

CONFLICT OF INTEREST

Alberta Local Authorities
Pension Plan Corp. and
LAPP Board of Trustees
Policy

EFFECTIVE DATE AND REVISION DATES: September 2008, January 2006
--

This policy applies to both the LAPP Board of Trustees and the ALAPP Corp. Board of Directors and has been approved by both. Reference to the "Board" shall mean each Board unless otherwise stated.

1. Purpose

It is the duty of members of the Board to act honestly and in the best interests of the participants of Local Authorities Pension Plan in the exercise of their powers and the discharge of their responsibilities under the Public Sector Pension Plans Act. In order to assist the members of the Board to meet this duty, this policy has been adopted and will be reviewed from time to time to provide guidance to members in the identification, resolution, and review of situations involving conflicts of interest between their duties as members of the Board and their personal or private interests.

Conflicts between private interests of members and their duty to Local Authorities Pension Plan not specifically addressed in this Policy shall be dealt with according to the principles and intent of this Policy.

2. Application

This policy applies to all members of the Board.

3. Definitions

"Act" means the Public Sector Pension Plans Act, including Schedule 1 thereto and all regulations made thereunder, as amended from time to time.

"Private interest" does not include an interest:

- (i) in a matter that is of general application to the Plan; or
- (ii) that affects a person as one of a broad class of the public or the Plan; or
- (iii) that concerns remuneration or benefits of a member; or

(iv) that is trivial.

A person "directly associated" with a member includes any member of the member's family, agents of the member and any firm, corporation or entity of which the member has any legal or beneficial interest.

"Plan" means the Local Authorities Pension Plan.

"member" means a member of the Local Authorities Pension Plan Board of Trustees or a member of the Alberta Local Authorities Pension Plan Corp. Board of Directors.

"member's family means, for any member, the spouse, children, step-children, legal dependants, parents and siblings of such member;

"Board" means the Local Authorities Pension Plan Board of Trustees or the Alberta Local Authorities Pension Plan Corp. Board of Directors.

4. Conflict Of Interest

Members are in a conflict of interest situation if their private interests conflict with their duty to act honestly and in the best interests of the Plan in the exercise of their powers and the discharge of their responsibilities under the Act. Without limiting the generality of the foregoing, a member is in a conflict of interest situation if:

- a. the member takes part in a decision in the course of carrying out the member's office or powers knowing that the decision might further a private interest of the member or a person directly associated with the member;
- b. the member uses the member's office or powers to influence or seek to influence a decision to be made by the Board to further a private interest of the member or a person directly associated with the member;
- c. the member uses or communicates information not available to the general public that was gained by the member in the course of carrying out the member's office or powers to further or seek to further a private interest of the member or a person directly associated with the member;
- d. the member or, to the knowledge of the member, a person directly associated with the member, obtains or accepts a fee, gift or other benefit, all of a material nature, that is connected directly or indirectly with the performance of the member's office; or
- e. the member, or a person directly associated with the member, receives a preference from the Board on entering into a contract or receives a contract not available to the public.

5. Disclosure Of Conflict Of Interest

When a matter is before the Board or any Committee of the Board which could possibly benefit a member or a person directly associated with a member, the member in question must advise the Board in order to enable the Board to determine whether the situation is material. Further, if a member believes there may be a conflict of interest, the member may ask the Board for guidance. Any decision made by the Board in this regard is binding.

When a member has a conflict of interest in a matter before the Board or any Committee of the Board to which he or she is appointed as a representative of the Board, the member shall, if present:
disclose the existence of the conflict of interest prior to discussion of the matter,
abstain from voting on any question relating to the matter,
abstain from discussing the matter, and
leave the room in which the meeting is being held until the discussion and voting on the matter are concluded.

The abstention of a member and disclosure of a member's conflict of interest shall be recorded in the minutes of the meeting.

6. Annual Review

At the Board's January meeting, each member shall confirm in writing (see attached form letter) that:

- a. the member has received a copy of this Policy and has read and understood it; and
- b. the member has adhered to this Policy and/or has reported any known breaches to the Chair of the Board.

Alberta Local Authorities Pension Plan Corp. Board of Directors, and
Local Authorities Pension Plan Board of Trustees
Suite 1202, 10250 – 101 Street
EDMONTON, Alberta T5J 3P4

Subject: Conflict of Interest Policy

This confirms that I, _____ have
received a copy of and understand the Conflict of Interest Policy.

_____ During (calendar year), I have adhered to the policy.

_____ Where there has been a possibility of conflict, I have reported
that conflict to the Chair or the Board.

As a member of the LAPP Board of Trustees and the Alberta Local
Authorities Pension Plan Corp. Board of Directors, I will continue to
comply with the Conflict of Interest Policy.

Board member

Date