under national instruments enacted under securities legislation that are managed by an independent fund manager and that hold prohibited assets in the investment portfolio would not be considered prohibited assets. This is because all investment decisions are made by an independent fund manager, and the member or employee does not own any securities/positions directly (rather they own “units” of the overall basket of investments that comprises the fund/portfolio) and has no ability to influence the investments in the fund/portfolio or the investment decisions made by the fund manager. Private mutual funds, investment funds, and ETFs are not permitted. See section 12.2 of the Conflict Policy for further clarification.

- Positions or securities held in what is generally referred to as a “managed account” are not exempt from potentially being considered prohibited assets. First, while a managed account is typically managed by an investment advisor, broker, or portfolio manager, there is nothing in the managed account agreement or account documentation that prohibits input or direction from the accountholder. In other words, there is nothing prohibiting the accountholder from requesting, instructing, directing, or rejecting specific trades in the managed account. As such, the accountholder does have the ability to influence or direct trades occurring in the account. Second, even though the portfolio manager may make investment decisions in a managed account, individual stock positions or securities in the account are typically directly and beneficially owned by the accountholder. A managed account may be permissible if the portfolio manager is expressly prohibited from investing in securities of entities or issuers regulated by the AER.
- Consider a situation in which you own property with mineral rights. This is a potential conflict that you should disclose. The degree of conflict in this situation depends on your involvement in the decision-making process at the AER. For example, you could not be part of the hearing panel or support staff team responsible for deciding whether the company may drill on your property, nor could you handle this application if you work in the group or branch that reviews the proposed drilling operations.
- If you have the ability or may be seen by others to have the ability to influence the profitability of a business in which you have invested through performing your AER job duties, this is considered a conflict of interest.

12.2 Exempt Interests

See section 12 in the Conflict Policy.

12.3 Compliance with Legal Restrictions

See section 12 in the Conflict Policy.

13 Gifts (21 03 18)

As an AER member or employee, you must not accept gifts from other organizations or corporations other than small, inexpensive mementos or invitations to events within Alberta. Generally, the value of gifts should not exceed \$100 and must not include cash or cheques. Invitations to events attended should not exceed a value of \$200. In addition, gifts from a single source within a calendar year must not exceed a maximum cash value of \$600.

AER members and employees must be particularly careful about receiving gifts, hospitality, or other benefits from those we regulate, those we do business with, AER suppliers, and potential suppliers.

Acceptable gifts or hospitality are

- breakfast, lunch, and dinner invitations that have a AER business purpose,
- tokens exchanged as part of protocol,
- the normal presentation of gifts to persons participating in public functions, awards, speeches, lectures, presentations, or seminars.

AER members and employees, and AER clubs and teams must not solicit gifts, hospitality, or other benefits from officers or employees of companies directly or indirectly regulated by the AER. Gifts, hospitality, or other benefits may be solicited from companies other than those the AER regulates for the purpose of club/team events providing that the principles of the Conflict Policy are adhered to.

The important principle here is to ensure that the perception of neutrality, objectivity, and impartiality as a regulator is not compromised. You should not be obligated or appear to be obligated to any individual or organization, nor should it publicly appear that the giving of gifts is an acceptable required method of obtaining consideration from AER employees. Because every situation is different, you must use your own judgement and common sense in determining whether a gift is acceptable. If you are in doubt as to whether a gift or invitation is appropriate, ask your executive manager or manager. If uncertainty remains about acceptance of a specific gift or invitation, the decision should be referred to the Ethics Committee.

Examples

- Generally, it makes sense that you should be very careful about accepting gifts or invitations to an event from any company that has an open audit or application before the AER or that may be responding to a request for a proposal (RFP). For example, it would be a conflict of interest if a company had an open application and sent you an invitation to participate in a golf function that was set up exclusively for only representatives from their company and AER staff. This type of situation would have the appearance that the company is using the function as a method of obtaining consideration from AER employees.

- If while attending a lunch, dinner, or other event at a company's expense, you begin to feel that you may be in a conflict situation, you should pay your own costs, explaining that you want to maintain your objectivity. In some cases, it may be permissible to submit a claim for reimbursement of the costs of the event, subject to your designated contact's approval.

14 Political Activity

This section in the Conflict Policy summarizes the process an AER employee must follow if considering running in a federal, provincial, or municipal council (does not include school board) election. Other political activity is acceptable, as long as it follows the guidelines set out in the Outside Employment and Volunteer Activity section.

An AER member may not run for political office.

If you are an AER employee, you may be an active participant in politics if you so choose, but you may not participate directly in soliciting contributions. This restriction is intended to remove any element or suggestion of coercion. Many AER employees exercise authority over the public through their work, and a request for financial support by these employees could be misconstrued as implying that a contribution would mean better service at the AER.

If you are involved in acceptable political activities, you are still required to be discreet in the workplace. Caution should be used when deciding whether to attend political fundraising events.

Examples

- You would not be in violation of the Conflict Policy if you are the treasurer of a constituency association involved in developing funding strategies for a candidate and you do not directly solicit contributions. It is even acceptable for you to promote a candidate door to door, as long as you do not solicit funds at the same time.
- It is inappropriate for you to wear campaign buttons when you meet and serve the public as part of your job at the AER. Your political activity must not interfere with your work requirements at the AER.

15 Statements (21 03 18)

Public Writing/Speaking

If you are to speak to the media or write publicly to the media, you should follow the guidelines laid out in *Internal Guide 23: AER Media Relations Guide*. This guide has been designed to assist you with dealing with all kinds of media, so that you can maintain a positive relationship with them. This is important: the media are key conveyors of AER messages and information to our stakeholders.

When speaking in public on behalf of the organization, you must make it clear that you are speaking in your official public service role and are not presenting your own private views. Likewise, if you are speaking on behalf of yourself as an individual, you must be sure to clarify that you are not representing the views of the AER.

Example

- You receive a call at your office from a reporter who wants to interview you in your area of expertise. Before participating in the interview, you should consult the Office of Public Affairs to coordinate the interview through them and for assistance in planning and preparing for the interview.

Document Confidentiality

As an AER member or employee, you may be in contact with or have access to some highly confidential material. It is your responsibility to maintain the confidentiality of this information.

Examples

- You would be in breach of the Conflict Policy if you released a hearing decision or details on it before the AER's planned release to the public.
- It would also be a conflict of interest and a violation of the Conflict Policy if you gave confidential information submitted to the AER by one company to another company or former AER employee.

The Freedom of Information and Protection of Privacy Act

Under the requirements set out in the *Freedom of Information and Protection of Privacy Act*, you must obtain written permission from a person before disclosing his/her personal information (e.g., birth date, age, home phone number, home address, marital status, health or medical information, dependent information, etc.) to any parties, including other employees or the public, or releasing electronic or paper files containing such information.

Mass Mailings and Use of AER Contact Information

You may not use the AER email system or contact information that belongs to the AER to circulate any mass mailings that are not related to AER business or not permitted by law (e.g., Canadian anti-spamming legislation).

You may not send requests to staff for donations for a personal interest or for an outside organization not officially sponsored by the AER or an AER employee association.

Be careful to send notes only to staff with a direct interest; notes addressed to all AER staff should concern only matters or activities that affect everyone in all the AER office locations.

Examples

- You may not distribute chain letters (paper or electronic) around the AER or solicit business for an outside job using AER mail or electronic means.
- You may not send an electronic message to any person whose contact information belongs to the AER unless the message pertains to AER business and the recipient provided their contact information for the purposes of receiving communications from the AER.
- You may communicate to staff about fund-raisers like the United Way if you are part of the AER's organizing team, and you may send notes to your whole group for special staff-related announcements, such as the birth of a baby or the receipt of an award or diploma.

Requests for AER Staff to Be a Witness in Third-Party Litigation or Proceeding

If an AER employee or member is approached to be a witness and/or is an actual witness in private litigation or a proceeding not involving the AER (otherwise known as a third-party proceeding) relating to matters within their expertise and/or AER business, the employee must conduct themselves in accordance with the Conflict Policy.

The employee or member must contact Law Branch after being approached. Law Branch can provide general information on court proceedings and AER staff's obligations, if any, to make themselves available as a witness. Law Branch will not typically act as your lawyer in third-party proceedings.

The employee or member must advise their direct leader of the request and make sufficient arrangements for being witness. This may include time off without pay for witness preparation activities, for example. In order to have time off with pay while providing actual evidence in the third-party proceeding, the employee must have been compelled to attend by notice to attend, subpoena, or other document compelling attendance issued in compliance with the rules of the applicable court or tribunal. Law Branch can provide information on these legal documents.

The employee or member must ensure they act in accordance with the Conflict Policy and must be especially mindful of the sections of the Conflict Policy relating to statements, trade knowledge, intellectual property, and confidential information.

16 Trade Knowledge and Intellectual Property

As an AER staff member, you must not sell, trade, market, or distribute any product or technology that was developed by any AER member or employee (including you) during the course of their employment here without approval from the Ethics Committee. These products and services are classified as AER-owned property.

Example

- You give a copy of an AER document for free to an industry friend, while others must pay for it.

17 Compliance with AER Copyright

Members and employees must respect the AER-owned copyrights on products, services, publications, or any other property in which the AER maintains copyright. Employees must also respect copyrights and licence agreements imposed by other companies.

Example

- It is unacceptable to install AER-owned software on your home computer unless you have a licence to do so.

18 Post-Employment Restrictions (21 03 18)

If you stop working for the AER, you are still responsible for adhering to the following restrictions:

- You may not provide data or information gained through your employment at the AER to clients or your new company when that information is not public knowledge (e.g., exploration data or information on a decision that is not yet public).
- You may not use a system or process that you were part of developing for the AER with clients or a new company.

In fact, the AER has full legal ownership of all new intellectual property—information, data, systems, processes, products—that you created during your employment with the AER.

18.1 Post-Employment Restrictions – Designated Senior Officials

Designated senior officials are prohibited from

- lobbying (as that term is defined in the *Lobbyists Act*) any public office holder as defined in the *Lobbyists Act*;
- acting on a commercial basis or making representations on his or her own behalf or on behalf of any other person in connection with any ongoing matter in connection with which the former designated senior official, while a designated senior official, directly acted for or advised a department or public agency involved in the matter;
- making representations with respect to a contract with or benefit from that department or public agency in relation to which the former designated senior official had a direct and significant official dealing with a department or public agency;

- soliciting or accepting on his or her own behalf a contract or benefit from that department or public agency in relation to which the former designated senior official had a direct and significant official dealing with a department or public agency; or
- accepting employment with an individual or organization or an appointment to the board of directors or equivalent body in relation to which the designated senior official had a direct and significant official dealing with an individual, organization, board of directors or equivalent body of an organization.

These restrictions do not apply to appointments to the board of directors or governing body of another public agency or from accepting employment with a department of the public service or a public agency in accordance with Part 1 of the *Public Service Act*.

The effective date of this restriction is outlined in the transition provisions of Part 4.3 of the *Conflicts of Interest Act*. The restriction applies to existing designated senior officials (as of December 15, 2017) following a two-year notice period. The restrictions apply immediately to all new designated senior officials appointed after December 15, 2017, and to all existing designated senior officials reappointed after December 15, 2017.

19 Review Process

See section 19 in the Conflict Policy.

20 Penalties and Consequences

All members and employees must certify that they have read and understand the Conflict Policy, using the Certification and Financial Disclosure Summary Form (HR-43A1 or HR-43A2, whichever applies).

**Appendix 1 Form HR-43A1 – Certification and Financial Disclosure
Summary**

**Conflict of Interest Policy and Procedure
Form HR-43A1 – Certification and Financial
Disclosure Summary**



This document will be retained with your personnel or contract file.

Section 1: Employee/Contractor Information

Name: _____

Branch/Group: _____

Job Title: _____

Section 2: Financial Assets / Interests Disclosure

Check either 2A or 2B (i.e., choose only one).

2A. I **do not** directly or indirectly own any prohibited assets within the meaning of Part 12 of the *Conflict of Interest Policy and Procedure* (Conflict Policy), and I **do not** exercise any direct or indirect influence or control over any prohibited assets owned by any other person, including my spouse and/or children.

2B. I **do** own prohibited assets within the meaning of Part 12 of the Conflict Policy, and/or I **do** exercise direct or indirect influence or control over prohibited assets owned by another person. I understand that I must disclose such interests in this form.

Section 3: Financial Assets / Interests Disclosure Summary

Complete all applicable sections. If no assets or interests are owned, indicate "None" in the applicable area. Do not leave any section blank. (Attach additional pages if necessary.)

3A. Real Property Interests: List all interests in land you own that have energy or mineral rights or leases attached. *(If no interests/assets are owned or held, indicate "None." Do not indicate "n/a" or leave this section.)*

Address or legal description of property: _____

Description of interest: _____

3B. Private Business Interests: List all private business interests (including securities or debt of private corporations, interests in sole proprietorships, partnerships, and joint ventures) owned or controlled by you, or over which you have control or influence, that are regulated by the AER. *(If no interests/assets are owned or held, indicate "None." Do not indicate "n/a" or leave this section blank.)*

Name of business: _____

Description of interest (include type of security or interest [e.g., 100 common voting shares of Spur Resources Inc.]): _____

(continued)

Section 3: Financial Assets / Interests Disclosure Summary (continued)

3C. Securities and Other Interests in Public Corporations/Issuers: List all securities or other interests owned or controlled by you, or over which you have control or influence, in any publicly traded issuers (including corporations, income trusts, limited partnerships, etc.) that are regulated by the AER. *(If no securities are owned or held, please indicate "None". Do not indicate "n/a" or leave this section blank.)*

Name of issuer: _____

Description of investment (include number and type of security or interest [e.g., 1500 common shares of Canadian Natural Resources Limited]): _____

Owner: _____

3D. Senior Positions with or Material Interests in Entities Regulated by the AER: Do you or your spouse or minor children hold a senior position with or material interest in (as defined in Part 2 of the Conflict Policy) any entity/issuer regulated by the AER? If yes, complete the following as applicable. *(If no positions are held or material interests owned, indicate "None." Do not leave this section blank.)*

Name of issuer: _____

Position held: _____

Number and type of securities owned: _____

Section 4: Certification

I hereby certify that the information provided in this form is true and correct. I confirm that I have read and understand the Conflict Policy and recognize that I must comply in all respects with the Conflict Policy as a condition of my employment/contract with the AER.

Employee/contractor signature: _____ Date: _____

Human Resources signature: _____ Date: _____

Ethics Committee Chair signature*: _____ Date: _____

*Only needed when Ethics Committee Chair approval of disclosure is required.

This information is being collected to ensure compliance with the Alberta Energy Regulator's *Conflict of Interest Policy and Procedure*. It is protected by the provisions of the *Freedom of Information and Protection of Privacy Act*. If you have any questions regarding this collection, please contact People, Culture, and Learning, 10th floor, telephone: 403-297-8333.

**Appendix 2 Form HR-43A2 – Certification and Financial Disclosure
Summary for the CEO, Chair, EVPs, Directors, and Full-Time
Hearing Commissioners**

**Conflict of Interest Policy and Procedure
Form HR-43A2 – Certification and Financial
Disclosure Summary for the CEO, Chair, EVP, Directors,
and Full-Time Hearing Commissioners**



This document will be retained with your personnel or contract file.

Section 1: Member or Employee Information

Name: _____

Branch/Group: _____

Job Title: _____

Section 2: Financial Assets / Interests Disclosure

Check either 2A or 2B (i.e., choose only one).

2A. I and/or my spouse and/or minor children do not directly or indirectly own any prohibited assets within the meaning of Part 12 of the Conflict of Interest Policy and Procedure (Conflict Policy).

2B. I and/or my spouse and/or minor children do own prohibited assets within the meaning of Part 12 of the Conflict Policy. I understand that I must disclose such interests in this form.

Section 3: Financial Assets / Interests Disclosure Summary

Complete all applicable sections. If no assets or interests are owned, indicate "None" in the applicable area. Do not leave any section blank. (Attach additional pages if necessary.)

3A. Real Property Interests: List all interests in land owned by you, your spouse, and/or your minor children that have energy or mineral rights or leases attached. *(If no interests/assets are owned or held, indicate "None." Do not indicate "n/a" or leave this section blank.)*

Address or legal description of property: _____

Description of interest: _____

3B. Private Business Interests: List all private business interests (including securities or debt of private corporations, interests in sole proprietorships, partnerships and joint ventures) owned or controlled by you, or over which you or your spouse or minor children have control or influence, that are regulated by the AER. *(If no interests/assets are owned or held, indicate "None." Do not indicate "n/a" or leave this section blank.)*

Name of business: _____

Description of interest (include type of security or interest [e.g., 100 common voting shares of Spur Resources Inc.]): _____

(continued)

Section 3: Financial Assets / Interests Disclosure Summary (continued)

3C. Securities and Other Interests in Public Corporations/Issuers: List all securities or other interests owned or controlled by you, or over which you have control or influence, in any publicly traded issuers (including corporations, income trusts, limited partnerships, etc.) that are regulated by the AER. (If no securities are owned or held, please indicate "None". Do not indicate "n/a" or leave this section blank.)

Name of issuer: _____

Description of investment (include number and type of security or interest [e.g., 1500 common shares of Canadian Natural Resources Limited]): _____

Owner: _____

3D. Senior Positions with or Material Interests in Entities Regulated by the AER: Do you or your spouse or minor children hold a senior position with or material interest in (as defined in Part 2 of the Conflict Policy) any entity/issuer regulated by the AER? If yes, complete the following as applicable. (If no positions are held or material interests owned, indicate "None." Do not leave this section blank.)

Name of issuer: _____

Position held: _____

Number and type of securities owned: _____

Section 4: Certification

I hereby certify that the information provided in this form is true and correct. I confirm that I have read and understand the Conflict Policy and recognize that I must comply in all respects with the Conflict Policy as a condition of my employment/contract with the AER.

Member/Employee signature: _____ Date: _____

Human Resources signature: _____ Date: _____

Ethics Committee Chair signature*: _____ Date: _____

*Only needed when Ethics Committee Chair approval of disclosure is required.

This information is being collected to ensure compliance with the Alberta Energy Regulator's *Conflict of Interest Policy and Procedure*. It is protected by the provisions of the *Freedom of Information and Protection of Privacy Act*. If you have any questions regarding this collection, please contact People, Culture, and Learning, 10th floor, telephone: 403-297-8333.