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**SAFE DISCLOSURE POLICY**

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**ATB Financial  
Board of Directors**

**September 2006**

**Reviewed by the Ethics Review Committee on July 5, 2006 and by the Corporate  
Management Committee on July 17, 2006**

**Recommended by the Governance and Conduct Review Committee of the Board of  
Directors of the Alberta Treasury Branches (the “Board”), for approval of the Board  
on August 31, 2006 and approved by the Board on September 18, 2006**

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## 1 Overview

Recently several instances of financial fraud, dubious accounting practices and unethical business practices in the corporate world have hit media headlines. In response, governments and organizations are increasingly turning to employees to provide advance information of any suspicious activities being carried out. Employees are often in the best position to spot suspicious activities.

Setting up a formal confidential mechanism to enable associates to report such activities will help Alberta Treasury Branches, including its subsidiaries ATB Investment Services Inc., ATB Investment Management Inc. and ATB Securities Inc. (collectively, “ATB Financial”), take corrective action promptly. As an agent of the Crown in the Right of Alberta and provider of financial services to the public, Alberta Treasury Branches recognizes its responsibility to protect the public trust.

The Board of Directors of Alberta Treasury Branches (the “Board”) has approved the following policy to provide associates with a method by which they can discreetly disclose concerns about serious unethical or fraudulent activity of other associates in the conduct of business or the accuracy of the public financial statements of ATB Financial.

## 2 Introduction

Serious unethical and fraudulent activity is broadly defined as bypassing checks, controls and other measures used to ensure financial transactions are legitimate and properly reflected in the public financial statements of ATB Financial or serious breaches of the Code of Conduct and Ethics (the “Code”). The Board and management of ATB Financial, through the Code and with the development and implementation of this policy, are committed to taking appropriate investigative action and where justified, corrective action, to address all concerns, in an objective manner without any retribution to associates who report such activities.

Retribution includes workplace harassment, prejudicial treatment or dismissal unrelated to documented performance issues.

In addition, recent amendments to the Criminal Code impact ATB Financial when an associate is alleging a breach of any federal or provincial law. Pursuant to section 425 of the Criminal Code, criminal liability can result if an employer takes action against an employee who reports to law enforcement personnel the “belief” that an offence under federal or provincial law has been or is about to be committed. There is no requirement for the allegation to be based on reasonable grounds or to be made in good faith. This Criminal Code provision overrides any right an employer might have had to take what would otherwise have been a legitimate legal action to enforce an employee’s duty to act with loyalty and in good faith towards the employer.

Moreover, one of the main objectives of the safe disclosure program is to help the Board and management deal with issues on a proactive basis and avoid negative consequences that may arise as a result of delayed action.

### **3 Objectives of Implementing a Safe Disclosure Program**

The implementation by ATB Financial of safe disclosure policies and procedures which supplement the Code, to deter and detect unethical or fraudulent activity will have a positive impact on the credibility of ATB Financial's public reporting, its reputation and on its ability to carry on business.

The implementation of adequate measures which supplement the Code, in relation to the prevention of unethical or fraudulent activity will also protect ATB Financial from exposure to potentially serious regulatory or legal intervention.

Beyond that, significant business repercussions associated with unethical or fraudulent activity (repercussions such as compromised associate engagement or threats to the ongoing economic viability of ATB Financial), can be limited through the implementation of a safe disclosure program.

### **4 Safe Disclosure Program**

A safe disclosure program shall be established consisting of the following elements:

- the safe disclosure program will supplement the existing Code and the related processes and procedures;
- the safe disclosure program will engage an independent third party outside of ATB Financial to which associates can report serious suspected unethical or fraudulent activity;
- the safe disclosure program will, as much as is practicable and unless otherwise required by law, not disclose the identity of associates reporting suspected unethical or fraudulent activity;
- the safe disclosure program will prohibit any retaliation by associates, management or the Board, against associates who, acting in good faith, report suspected unethical or fraudulent activity;
- the safe disclosure program will provide for the timely investigation and resolution of all serious reported suspected unethical or fraudulent activity; and
- the safe disclosure program will not apply to workplace issues related to occupational, health and safety performance management or allegations of harassment.

## **5 Foundation – The Code of Conduct and Ethics**

The Code applies to the personal behavior of all associates and as such is the foundation for the deterrence of unethical or fraudulent activity within ATB Financial.

ATB Financial is committed to maintaining the highest standards of integrity and ethical conduct in the work place. Associates, pursuant to the Code, have a responsibility to immediately notify their manager or another member of senior management, including Vice-Presidents, of any alleged or suspicious unethical or fraudulent activity by fellow associates. Disclosure by an associate pursuant to the safe disclosure program shall be considered adequate performance of this responsibility pursuant to the Code. Management is committed to listening to associates and taking appropriate investigative and corrective action.

## **6 Assignments and Responsibilities**

The safe disclosure program shall be integrated into existing organizational processes. No associate, branch or business unit can guarantee that no unethical or fraudulent activity is occurring through ATB Financial customer/client accounts. The safe disclosure program is part of an integrated control structure, and a collective and collaborative effort amongst all associates is necessary to control unethical or fraudulent activity within ATB Financial. Authority, responsibility and accountability for reporting suspected unethical and fraudulent activity shall be clearly defined throughout the organization.

### **6.1 Board of Directors**

The actions, choices and decisions of the Board influence the reputation of ATB Financial as a trustworthy financial institution. The Board has ultimate responsibility for ensuring the integrity of ATB Financial, including directing efforts to thwart unethical or fraudulent activity. To ensure the integrity of these efforts, management shall provide periodic reporting to the Board to satisfy the Board that ATB Financial is adhering to industry best practices in an effort to thwart unethical or fraudulent activity.

### **6.2 Ethics Review Committee**

The Ethics Review Committee is comprised of the President and Chief Executive Officer, the Vice-President, Human Resources and Vice-President, Legal & Corporate Secretary and Chief Compliance Officer, whose respective assignments and responsibilities in relation to this policy are described below. Ethical concerns or inquiries that cannot be resolved by the manager, another member of senior management or through the ATB Financial safe disclosure program may ultimately be addressed by the Ethics Review Committee.

## **6.3 *President and Chief Executive Officer (“CEO”)***

The CEO is ultimately responsible for ensuring that the business of ATB Financial is conducted in accordance with legal and regulatory requirements. The CEO also has a critical role in the communication of the strategic value of compliance with the Code to all associates, in ensuring adequate funding for efforts required to prevent and prosecute unethical or fraudulent activity and in reporting unethical or fraudulent activity to the Board.

## **6.4 *Vice – President, Human Resources (“VP Human Resources”)***

The VP Human Resources, has the authority to designate other associates, as deemed appropriate, as being available to discuss any concerns regarding suspected unethical or fraudulent activity and has responsibility for overseeing the safe disclosure program. This oversight role includes communicating the underlying strategy and the existence of the safe disclosure program, and training in regard to its use, to all associates. It also includes ensuring that no retaliation occurs against associates, using the safe disclosure program to report unethical or fraudulent activity. The VP Human Resources will report to the Chief Compliance Officer and to the Ethics Review Committee on the use and effectiveness of the safe disclosure program based upon reports from the independent third party.

## **6.5 *Chief Compliance Officer (“CCO”)***

The CCO provides independent oversight of suspected unethical or fraudulent activity and assists with the resolution thereof. The CCO is the point of contact for suppliers or other third parties, other than associates, who wish to report, suspected unethical or fraudulent activity of associates and is responsible for administering to those reports and managing the relationship with the supplier or third party as the investigation of the suspected activity proceeds. The CCO will report to the Board on such reports made by suppliers or other third parties.

The CCO has full access to information throughout the organization and will have adequate financial and other resources in order to identify potential ethics or fraud concerns where specific action may be required.

## **6.6 *Vice – President, Internal Audit (“VP Internal Audit”)***

The VP Internal Audit is responsible for ensuring that all reports of suspected unethical or fraudulent activity that are made through the safe disclosure program are investigated and resolved in a timely manner.

The VP Internal Audit has full access to information throughout the organization and will have adequate financial and other resources in order to adequately investigate suspected unethical or fraudulent activity.

## **6.7 Associates**

Associates having any reasonable suspicions that a fellow associate's conduct violates the Code, have an obligation to report their suspicions to either to their manager or another member of senior management or through the safe disclosure program. Provided associates have acted in good faith, there will be no repercussions to their employment as a result of bringing forward their concerns or enquiries, regardless of the outcome of any investigations.

## **7 Safe Disclosure Program Components**

### **7.1 Independent Third Party**

Pursuant to the Code, associates having any reasonable suspicions that a fellow associate's conduct is unethical or fraudulent have an obligation to report this to their manager or another member of senior management.

In the performance of this obligation, associates may choose to contact an independent third party, retained by senior management through the safe disclosure program, to make such disclosure of that conduct.

### **7.2 Confidentiality**

All calls to the safe disclosure program will be treated in the strictest of confidence and the identity of the caller will not be disclosed to ATB Financial without the consent of the caller, upon the receipt of the call. The independent third party will contact the CCO (or the member of senior management who may be designated, within the contract with the independent third party, to address the type of disclosure that was made), and jointly, arrangements will be made to have the matter investigated professionally and as discreetly as possible by ATB Financial Security. If the subject matter reported involves any member of senior management described in section 6, above, the independent third party will handle the matter, including the investigation, in consultation with the Chair of the Governance and Conduct Review Committee.

Callers to the safe disclosure program may choose to remain anonymous. In most cases of suspected unethical or fraudulent activity, the effective investigation of reports may require further contact with the reporting person. The safe disclosure program will include a method for the independent third party to contact the caller on a confidential basis to obtain further information. In certain situations, the ability to effectively complete investigations of the suspected unethical or fraudulent activity may require the callers to identify themselves to associates involved in the investigation. Any associate receiving such information is required at all times to keep the identity of the caller confidential and use such

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information only in the conduct of the investigation, subject to the authority to disclose such information to legal authorities.

## **7.3 No Retaliation**

Associates may feel uncomfortable reporting on a fellow associate, and may be reluctant to speak against their supervisor, management, or senior management. Associates may feel this way out of fear that they may suffer from retaliation, discrimination, alienation, stress, and loss of their jobs or even their careers.

ATB Financial is committed to protecting all associates who take steps to expose wrongdoing by prohibiting threats, retaliation, or discrimination against them. Any associate who experiences harassment as a result of reporting through the safe disclosure program should inform any member of the Ethics Review Committee or the Chair of the Governance and Conduct Review Committee. ATB Financial views harassment seriously, and will take appropriate disciplinary and/or corrective action, up to and including termination of the associate found harassing another associate having reported under this policy.

All of the foregoing requirements may be revised or amended from time to time, in which case, ATB Financial and the subsidiaries must comply with those revisions or amendments.