

BOARD POLICIES

Board Policy No. 3 - DIRECTORS' CODE OF CONDUCT			
NAME OF POLICY			
APPLICABLE SECTIONS OF THE ACT, BY-LAWS AND REGULATIONS	CPATA Act s. 8		
APPROVED BY	EFFECTIVE	REVIEW	REVISED
Name	July 29, 2021	Q4 2022	Date

INTRODUCTION

This Directors' Code of Conduct ("Code of Conduct") includes all items in Sections A through I, herein. The Code of Conduct has been approved by the Board and is intended to govern the conduct of the Directors and members of Committees. The principles in this Code of Conduct are the individual and collective responsibility of all directors.

Each director when appointed/elected or reappointed/re-elected is required to sign an undertaking regarding the Code of Conduct (Section G), which undertaking will apply for the term of office

In addition, each director is required to declare that they are not ineligible to act as a director (Section I).

A. CODE OF CONDUCT GUIDELINES

1. Responsibilities of Individual Directors

Each director is expected to become an active participant in the Board, a body that functions as a whole. In addition to assisting in the exercise of the major duties of the Board, including any College committees on which they serve, directors are responsible to exercise due diligence in the performance of their duties.

They are expected to:

- (i) Be informed of the College's Act, Regulations and By-laws, the College's Regulatory Objectives, Standards and Principles, this Code of Conduct, and any Board Policies as they pertain to the duties of a director;
- (ii) Keep generally informed about the activities of the College, the public interest it serves, and general trends in the sector in which it operates;

- (iii) Attend Board meetings regularly, serve on Board committees, and contribute from personal, professional and life experience to the work of the Board;
- (iv) Exercise the degree of care, diligence and skill expected of a director;
- (v) Exercise the degree of care, diligence and skill that a person of ordinary prudence would exercise in dealing with the property of another person;
- (vi) Be independent and impartial;
- (vii) Not be influenced by self-interest, outside pressure, political considerations or fear of criticism;
- (viii) Not knowingly permit the director's personal interests to conflict with their duties and powers as a director;
- (ix) Act with honesty and integrity and conduct themselves in a manner consistent with the nature and the responsibilities of a director and in such manner as will maintain public confidence in the conduct of the Board's business;
- (x) Offer their perspectives and opinions on issues that are the subject of Board discussion and decision;
- (xi) Voice, clearly and explicitly at the time a decision is being taken, any opposition to a decision being considered by the Board;
- (xii) Maintain solidarity with fellow directors in support of a decision that has been made in good faith in a legally constituted meeting, by directors in reasonably full possession of the facts;
- (xiii) Ask the directors to review a decision, if they have reasonable grounds to believe the Board has acted without full information or in a manner inconsistent with the directors' fiduciary obligations;
- (xiv) Work with the staff of the College on matters within the mandate of the Board or its committees;
- (xv) Know and respect the distinction between the roles of directors and the roles of staff, and work with and treat staff in a manner that is consistent with that distinction and the principles underlying the Board's governance policies;
- (xvi) Exercise vigilance in identifying, and declare, any real, potential or perceived conflict of interest in accordance with the Conflict of Interest Guidelines herein, and the College's By-laws.

2. Conduct of Directors

At all times directors will conduct themselves in a manner that:

- (i) Supports the Regulatory Objectives of the College;
- (ii) Serves the overall best interests of the College rather than any particular constituency;
- (iii) Brings credibility and good will to the activities of the Board and of

- the College;
- (iv) Respects principles of fair play and due process;
 - (v) Demonstrates respect for individuals in all manifestations of their diversity and life circumstances;
 - (vi) Demonstrates a posture and attitude of professionalism and respect towards others and avoids any form of harassment;
 - (vii) Respects and gives fair consideration to diverse and opposing viewpoints;
 - (viii) Demonstrates due diligence and dedication in preparation for and attendance at meetings, special events and in all other activities on behalf of the Board;
 - (ix) Act consistently with the College's Regulatory Standards and Principles and demonstrates good faith, prudent judgment, honesty, transparency and openness in his or her activities on behalf of the College;
 - (x) Oversees the financial affairs of the College so they are conducted in a responsible and transparent manner with due regard for a director's fiduciary responsibilities and public trusteeship;
 - (xi) Avoids real, potential or perceived conflicts of interest;
 - (xii) Conforms with the By-laws and Board Policies approved by the Board, and in particular this Code of Conduct;
 - (xiii) Conforms with any obligations or duties of directors under applicable legislation;
 - (xiv) Publicly demonstrates acceptance, respect and support for decisions legitimately taken in transacting the Board's business.

3. Performance Monitoring

The directors collectively, operating as the Board, recognize their collective responsibility to monitor the performance of the College, and to measure and account for its results. In addition to the annual performance evaluation of the CEO, the College's performance will be assessed by the Board, through a systematic process of evaluations that will include:

- (i) Evaluation of the Board's effectiveness to identify strengths and weaknesses in governance structures and processes and to suggest priorities for further attention;
- (ii) Directors' self-assessments to help individual directors and the Chair of the Board to assess the "added value" that each director brings to the College, whether each director has met the expectations set by the Board, whether each director continues to be committed to serving on the Board and whether each director has complied with the requirements of this Code of Conduct.
- (iii) One on one meetings between each director and the Chair of the Board to assess individual director's perspectives on Board and corporate performance.
- (iv) Development of a system that demonstrates the impact or outcomes of the College's regulatory mandate including the effectiveness of all regulatory processes, decision making and the communication and implementation of

regulatory decisions.

4. Contracts with Former Directors

Nothing in this Code of Conduct prohibits the College from awarding a contract to a former member of the Board provided that the procedure followed for awarding such contract is in accordance with the College's established practices.

5. Gifts and Hospitality

Directors must not directly or indirectly offer or accept cash payments, gifts, gratuities, privileges or other personal rewards that are intended to influence the activities or affairs of the College. Directors may give or receive modest gifts or hospitality as a matter of general and accepted business practice, provided they do not include cash or other negotiable instruments and provided proper accounting is performed for any such expenses.

B. FIDUCIARY OBLIGATION GUIDELINES

1. Directors owe a fiduciary obligation to the College.
2. A fiduciary obligation requires a director to act loyally, honestly, in good faith and in the best interests of the College, to avoid conflicts of interest, avoid using the position of director for his or her own benefit, and to keep the College's information confidential.

C. CONFIDENTIALITY GUIDELINES

1. In these Confidentiality Guidelines, "confidential information" includes, without limitation:

any secrets, trade secrets, processes, ideas, materials, documents, business plans, business forecasts, strategies, professional or expert opinions, bids, estimates, proposals, proprietary information, financial information, or any other information whatsoever, whether in verbal, written or any other form, relating to any and all aspects of the business and activities of the Board, its committees or the College, which is not known to persons outside of the committee, the Board or the management of the College and any personal information, whether or not it is known by any other person, that a director learns as a result of his or her position as

a director.

2. As a public interest regulator, the College operates in the public domain, conducts its Board business in public, discloses regulatory decisions and operates in an open and transparent manner. The obligations relating to confidential information relate to materials, information and matters that have not been disclosed in the fulfillment of the College's public interest mandate.
3. All communications between directors or directors and management are confidential unless disclosure is authorized by the Chair, Board Policies or required by law.
4. Directors must adopt reasonable precautions in dealing with confidential information so as to prevent its unauthorized use or disclosure.
5. Except as directors may be compelled by applicable legal process, each director must, both while serving as and after ceasing to be a director, treat all information regarding the policies, internal operations, systems, business or affairs of the College that they obtain by reason of their status as a director and that would not otherwise be available to them, as confidential information.
6. Duplication and disclosure of confidential information (written or oral) other than for the purposes of carrying out directors' duties or as between directors requires advance written consent of the Chair.
7. It is the responsibility of each director to know what information is confidential and to obtain clarification when in doubt.
8. A director must not use information obtained because of involvement on the Board for their personal benefit. Each director must avoid activities that may create a perception the director has benefited from acquiring confidential information during the course of being a director.
9. Directors must inform themselves of the general obligations of the College respecting personal information and ensure their own actions are consistent with the College's obligations to protect and handle such information in a secure manner and in accordance with applicable laws.
10. When a director ceases to be a director of the College, they must return forthwith to the CEO every copy of any confidential information (including all notes, records and documents pertaining to acting as a director) in the director's possession or under his or her control at that time.

D. CONFLICT OF INTEREST POLICY

Directors are required to comply with these Conflict of Interest Policy in fulfilling their duties as directors of the College.

At all times directors act in the best interests of the College rather than in their own or any particular constituency's interests. This means setting aside personal self-interest and performing a director's duties in transacting the affairs of the College in such a manner

that promotes public confidence and trust in the integrity, objectivity and impartiality of the Board, the College's regulatory committees and all regulatory decision making. Beyond the approved remuneration for directors, no director directly or indirectly receives any profit from their position, other than reasonable expenses incurred in the performance of their duties. The pecuniary interests of immediate family members or close personal or business associates of a director are considered to also be the pecuniary interests of the director.

1. Definition of conflict of interest

A conflict of interest refers to a situation in which personal, occupational or financial considerations affect or appear to affect the objectivity or fairness of the actions, decisions or deliberations of the Board or individual directors.

Directors are in a "conflict of interest" whenever they, or members of their family, business partners or close personal associates, may personally benefit directly or indirectly, financially or otherwise, from the director's position on the Board.

A conflict of interest may be "real", "potential" or "perceived"; in each case, there exists the same duty to identify and disclose the conflict. Full disclosure does not eliminate a conflict of interest.

Pursuant to ss. 14 and 17 of the Act, a conflict of interest exists if a director is a member of an association whose primary purpose is to represent the interests of persons who provide advice on patents or trademarks

2. Principles for dealing with conflict of interest

- (i) Directors must openly disclose a potential, real or perceived conflict of interest as soon as the issue giving rise to the conflict arises and before the Board or a committee deals with the matter.
- (ii) If the director is not certain whether there is a conflict of interest, the matter may be brought to the Chair for advice and guidance. Where a conflict of interest issue arises in the context of a College committee, the director brings the matter before the Chair of the committee.
- (iii) If there is a question about the existence of a conflict, the Board, absent the director whose interest is involved, determines by majority vote if a conflict exists.
- (iv) Directors, who are aware of a real, potential or perceived conflict of interest on the part of a fellow director, should raise the issue for clarification, first with the director in question and, if unresolved, with the Board chair.
- (v) A director in a real, potential or perceived conflict of interest must abstain

- from participation in any discussion on the matter, not attempt to personally influence the outcome, refrain from voting on the matter and, leave the meeting room for the duration of any such discussion or vote.
- (vi) The disclosure and decision as to whether a conflict exists is to be recorded in the minutes of the meeting. The time the director left and returned to the meeting is also recorded.
 - (vii) The failure of a director to comply with the procedures outlined in this Conflict of Interest Policy does not, of itself, invalidate any decision or action of the Board.

3. Examples of conflict of interest on the part of a director:

The following is a non-exhaustive list to assist a director to determine whether a conflict of interest exists:

- (i) Any circumstance that may result in a personal or financial benefit to a director or their family member, business associate or close personal associate. This includes, but is not limited to, accepting any payment for services rendered to the College, including contracted work or honoraria; accessing financial or other resources for personal use, i.e., transportation, training costs, supplies, equipment, etc.
- (ii) Personal interests that conflict with the interests of the College.
- (iii) Seeking, accepting or receiving any personal benefit from a supplier, vendor, or any individual or organization doing or seeking business with the College.
- (iv) Being a member of the Board or staff of another organization that has or might have material interests that conflict with the interests of the College ; and dealing with matters on one Board that might materially affect the other Board.
- (v) Any involvement in the hiring, supervision, grievance, evaluation, promotion, remuneration or firing of a family member, business associate, or close personal associate of the director.
- (vi) Individuals who serve as directors on the same board with members of their family or others with whom they have a direct business or close personal relationship will be subject to an immediate perception of apparent conflict of interest.

E. COMPLAINTS AND DISPUTES INVOLVING DIRECTORS

- (i) The Board, in a meeting called for this purpose, reviews complaints a director has violated any provision of this Code of Conduct.
- (i) The Board Chair similarly reviews disputes between directors that interfere with the ability of the Board to carry on its business.
- (ii) Complaints of a grave nature may be referred to an independent arbiter.
- (iv) Allegations of illegal activity or misconduct must be immediately referred to

police, to a professional regulatory body, or other appropriate authorities for investigation. Any director against whom such allegations are made must take a leave of absence from the Board pending completion of the investigation.

- (v) The review of a complaints or dispute must include an opportunity for the director concerned to present their positions.
- (vi) Every attempt is to be made to resolve such matters expeditiously and fairly.
- (vii) The ruling of the Board is final. Should the director refuse to abide by the ruling, the Board may table the matter pending determination of disciplinary action. Such action may include formal or informal censure by the Chair, suspension or a request for the director's resignation.

DIRECTOR'S UNDERTAKING REGARDING THE CODE OF CONDUCT

(To be executed at the time of appointment or re-appointment)

The execution of this Undertaking confirms that I, _____, as a director of the College of Patent Agents and Trademark Agents, agree to act in accordance with the Code of Conduct throughout my tenure as a director and as applicable, after I cease to be a director.

I understand and acknowledge:

1. As a director, I have fiduciary obligations to the College and the relationship between me and the College is that of mutual trust. I will always act loyally, in good faith, in the best interests of the College and in accordance with the Fiduciary Obligation Guidelines set out in the Directors' Code of Conduct.
2. As a director, I will always endeavour to avoid conflicts of interest and if a conflict of interest arises, I will address it in accordance with the Conflict of Interest Policy.
3. As a director, I have and will continue to have access to confidential information, the disclosure of which may be detrimental to the best interests of the College or its licensees. I will keep confidential all confidential information of which I become aware because of my participation on the Board or a College committees, and act in accordance with the Confidentiality Guidelines.

I undertake and agree:

- (i) I have read the attached Directors' Code of Conduct in its entirety. I understand my obligations and agree to be bound by them.
- (ii) Any breach of this undertaking by me constitutes a breach of my standard of care and fiduciary obligations to the College.
- (iii) If I breach this undertaking, I may, upon resolution of the Board, be removed as a director in addition to any other remedies the Board or College may

determine are appropriate.

- (iv) The obligations contained in this Undertaking continue after I cease to be a director.
- (v) This Undertaking is governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable thereto.
- (vi) Any provision of this undertaking that is invalid or unenforceable does not affect any other provision and is deemed to be severable.
- (vii) Receipt of a facsimile or electronic version of an executed signature page of this Undertaking constitutes satisfactory evidence of execution of this Undertaking.

IN WITNESS WHEREOF I have set my hand this ____ day of ____, 20__.

Date

Signature of Director

Name of Director

CONSENT TO ACT AS A DIRECTOR

TO: College Of Patent Agents and Trademark Agents

AND TO: The Directors of the College

-
1. I consent to serve as a director of the College and agree to my re- election or re-appointment from time to time until I revoke this consent, my term expires or I resign from the Board of Directors, in which case this consent will cease to have effect from the later of: (i) the College's receipt of my revocation or resignation, and (ii) the effective date of such revocation or resignation as stated therein.
 2. I consent to the participation by any director of the College in a meeting of the Board of Directors, or of a committee of the Board, by means of telephone, electronic or other communications facilities that permit all participants to communicate adequately with each other during the meeting, such consent to continue in effect unless revoked by an instrument in writing delivered to the Colleges.
 3. I certify that:
 - i. I am at least 18 years of age;
 - ii. I do not have the status of a bankrupt;
 - iii. I am not a member of an association whose primary purpose is to represent the interests of persons who provide advice on patents or trademarks;
 - iv. Within the last 12 months, I have not been a member of the governing body or a steering committee of an association referred to in (iii) above;
 - v. If I am appointed to the Board, I am not
 - a. a licensee, or
 - b. an employee of a department as defined by s. 2 of the Financial Administration Act (Can.)
 - vi. If I was elected to the Board, I
 - a. do not hold a licence that has been suspended;
 - b. am not otherwise ineligible to be a director.

DATED as of the ___ day of _____, 20 __.