



THE SACRED HEART SCHOOL OF MONTREAL

Code of Ethics, Reporting Obligations and Conflict of Interest Policies

I. CODE OF ETHICS

Purpose of the Code of Ethics

This Code of Ethics (the “Code”) has been adopted by the Board of Directors of The Sacred Heart School of Montreal (the “School”). As members of the School community, we are all committed to the values set forth in the Mission of the School. In its conduct of business, as in its teaching, the School and its Administrators, Trustees, Faculty and Staff, must be held to the highest standard of behaviour. All must strive to foster a culture of honesty, integrity, respect and accountability. Our commitment to the highest level of ethical conduct should be reflected in all of the School’s business activities including, but not limited to, relationships with employees, suppliers, independent contractors, parents, students, potential donors, applicants, the government, and the public. All of the School’s Administrators, Trustees, Faculty and Staff must conduct themselves according to the language and spirit of this Code and seek to avoid even the appearance of improper behaviour. Even well-intended actions that violate the law or this Code may result in negative consequences for the School and for the individuals involved. One of our School’s most valuable assets is its reputation for integrity, professionalism and fairness. We should all recognize that our actions are the foundation of our reputation and adhering to this Code and applicable law is imperative.

Compliance with Laws, Rules and Regulations

We are strongly committed to conducting our business affairs with honesty, integrity and respect and in full compliance with all applicable laws, rules and regulations. No Administrator, Trustee, Faculty or Staff member of the School may commit or instruct or assist others to commit an act that is considered criminal or unethical according to applicable laws.

Violation of applicable laws, rules or regulations may subject the School, as well as any Administrators, Trustees, Faculty and Staff members involved, to severe adverse consequences, including, but not limited to, monetary damages, fines and criminal penalties. In addition, actual or apparent violations of applicable laws, rules and regulations by the School or its Administrators, Trustees, Faculty and Staff members can undermine the confidence of the School’s contributors and Creditors, as well as that of the general public. Administrators, Trustees, Faculty and Staff members who fail to comply with this Code of Ethics and applicable laws will be subject to disciplinary measures up to and including termination of involvement with or employment by the School.

If you believe that any practice raises questions as to compliance with this Code or an applicable law, rule or regulation, please contact your supervisor, the Head of School or the President of the Board of Directors.

Protection Confidential Information

Confidential information generated or gathered in the School’s business should be maintained in strict confidence, except when disclosure is authorized by the School or required by law. Your obligation to protect confidential information continues even after you cease to be an Administrator, Trustee, Faculty or Staff member of the School. “Confidential Information” includes but, is not limited to all information of any nature concerning the School, any member of the School community, any financial information concerning the School, the identity of, and any other information concerning, any donor or prospective donor to the School, and any other information relating to the business of the School, except information clearly in the public domain.

Proper Accounting and Financial Integrity

All transactions must be executed only in accordance with the School's general or specific authorization. The School's books, records and accounts must reflect, accurately and fairly, and, within the School's regular system of accountability, all of the School's transactions and the acquisition and disposition of its assets. All transactions will be accurately recorded to permit the preparation of financial statements in conformity with generally accepted accounting principles consistently applied and other applicable rules, regulations and criteria, and to ensure full accountability for all assets and activities of the School. Under no circumstances will there be any unrecorded funds or assets of the School, regardless of the purposes for which such fund or asset may have been intended, or any improper or inaccurate entry, knowingly made on the books and records of the School. No payment on behalf of the School will be approved or made with the intention or understanding that any part of such payment is to be used for a purpose other than that described in the documents supporting payment.

All Administrators, Trustees, Faculty and Staff members must cooperate fully with the School's independent auditors and legal counsel, to enable each of them to discharge their responsibilities to the fullest extent. The highest standard of care must be taken in preparing financial reports that provide full and accurate information in all material respects, in a timely and understandable manner. No information may be concealed from the independent auditors, the Finance and Audit Committee of the Board of Directors or the Board of Directors. Compliance with generally accepted accounting principles and the School's system of internal accounting controls is required at all times.

Protection and Proper Use of School Assets

Protecting School assets against loss, theft or other misuse is the responsibility of every Administrator, Trustee, Faculty and Staff member. Any suspected loss, misuse or theft should be reported to your supervisor, the Head of School or the President of the Board of Directors. The School's equipment and supplies may only be used for School operations, consistent with School guidelines.

Fair Dealing

Each Administrator, Trustee, Faculty and Staff member should endeavour to deal fairly with third parties, including but not limited to, employees, suppliers, independent contractors, parents, students, potential donors, applicants, the government and the public. No bribes, kickbacks or other similar payments in any form shall be made to anyone, directly or indirectly, for the purpose of obtaining any favourable action. The School, Administrator, Trustee, Faculty or Staff member involved may be subject to disciplinary action as well as potential civil or criminal liability for violation of this Code.

Internal Communication and Enforcement of Policy

Communication of the policies contained in this Code will be made to all applicable Administrators, Trustees, Faculty and Staff members of the School, who will be required annually to sign an acknowledgement of receipt and understanding of this Code.

It is important that each Administrator, Trustee, Faculty and Staff member comply with the letter and the spirit of this Code and these policies. If you believe that one of the School's Administrators, Trustees, Faculty or Staff members is acting in a manner that does not comply with this Code, or if you have been requested to act in such a manner, this matter should immediately be brought to the attention of your supervisor, the Head of School or the President of the Board of Directors. All Administrators, Trustees, Faculty and Staff members are obliged to report any suspected violations promptly and the Board of Directors or a sub-committee established by the Board of Directors will investigate any and all reports made in good faith. To encourage the uninhibited communication of such matters, such communications will be treated confidentially, subject to disclosure to others, as determined appropriate by the Board of Directors, to facilitate investigation of the reported circumstances, and the School will not tolerate any kind of retaliation for reports or complaints regarding misconduct that were made in good faith.

Failure to Comply

Any Administrator or Trustee whose conduct violates this Code will be subject to such sanctions as the Board of Directors, at its discretion and in accordance with applicable laws, may determine. Any Faculty or Staff member whose conduct

violates this Code will be subject to disciplinary action by the School, including, at the School's discretion, discharge and/or forfeiture of any benefits or rights which, under applicable law, are subject to forfeit upon discharge for cause, and to the enforcement of such other remedies as the School may have under applicable law.

Amendments

Only the Board of Directors may amend this Code if required.

Inquiries

Any questions regarding this Code or its application should be discussed with the Head of School or the President of the Board of Directors.

II. POLICY ON REPORTING OBLIGATIONS

The School has a Code of Ethics applicable to all its employees, Administrators and Trustees. The Administration and the Board of Directors are committed to the values and principles of ethical conduct set forth in the Code of Ethics and urge each member of The Sacred Heart School of Montreal community to report promptly any suspected violations.

If you believe that any practice or conduct does not comply with an applicable law, rule or regulation, or any other principle of conduct set forth in the Code of Ethics, or if you have been requested to act in such a manner, please report the matter. Any suspected loss, misuse or theft of any property belonging to the School should also be reported. Report any suspected violation even if you do not have all the facts. Your intuition may prevent something far worse from occurring.

Ask yourself:

- Is it illegal?
- Does it violate School standards or the Code of Ethics?
- Could it cause loss or harm to me, my co-workers or other members of the School community?
- Is it bad for the School, companies doing business with the School or the public?
- Would I feel uncomfortable if everyone knew this was happening?

Under any of the foregoing circumstances, you have three (3) options. You may:

- i. report the matter to your supervisor or department head;
- ii. report the matter to the Head of School; or
- iii. if the nature of the concern is such that discussion with your supervisor, department head or Head of School would not be comfortable or appropriate, report the matter directly to (nominated person), a Trustee, or her/his successor. The person can be reached:
 - by telephone (number)
 - by mail at (address)
 - by e-mail at (address)

You will be notified of the name and contact information of any successor to (nominated person).

All such communications will be treated confidentially, subject to disclosure to others as determined appropriate by the Board of Directors, to facilitate investigation of the reported circumstances. The School's By-Laws provide that no member of the Administration or staff of the School is a member of the Board of Directors. The Board of Directors or sub-committee established by the Board of Directors will investigate any and all reports of a violation made in good faith. Neither the Administration nor the Board of Directors will tolerate any kind of disciplinary or other negative action or retaliation applied to anyone who, in good faith, reports, or participates in the investigation of, any suspected violation of the Code. Any such action should be reported immediately. Questions regarding this policy or the Code of Ethics should be directed to (nominated person).

III. POLICY ON CONFLICTS OF INTEREST

General Standards

1. All Administrators, Trustees, Faculty and Staff members of the School and its affiliated and related entities will at all times:

- exercise utmost good faith in all matters relating to their duties and responsibilities to the School,
- act in the best interest of the School when discharging their duties and responsibilities.

2. No Administrator, Trustee, Faculty or Staff member will at any time:

- use her/his position or confidential information obtained therefrom to her/his personal advantage,
- be influenced in the discharge of her/his duties or responsibility to the School by any personal, business, financial or other interest or relationship she/he may have.

3. A “conflict of interest” means any activity which violates, or could violate, or appears to violate the foregoing standards.

4. “Confidential Information” includes but is not limited to, all information of any nature concerning the School, any member of the School community, any financial information concerning the School, the identity of, and any other information concerning, any donor or prospective donor to the School, and any other information relating to the business of the School, except information clearly in the public domain.

5. Each Administrator, Trustee, Faculty and Staff member is responsible for recognizing the possibility of a conflict of interest and for disclosing it immediately pursuant to the procedures described below. The Head of School and/or the Board of Directors, at its discretion, will then address all attendant circumstance and take appropriate action.

6. All Administrators, Trustees, Faculty and Staff members must act within the limits of the powers conferred on them.

7. No Administrator, Trustee, Faculty or Staff member shall profit from her/his position to derive benefits for herself or himself or others when they are aware, or when it is clearly evident that such benefits run counter to the School’s community.

Examples of Activities that May Present a Conflict of Interest

Without limiting the generality of the foregoing section:

1. Administrators, Trustees, Faculty and Staff members of the School and their “Related Parties” (as defined below) may not (unless disclosed and permitted in accordance with the following section) have any direct or indirect business, financial, personal or other interest in, or relationship with, any individual, company, partnership or other entity which sells or leases, or is looking to sell or lease, equipment, supplies, products, services or rights to the School or has, or is seeking to establish, any other business or financial relationship with the School. “Related Parties” include, but are not limited to, a party’s spouse, domestic partner, parents, siblings, descendants, parent’s siblings, parent’s descendants, siblings and descendants of the parent of a spouse or domestic partner, and the spouse or domestic partner of any of the aforementioned.

2. Administrators, Trustees, Faculty and Staff members of the School and their Related Parties may not (unless disclosed and permitted in accordance with the following section) serve as an Administrator, Trustee, member on any advisory board of the School, employee or department head of, or consultant to, or undertake any other activity on behalf of, a business or other for-profit or not-for-profit entity which has, or is seeking to establish, a business or financial relationship with the School.

3. If an Administrator or Trustee or any related party of an Administrator or Trustee has a financial or business relationship with a person, such Administrator or Trustee may not take part in any deliberations or vote of the Board of Directors or Board of Trustees or any committee thereof with respect to any decision relating to such persons status as a member or potential member of the Board of Directors or Board of Trustees, including but no limited to, any decision relating to:

- (i) the nomination or election of such a person as a Trustee,
- (ii) the nomination or election of such a person for a second term on the Board(s) or as a Specially Nominated Candidate and

(iii) the removal of such a person from the Board(s).

4. Except as herein provided, Administrators, Trustees, Faculty and Staff members of the School and their Related Parties may not solicit or accept gifts (including legacies), gratuities, grants, payments or other consideration of any kind, loans (other than from financial institutions) or other favours from, or on account of, any person or organization which does, or is seeking to do, business or has, or is seeking to establish, another relationship with the School. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value provided in the ordinary course of business that are not related to any particular transaction or activity of the School.

5. Administrators, Trustees, Faculty and Staff members of the School and their Related Parties may not disclose or use any confidential information gained in the course of such person's relationship with the School except when disclosure is authorized by the School or required by law. The obligation to protect confidential information continues even after a person ceases to be an Administrator, Trustee, Faculty or Staff member of the School.

Implementation of this Policy

1. The School recognizes that Administrators, Trustees, Faculty and Staff members may have relationships and interests described in subparagraphs 1 and 2 of the previous section. However, all Administrators, Trustees, Faculty and Staff members must disclose all such relationships and interests.

2. Administrators, Trustees, and Faculty and Staff members will make any required disclosure in writing to the Head of School who will promptly send a copy of such disclosure to the President of the Board of Directors. The Head of School will make any required disclosure in writing to the President of the Board of Directors.

3. If the Board of Directors or a sub-committee established by the Board of Directors determines that there is a conflict of interest, the following will apply:

- a. The individual in question may take no part in School decisions to which the conflict relates.
- b. With reference to Faculty and Staff members, the Head of School or the Board of Directors may prohibit the activity giving rise to the conflict.
- c. With reference to Administrators and Trustees, if the conflict involves a matter under consideration by the Board of Directors or the Board of Trustees or a committee of either board, the Administrator or Trustee:
 - i. will disclose such interest to the other members of the Board or committee,
 - ii. will not vote on such transaction or attempt to influence a decision, directly or indirectly,
 - iii. will not be present in the room (or, in the case of any telephonic meeting, on the line) at the time of such vote,
 - iv. will not be counted in determining a quorum for the meeting at which such vote is taken.

Such disclosure, and the fact that the Administrator or Trustee did not vote or participate in the deliberation, will be recorded in the relevant minutes.

4. The Board of Directors or Board of Trustees, or any committee thereof, may consult with legal counsel as it deems appropriate concerning specific conflicts of interest.

Compliance Records

It is the responsibility of all Administrators, Trustees, Faculty and Staff members of the School to familiarize themselves with this Policy and to comply and to ensure compliance of Related Parties with it. Upon first being elected, appointed or hired, each Administrator, Trustee, Faculty and Staff member shall receive a copy of this Policy and acknowledge her/his receipt and acceptance of responsibility for compliance therewith.

Report to the Board of Directors

The President of the Board of Directors and the Head of School will report to the Board at least once annually concerning any disclosures of potential conflicts of interest made to them, and any other conflicts of interest which have occurred.

Violations

Administrators and Trustees who knowingly or unknowingly violate this policy are subject to censure or removal, at the discretion of the Board of Directors. Faculty or Staff members and other employees of the School who knowingly or unknowingly violate this policy will be subject to disciplinary action, including possible dismissal.

The Code of Ethics is meant to provide guidance to those entrusted with the well-being of The Sacred Heart School of Montreal and its community in performing their duties and functions.

AGREEMENT

Acknowledgement of understanding and intent to comply with Code of Ethics, Reporting Obligations and Conflict of Interest Policies.

I hereby acknowledge that I have received, read, and understood the Code of Ethics and the Reporting Obligations and Conflict of Interest Policies of The Sacred Heart School of Montreal (the "School"). I agree to observe and abide by the Code and Policies and I understand that I may discuss any questions or concerns I might have relating to them with the Head of School or the President of the Board of Directors or their delegate(s).

I further understand that acknowledgement and compliance are conditions of my employment and/or involvement at the School and that failure to abide by the Code and Policies could lead to disciplinary action up to and including termination of employment and/or involvement.

By signing below I indicate my acceptance of and agreement to abide by the School's Code of Ethics and the Reporting Obligations and Conflict of Interest Policies.

Name (please print)

Signature

Date: _____