

## **PROCEDURE FOR REVIEW OF BOARD MEMBER CONDUCT**

### **INTRODUCTION**

1. The Code of Conduct (the Code) sets out the standards of conduct expected of members of the Board of Directors (the Board) of the Canadian Institute of Actuaries (the CIA). While the CIA expects Board members to meet or exceed these standards at all times, the CIA understands that a Board member's conduct may occasionally be the object of a complaint. These procedures will be used to identify and address those situations.
2. These procedures apply to all complaints, allegations, inquiries, or submissions involving a potential violation of the Code (hereinafter collectively referred to as "complaints") received by the CIA about a Board member.
3. These procedures are intended to strike the proper balance between ensuring full compliance with the Code and the protection of Board members against patently false, malicious, or groundless accusations that could result in significant business or personal harm if not properly handled.
4. Actions taken under these procedures do not constitute enforcement of the law, although referral to appropriate federal, provincial, or local government agencies may be made about a Board member's conduct in appropriate situations.

### **DEVELOPMENT AND ADMINISTRATION OF PROCEDURES**

5. The Board is responsible for the development and administration of these procedures. The President may administer these procedures on behalf of the Board.
6. The President is specifically responsible for ensuring that these procedures are implemented and followed consistently and objectively. This responsibility includes ensuring that both the Code and these procedures are reviewed on a regular basis.
7. Should the President be the subject of a review or be unable to undertake the responsibilities identified in these procedures, these responsibilities shall be undertaken by the Past President, or by the Secretary-Treasurer if the Past President is unable.
8. All Board members, CIA employees, and other individuals engaged in investigations or decisions on behalf of the CIA with respect to any complaint under these procedures shall be held harmless and defended by the CIA against any liability arising from such activities to the extent permitted by law, such as actions for defamation, libel, slander, and other civil causes of action, provided such individuals act in good faith and with reasonable care, without gross negligence or wilful misconduct, and do not breach any fiduciary duty owed to the CIA.
9. All references to persons in these procedures shall be interpreted to include both genders.

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**INITIATING A COMPLAINT**

10. A complaint should be directed to the President or any person the President may designate as a Complaint Recipient.
  - a. Complaints should generally be in writing.
  - b. Complaints should generally identify the complainant.
  - c. If circumstances warrant, a complaint may be anonymous.
  - d. In exceptional circumstances, if credible evidence of a violation of the Code is presented, the Complaint Recipient may receive such evidence orally and shall reduce the evidence to writing.
  - e. A Complaint Recipient may initiate a written complaint if circumstances warrant.
  - f. All complaints received by any person other than a Complaint Recipient should be immediately forwarded to a Complaint Recipient.
11. The Complaint Recipient should prepare a package that includes the complaint along with any supporting evidence submitted by the Complainant and forward that package to the President for preliminary review.

**PRELIMINARY REVIEW**

12. Upon receipt and preliminary review of each complaint, the President may conclude, in his sole discretion, that the complaint does not disclose evidence of a material violation of the Code. The President may dismiss the complaint without prejudice and must provide notice in writing to the Complainant.
13. Complaints dismissed in the manner set out in paragraph 12 may be reinitiated at any subsequent time pursuant to these procedures.
14. If the President determines that the complaint discloses evidence which has the potential to establish a material violation of the Code, the President shall provide written notice of the complaint to the Respondent. The notice provided to the Respondent should include:
  - a. a copy of the written complaint;
  - b. the name of the Complainant (unless the complaint was made anonymously pursuant to paragraph 10c);
  - c. all supporting documentation in the Board's possession;
  - d. a copy of the Code of Conduct;
  - e. a copy of these procedures;
  - f. a notice that the matter may lead to a decision, by the Board, to remove the Respondent from office.
15. Multiple alleged violations of the Code may be consolidated into a single complaint at the discretion of the President.

**RESPONSE**

16. The Respondent may file a written response with the President within a reasonable amount of time, ordinarily five business days. In exceptional circumstances, the President retains the discretion to lengthen the time allowed for a response, to a maximum of 20 business days.

**REVIEW BY THE BOARD**

17. The President shall call a special meeting of the Board to discuss the matter. The Respondent shall not participate in this meeting unless requested to do so by the President.
18. The response provided by the Respondent pursuant to paragraph 16 shall be circulated to the Board members prior to the meeting, along with the notice referenced in paragraph 14 and with all other pertinent material.
19. The Board has discretion to determine, by a vote of not less than a majority of a quorum, that the Respondent should be given the opportunity to submit a written assurance that the conduct in question has ceased and will not recur. If the Respondent promptly submits the required written assurance in terms that are acceptable to the Board, written notice of the receipt of the assurance shall be provided to the Respondent and to the Complainant.
20. A complaint disposed of in the manner set out in paragraph 19 shall be deemed to have been disposed of without prejudice.
21. The Board shall consider the matter and determine by a vote of not less than a majority of a quorum, whether the evidence shows that there has been a violation of the Code.
22. If the Board determines that a violation of the Code has not occurred, then the complaint shall be dismissed with prejudice with written notice provided to the Respondent and to the Complainant.
23. If the Board determines that there has been a violation of the Code, the Board shall further determine by a vote of not less than a majority of a quorum to impose sanctions on the Respondent and which sanction (among those set out in paragraph 28) is appropriate. The removal of a Respondent from Office shall be in compliance with Bylaw 11.15 (1.1).
24. If the Board decides to impose a sanction, then both the Respondent and the Complainant shall be given written notice of the Board's decision and the sanction imposed.
25. Any decision of the Board pursuant to these procedures is final.
26. The minutes of the Board meeting(s) held to review and determine the matter under these procedures shall remain confidential and shall not be published.

**SANCTIONS**

27. When imposing a sanction on the Respondent, the Board must ensure that the sanction reasonably relates to the nature and severity of the violation of the Code. The sanction must focus on reformation of the conduct of the Respondent and deterrence of the same or similar conduct by others.

28. One or more of the following sanctions may be imposed by the Board on a Respondent whom the Board has determined to have violated the Code:
  - a. written reprimand to the Respondent (combined with any probationary period, if desired);
  - b. suspension of the Respondent from membership on the Board for a designated period of time (combined with any probationary period, if desired);
  - c. removal of the Respondent from Office pursuant to Bylaw 11.15 (1.1).
29. After the imposition of one or more of the above sanctions, the complaint shall be deemed to have been disposed of with prejudice.
30. For each of the sanctions set out in paragraph 28, a written summary of the determination and the sanction, along with the Respondent's name, may be published, in the sole discretion of the Board, in a printed or electronic medium that is distributed to all CIA members.
31. Complainants are not entitled to any relief or damages by virtue of these procedures.

**RESIGNATION**

32. If a Respondent voluntarily resigns (in writing) his or her membership on the Board at any time during the pendency of a complaint under these procedures, the complaint shall be dismissed without prejudice.
33. A Respondent who resigns pursuant to paragraph 32 must also resign from any CIA appointment and may not seek membership on the Board or any CIA committee or similar body for a period of five years from the effective date of his resignation.
34. In the event of such resignation, the Complainant shall be notified in writing of the fact and date of the resignation and that the Board has dismissed the complaint (without prejudice) as a consequence.