



MUNICIPAL PROPERTY ASSESSMENT CORPORATION

BOARD OF DIRECTORS' CODE OF CONDUCT AND CONFLICT OF INTEREST DECLARATION

Introduction and Purpose of this Code

1. This Board of Directors' Code of Conduct (Code) for the Board of Directors (Board) of the Municipal Property Assessment Corporation (MPAC) sets out fundamental principles and practices for avoiding conflicts of interest, upholding ethical conduct, ensuring the highest standards and maintenance of integrity, and protecting the reputation of MPAC.
2. The purpose of this Code is to set out standards of conduct for Directors and take all reasonable steps to ensure that:
 - a. The Board provides the independent governance oversight and accountability needed to enable MPAC to fulfill its strategy, mission and mandate; and
 - b. MPAC stakeholders, namely, without limitation and in no particular order: the public, municipalities, taxpayers and the provincial government have confidence and trust in the integrity, professionalism and impartiality of the decisions made by the Board.
3. The Governance and Human Resources Committee shall oversee compliance with this Code and Director disclosure of interests, provide advisory guidance, and investigate potential breaches. This Code is neither all-inclusive nor exhaustive.

Application of this Code

4. The provisions set forth in the Code apply to each Director, and family members and affiliates of the Director, in connection with one's status as a Director, or having a bearing upon one's responsibilities to MPAC.

5. For the Purpose of this Code:
 - a. A **family member** of the Director includes, in no particular order, a husband, wife, spouse, domestic partner, common law partner, daughter, stepdaughter, son, stepson, dependent, mother, stepmother, father, stepfather, aunt, uncle, nephew, niece, cousin, grandfather or grandmother; a person residing in the Director's home; or a person in a close personal relationship to the Director.
 - b. An **affiliate** of the Director includes any person, firm, or organization with which the Director has a financial or business interest.

Compliance with Laws, Rules and Regulations, and Ethical Conduct

6. Each Director shall:
 - a. Comply with the letter and spirit of all laws, rules and regulations;
 - b. Comply with all MPAC governance policies and procedures concerning the personal and professional conduct of the Directors of MPAC; and
 - c. Display the highest ethical standards in the Directors' business, personal and professional dealings and reputation.

Duties and Responsibilities of MPAC Directors

7. This Code should be interpreted in accordance with the principle that each Director is expected to discharge that Director's duties in the best interest of MPAC, and shall act in good faith and with honesty and integrity.
8. The fiduciary duty of a Director is to act in MPAC's best interests, giving due consideration to MPAC's stakeholders. Directors shall act in accordance with their fiduciary duty to MPAC and their duty of care. Directors shall neither act in self-interest, nor in the interests of any individual MPAC stakeholder (e.g., municipal, taxpayer or provincial) with which the Director's appointment may be associated.
9. Although a Director may communicate the interests of a particular stakeholder with whom that Director's appointment may be associated during Board deliberations, such Directors do not represent or operate under the direction or on behalf of any stakeholder. In addition, regardless of their personal opinion or individual vote, Directors shall support and not undermine decisions of the Board to these stakeholders with which Directors' appointments may be associated.

Conflicts of Interest

10. To reiterate, in discharging a Director's responsibilities, each Director shall fulfill his or her fiduciary duty to act with a view to the best interest of MPAC, and not in any way out of self-interest. The Director shall, at all times, and under all circumstances, seek to avoid, and shall be seen to be free of, any interest or any business or other relationship that could be seen to undermine the Director's ability to fulfill the foregoing fiduciary duty.
11. A conflict of interest is a situation or circumstance in which the private interests of a Director influence, or may be reasonably seen to influence, the independent, objective and impartial performance of one's duties as Director. Private interests include any advantage, financial, business, professional, reputational or otherwise, (referred to as "materiality") for the Director, or a family member or affiliate of the Director.
12. A material conflict of interest may arise for a Director of MPAC in a variety of circumstances. The following examples are non-exhaustive and are provided for illustrative purposes. For example, a material conflict of interest exists when:
 - a. There is a significant divergence of interests among Directors and stakeholders associated with their appointment, or their interests are not completely aligned;
 - b. An arrangement, assessment, contract, decision, investment, procurement, program, project, situation or transaction involving MPAC and a stakeholder with which the Director is associated;
 - c. A Director cannot be considered impartial in connection with an arrangement, assessment, contract, decision, investment, procurement, program, project, situation or transaction of MPAC;
 - d. A personal, political, religious or moral belief or activity of the Director that conflicts with the interests of MPAC or the Director's ability to discharge his or her duties;
 - e. A Director adversely affects the reputation or integrity of MPAC;

- f. A Director, or a family member or affiliate of the Director, is, or has been, a member of senior Management of MPAC;
- g. A Director, or a family member or affiliate of the Director, is, or has been, a partner of, or employed by, a current or former Internal or External Auditor of, or Consultant to, MPAC;
- h. A Director, or a family member or affiliate of the Director, has, or seeks to have, a business relationship with MPAC, including but not limited to a contract, investment, procurement, program or transaction with MPAC;
- i. MPAC makes a decision or enters into an assessment, contract, investment, procurement, program, situation or transaction that will benefit, directly or indirectly, financially, professionally, personally, or reputationally, a Director or a family member or affiliate of the Director;
- j. A Director, or a family member or affiliate of the Director, receives or offers a gift, perquisite or advantage of any nature, of any monetary value, from any person or entity outside of MPAC that may be, or that may appear to be, connected with the Director's responsibilities to MPAC;
- k. A Director, or a family member or affiliate of the Director, receives or offers any form of present or future advantage, including but not limited to employment, honours, enrichment or opportunity, from any person or entity outside of MPAC that may be, or that may appear to be, connected with the Director's responsibilities to MPAC;
- l. A Director receives any form of remuneration from MPAC other than compensation and reimbursement of expenses for being a Director;
- m. A Director, or an immediate family member or affiliate, has a close personal relationship with a member of senior Management or another Director of MPAC; or
- n. A Director who serves on a board with another Director, other than on the Board of MPAC.

13. Directors shall at all times:

- a. Seek to avoid, and if this is not possible, promptly disclose and report fully, any real or perceived conflict of interest of the above nature, without limitation, to the Governance and Human Resources Committee and to the Executive Director, Board Governance;
 - b. Not seek to influence the foregoing conflict of interest;
 - c. Absent themselves from the discussion pertaining to the foregoing conflict of interest; and
 - d. Cooperate fully in the information pertaining to, and the management of, the foregoing conflict of interest, in accordance with the Corporate By-law with respect to conflict of interest and the provisions within this Code.
14. Each Director must immediately take steps to resolve a real or perceived conflict of interest.
15. Both prior to serving on the Board, and annually during the Director's term of office, each Director shall disclose to the Governance and Human Resources Committee, financial interests and any potential or actual conflict of interest as soon as it arises or appears likely to arise.
16. Directors may also be property owners in Ontario and, as such, are afforded the same property valuation and complaint mechanisms available to other taxpayers. A Director wishing to file a Request for Reconsideration (RfR) on property in which they have an interest must advise the Quality Service Commissioner (QSC) and complete a RfR application. The RfR is processed by the QSC (or designate) in accordance with standard RfR procedures.
17. Directors who become aware of a potential or actual conflict of interest on the part of a fellow Director, on the basis of information, knowledge or belief, shall promptly and in confidence raise the issue for clarification with the other Director, and request that the conflict be declared. If the fellow Director refuses to declare the conflict, the Director who is aware of the potential or actual conflict must immediately bring his or her concern to the attention of the Chair of the Governance and Human Resources Committee and the Executive Director, Board Governance.

Gifts, Hospitality and Honours

18. Each Director shall never accept cash payments, gifts, gratuities, honours, awards, privileges or other personal rewards from, nor offer the foregoing to, any third party, including but not limited to potential or actual customers and suppliers or municipal representatives, or any other person or entity outside of MPAC that may be, or may appear in any way to be, connected with the Director's responsibilities to MPAC, with only one narrow exception. The exception is that gifts that are valued up to \$30 (but not cash or cash equivalent) are acceptable when given or received in accordance with customary business practice. The acceptance or receiving of this gift shall be recorded in a registry, accompanied by the date offered and received, fair market value, and circumstances. A gift is inappropriate if giving or receiving it may be perceived as being in anticipation of immediate or future considerations, or recognition for past consideration by MPAC.

Expenses of Directors

19. Transportation, accommodation, hospitality and Director education and training session fees and expenses incurred by Directors in the attendance at MPAC Board, Committee, Annual and Special meetings shall be paid by MPAC, on the basis of the Board Remuneration and Expense Policy approved by the Board in this respect.

Reporting of Illegal or Unethical Behaviour

20. MPAC promotes transparency, openness and integrity in its operations. This approach is intended to discourage fraudulent acts. Each Director shall report promptly illegal, unethical or fraudulent acts and suspected misconduct by MPAC staff to the appropriate authority within MPAC, or by Directors to the Chair of the Audit Committee. Under no circumstances will a Director be adversely affected for doing so.

Political and Outside Activities of Directors

21. Directors shall not discharge their duties and responsibilities in such a manner so as to diminish the public's trust in the objectivity and impartiality of MPAC. Accordingly, Directors shall take all reasonable steps to ensure that MPAC does not, directly or indirectly, contribute to, or participate in, or be seen to contribute to or participate in, political fundraising. No Director, in their capacity as a Director of MPAC, shall contribute to, or participate in, political fundraising. However, nothing in this Code

prevents Directors from contributing to, or participating in, political fundraising, provided that they do so in their non-directorial and personal capacities.

22. Directors shall make clear in what capacity they are speaking or writing when doing so publicly, such that inferences are not drawn that a Director may be speaking on behalf of the Board of MPAC or of MPAC. Directors may only speak on behalf of the Board of Directors or of MPAC with the prior explicit consent of the Board Chair.

Confidentiality of Information and Disclosure of Information

23. Directors shall maintain confidentiality of MPAC information, both during and after their term, and shall obtain clarification if there is any doubt. It is the responsibility of each Director to know what information is confidential. Confidential MPAC information is any information brought to the attention of the Board or within MPAC, including information that is not available to the public, or any information that could result in harm to MPAC or could give the person to whom it is disclosed an advantage if it were disclosed.
24. No Director shall use information obtained as a result of the Director's service on the MPAC Board for personal benefit, or for any purpose other than discharging his/her duties as a Director. A Director shall never advance his/her private interests, or those of any other person or entity, using confidential information, including but not limited to, in respect of the assessment of any property or other activities by MPAC. Each Director shall avoid any activity that may create an appearance that the Director has benefited from confidential information received during the course of one's duties as a Director. The provisions of this Paragraph shall continue to apply to bind each Director without limitation, after the Director's term of service has expired

Relations with MPAC Staff

25. Directors shall not discriminate against, or exert authority or undue influence over, MPAC staff due to their position as a Director. Each Director shall refrain from exerting any pressure on any MPAC staff member that might result in any infringement, favoured or unequal application of rules, regulations, policies or procedures, particularly in respect of the management of MPAC's assets, property assessment, human resources, or financial transactions. Requests for corporate staff involvement made by any MPAC stakeholder, inadvertently or inappropriately made to a Director, shall be promptly referred to members of the Executive Management

Group, and the stakeholder shall be communicated to accordingly, with a copy to Executive Management.

26. Directors shall refer any question or issue raised by member municipalities or other stakeholders to the appropriate Executive Management Staff member. A Director shall never intervene personally or express a position that might limit MPAC staff. However, the Board Chair may task one or more Directors to respond directly to certain political inquiries; this would be done in consultation with the President and Chief Administrative Officer.

Expectations of Directors

27. Each Director shall vote on all motions put before the Board unless a conflict of interest has been declared.
28. Each Director is expected to: attend all scheduled meetings; be fully prepared to participate; listen to the opinions of others with respect; encourage robust discussion and constructive dissent; and share the workload.
29. Directors shall act with professional integrity and honesty in their dealings with MPAC, including proper use and treatment of MPAC's resources and information, and shall comply with the provisions of the Board Remuneration and Expense Policy.
30. The Governance and Human Resources Committee will periodically review and make recommendation respecting any changes to the Board of Directors' Code of Conduct.

Monitoring and Enforcement of the Board of Directors' Code of Conduct

31. This Board of Directors' Code of Conduct (Code) will be reviewed and signed by each Director annually.
32. Any allegation about, or perceived breach of, this Code by a Director will be discussed by the Board Chair, Chair of the Governance and Human Resources Committee, and Executive Director, Board Governance, with the Director. The Chair of the Governance and Human Resources Committee shall report the discussion to the Governance and Human Resources Committee In Camera, and, at the discretion of the Governance and Human Resources Committee, to the Board In Camera.
33. Any allegation about, or perceived breach of, this Code by the Board Chair will be discussed by the Vice-Chair and Chair of the Governance and Human Resources

Committee with the Board Chair. At the discretion of the Governance and Human Resources Committee, the Chair of the Governance and Human Resources Committee will report the discussion to the Board In Camera.

34. The Governance and Human Resources Committee shall be responsible for responding to all questions relating to this Code and for enforcing the standards set forth within it.
35. This objective may be achieved in a number of ways, including by the Governance and Human Resources Committee and Executive Director, Board Governance:
 - a. Receiving a Disclosure of Ontario Real Estate Interests, other than the ownership of a principal residence or cottage, or ownership in a broadly based mutual fund or real estate investment trust, but to include, without limitation, direct property interests in shopping centres, apartment buildings, office buildings, or land and any other Financial Interests of the Director, family member or affiliate, that could give rise to any real or perceived conflict of interest.
 - b. Responding to a Director's questions and requests for clarification and guidance, on any provision within this Code;
 - c. Assuring confidentiality to the fullest extent practicable;
 - d. Having practices in place to identify, assess and resolve actual and potential conflicts of interest by Directors. These practices shall enable the Governance and Human Resources Committee to assess all the circumstances necessary to determine if Directors have acted honestly and in good faith, and in the best interests of MPAC;
 - e. Having practices for:
 - i. Identifying arrangements, assessments, contracts, decisions, investments, procurements, programs, situations, transactions, or any other circumstance identified in Paragraphs 12 a. to n. where an actual or potential significant conflict of interest could arise;
 - ii. Reviewing and assessing arrangements, assessments, contracts, decisions, investments, procurements, programs, situations,

transactions, or any other circumstance identified in Paragraphs 12 a. – n. that could put a Director in an actual or potential conflict of interest;

- iii. Submitting to the Board the prior declaration by Directors of their interest in any arrangement, assessment, contract, decision, investment, loan, procurement, program, situation, transaction, or other circumstance identified in Paragraphs 12 a. – n.; and
 - iv. Keeping records of any arrangement, assessment, contract, decision, investment, procurement, program, situation, transaction, or other circumstance identified in Paragraphs 12 a. – n. where an actual or potential conflict of interest arises;
- f. Establishing an Ad Hoc or Standing Committee to fulfill the foregoing practices, with such Committee to consist of Directors that are not directly or indirectly interested in the matters being discussed or considered. Where the Governance and Human Resources Committee and the Board have established an Ad Hoc or Standing Committee, the Governance and Human Resources Committee shall design and recommend that Committee to:
- i. Be composed of Directors who are not interested in any matter being discussed or considered;
 - ii. Have Terms of Reference that clearly sets out its roles and responsibilities; and
 - iii. Have the authority to engage and compensate any internal and external advisor that it determines to be necessary to permit it to carry out its duties; and
- g. Obtaining independent advice on the arrangement, assessment, contract, decision, investment, procurement, program, situation, transaction, or any other circumstance identified in Paragraphs 12 a. – n., or any other Paragraph within this Code.

Directorial Certificate of Compliance with the Code of Conduct (Certificate)

36. Each Director shall sign this Certificate and Declaration annually.
37. To the best of my knowledge, information and belief:
 - a. I have read the Board of Directors' Code of Conduct (Code).
 - b. I understand this Code, each of its fourteen Sections, and all of its Paragraphs.
 - c. I have sought clarification from the Governance and Human Resources Committee or the Executive Director, Board Governance, with respect to this Code's sections, meanings, interpretation, and application to my circumstances, as the case may be.
 - d. I have been, presently am, and agree to be prospectively, in compliance with the letter and spirit of each and all provisions within this Code.
 - e. If I come to acquire knowledge, information or belief that I am not, or may not be seen to be, in compliance with the letter and spirit of a provision within this Code, I shall promptly bring such knowledge, information or belief, as the case may be, to the attention of the Governance and Human Resources Committee in a prompt, full and true manner.
 - f. I know of no other Director, family member, affiliate, staff member of MPAC, or any other person or entity that is not, or may not be seen to be, in compliance with the letter and spirit of each of the provisions within this Code.
 - g. If I come to acquire knowledge, information or belief that any of the foregoing persons or entities in Paragraph 37 f. are not, or may not be, in compliance with the letter and spirit of a provision within this Code, I shall promptly bring such knowledge, information or belief, as the case may be, to the attention of the Governance and Human Resources Committee in a prompt, full and true manner.
 - h. I understand that the Code is subject to change from time to time, and that I will be given adequate notice of such changes.

I, _____, hereby accept the terms described in the MPAC Board of Directors' Code of Conduct and Conflict of Interest Declaration dated this day of (month), (year).

Signature of Director: _____

HISTORY

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| Minor Technical Amendments: | October 12, 2016 |
| Approval Date: | September 2015 |
| Previous Approval Dates: | N/A |