

# Stabilization Central

— CREDIT UNION —

**STABILIZATION CENTRAL CREDIT UNION  
OF BRITISH COLUMBIA**

**MARKET OF CONDUCT**

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## **STABILIZATION CENTRAL CREDIT UNION MARKET OF CONDUCT**

### **OUR MARKET CODE PRINCIPLES:**

Stabilization Central Credit Union, through its principles-based Market Code of Conduct (the “**Code**”), recognize and pledge to achieve best practices for soliciting, promoting, advertising, marketing, selling, or distributing products or services. The Code aligns with Stabilization Central’s Employee Code of Conduct, and further demonstrates our commitment to the fair treatment of those who use our services. We believe in fair business practices, transparency and openness, and a fair and proportionate approach to settling complaints.

Stabilization Central operates within a strong legal and regulatory framework. In addition to the best practices set out in the Code, we comply with applicable legislative and regulatory obligations. Our best practices can be summarized in four key principles:

1. **Business Practices:**  
We are committed to ethical business practices and the best interests of our members. It is a core component of our governance and corporate culture.
2. **Fair Treatment and Member Service Practices:**  
Treating members fairly, acting in good faith and demonstrating fair service practices at all times are integral parts of our business practices.
3. **Transparency and Disclosure:**  
We will be transparent with those who use our services, and meet our disclosure obligations with our partners, regulators, and other governing bodies.
4. **Complaints:**  
We have clear processes for resolving and escalating complaints. We investigate complaints and work to settle them fairly and in a timely manner.

## **IMPLEMENTATION AND COMPLIANCE**

### **Preamble:**

Unlike our member credit unions, Stabilization Central offers strictly business-to-business services, with no retail or consumer-facing operations. Nonetheless, like any credit union, we are still wholly owned by our members, who elect our Board of Directors and who share in our success. Stabilization Central's services are often mandated by the regulator, not chosen by the credit union. As a result, Stabilization Central needs to ensure that our conduct reflects our ability to support with both the regulator and the credit union in mind. This code reflects our commitment to our members.

### **Applicability and Implementation:**

Effective June 30, 2022, each credit union in British Columbia will be required to adopt a code of market conduct to promote the fair treatment of the credit union's members, account holders and consumers, and to file a copy of their code of market conduct with the BC Financial Services Authority ("**BCFSA**").

Stabilization Central will demonstrate its commitment to this Code by:

- Completing an annual self-assessment assessing its adherence to the Code;
- Reporting the results of the annual assessment to the Board of Directors in accordance with section 1.3.

### **Code Reviews:**

Stabilization Central will review this Code, and update it if needed, at least once every three (3) years.

## **DEFINITIONS:**

For the purposes of this Code the following words shall have the meanings ascribed to them below. Wherever a plural expression is defined below, that expression is considered as including the singular where required by the context:

**“Agreement”** is a legally binding arrangement between Stabilization Central and a Member.

**“Board”** means Stabilization Central’s Board of Directors;

**“Code”** means this Market Conduct Code;

**“Complaint”** includes any expression of dissatisfaction about a Product or Service received by Stabilization Central;

**“Marketing Materials”** includes any materials Stabilization Central makes available to any entity for the purpose of making that entity aware of any Stabilization Central Products or Services, including materials in print and electronic form;

**“Member”** means a BC credit union is a member of Stabilization Central;

**“Products”** includes all products offered by Stabilization Central;

**“Senior Management”** includes personnel who are members of Stabilization Central’s Management Team;

**“Services”** includes any activities involved in accepting and safeguarding money from Stabilization Central’s members;

**“Terms and Conditions”** refers to the set of rules the member agrees to abide by in order to acquire and/or use a Stabilization Central Product or Service, including, but not limited to, fees and account structures;

**“Whistleblower”** means employees of Stabilization Central or its member credit unions who report suspected unethical conduct in anonymity by way of Stabilization Central’s Confidence Line.

## **1. BUSINESS PRACTICES:**

*We are committed to ethical business practices with Members who use our products and services. It is a core component of our governance and corporate culture.*

### 1.1 Business Culture

Stabilization Central promotes an ethical “fair treatment” business culture in which its strategic decisions and day-to-day conduct reflect a corporate commitment to the fair treatment of all Members. This commitment is underlined in the Employee Code of Conduct which is annually signed off on by employees, Board members and third-party contractors.

### 1.2 Governance and Accountability

Stabilization Central’s Board, as elected by Stabilization Central’s membership, is responsible for overseeing Senior Management’s implementation and adherence to this Code and for ensuring the overall fair treatment of Members. Stabilization Central will implement a policy and/or procedure that sets out:

- the requirement to promote a “fair treatment” corporate culture, as per section 1.1;
- which Board Committee will be responsible for ensuring adherence to this Code; and
- that the Board will review the report set out in section 1.3 and take necessary action to ensure deficiencies noted in the report are remedied, in a manner that is best suited to Stabilization Central.

### 1.3 Reporting to the Board

At least annually, Senior Management will be responsible for reporting to the Board on Stabilization Central’s adherence to the principles in this Code, including the results of an annual self-assessment that is required to be filed by January 31 of each year.

### 1.4 Protection of Personal Information

Stabilization Central will safeguard, collect, use and disclose personal information in accordance with the Personal Information Protection and Electronic Documents Act (Canada) and the Personal Information Protection Act (British Columbia), as more particularly described in Stabilization Central’s Privacy Management Standard.

### 1.5 Whistleblowing

Stabilization Central provides a channel through which Whistleblowers can report suspected unethical conduct in anonymity while respecting the rights of those about whom concerns are raised, to address or answer those concerns.

Stabilization Central has a procedure in place for employees to report incidents of actual or potentially improper or unethical conduct, without fear of reprisal or unwarranted negative consequences. Whistleblowers will be protected, to the extent possible under the circumstances, as described in Stabilization Central’s procedures.

Stabilization Central’s Board is responsible for periodically reviewing, approving, and maintaining all relevant policies associated with the Code. Senior Management is responsible for managing, monitoring and controlling Stabilization Central’s operations, in accordance with the Code and associated policies and procedures.

### 1.6 Confidentiality

Stabilization Central’s employees, Board and third-party contractors will maintain confidentiality of its members, particularly as it relates to products and services being offered.

## **2. FAIR TREATMENT AND FAIR MEMBER SERVICE PRACTICES:**

*Treating members fairly, acting in good faith and demonstrating fair member service practices at all times are integral parts of our business practices.*

### **2.1 Fair Treatment**

Stabilization Central will treat Members fairly during their dealings. This section 2.1 (including subsections) sets out what fair treatment means and is meant as a minimum standard for fair treatment.

#### **2.1.1 Discrimination**

Unless the distinction is required or justified by any law, Stabilization Central will not discriminate against individuals for any reason set out in the British Columbia *Human Rights Code*, as found [here](#).

#### **2.1.2 Take Advantage**

Stabilization Central will not knowingly take advantage of any person or entity through manipulation, concealment, misrepresentation of facts, unfair dealings, or unethical activity. Similarly, Stabilization Central will not abuse its authority when engaged by BCFSa to support a member.

#### **2.1.3 Conflicts of Interest**

Where conflicting interests compete with Stabilization Central's duty of care owed to Members, risks may be created. Stabilization Central will take all reasonable steps to identify, and avoid or manage, conflicts of interest.

### **2.2 Fair Business Practices**

Stabilization Central provides accurate Product and Service information to assist Members in making appropriate Product and Service choices. This section 2.2 (including subsections) sets out what fair business practices means and is meant as a minimum standard.

#### **2.2.1 Product and Service Advertising and Promotion**

Stabilization Central will ensure its advertising, marketing materials, and communications are fair, accurate, clear, not deceptive or misleading.

#### **2.2.2 Appropriate Products and Services**

Stabilization Central will provide Members information on the Products or Services as part of any Stabilization Services, Elective Services or through the Master Bond Program.

#### **2.2.3 Risk Management**

Stabilization Central may apply, to the extent necessary, reasonable requirements on Members as a condition of acquiring a Product or Service in order to manage risk, costs, or to comply with any laws that apply to Stabilization Central.

## **3. TRANSPARENCY AND DISCLOSURE:**

*Stabilization Central considers the needs of its members, provides clear and transparent disclosure and uses plain-language when describing products and services in its communications to ensure members make informed decisions.*

### **3.1 Properly Informed Decisions**

Stabilization Central will facilitate Members' ability to make properly informed decisions about a Product or Service, by:

- providing information that is:
  - clear about terms and conditions, exclusions or limitations,
  - up-to-date,
  - does not hide, diminish, or obscure important statements or warnings, but rather makes sure important information is disclosed;
- answering any questions asked about a Product or Service;
- disclosing any conflicts of interest (if applicable).

### 3.2 Legally Required Disclosure

As a minimum standard, Stabilization Central will disclose all legally required information. For example, as set out in provincial legislation or as set out in Agreements between Stabilization Central and its Members.

### 3.3 Disclosure after a Product or Service is Acquired

Stabilization Central will keep members informed by providing regular statements (as appropriate), by providing notice of changes to service charges, and by advising members when Terms and Conditions change. This will be done in accordance with the "Notice" section in this Code (subsection 3.5.1).

### 3.4 Providing Product or Service-Related Documentation

When a Member engages Stabilization Central for a product or service, a final copy of the documentation associated with that Product or Service will be made available to the member.

### 3.5 Notices

#### 3.5.1 Changes to Terms and Conditions

Stabilization Central will notify Members of changes to Terms and Conditions in accordance with applicable disclosure legislation, or as set out in the respective Product or Service Agreement.

Where notice is not set out in legislation or the respective Agreement, Stabilization Central will provide notice, as follows:

#### **Change to Terms and Conditions**

Notice will be provided and maintained for, at a minimum, **30 days after** the change(s) take effect. Stabilization Central can make changes to the Terms and Conditions to correct non-substantive, clerical errors without notice to Members.

Notice will be provided and maintained by mail, statement message, or electronically.

## **4. COMPLAINT HANDLING:**

*We examine complaints and have clear processes for resolving escalating complaints. We work to settle them fairly and in a timely manner, and we track complaints to help ensure our practices continue to improve.*

### 4.1 Complaint Handling Procedures and Processes



Stabilization Central will establish a 'complaint handling' policy and/or procedure for resolving Complaints fairly and transparently. The 'complaint handling' procedure will outline the process for handling Complaints internally and externally, including the levels of severity required for the purposes of record keeping, as well as appropriate action to be taken. Stabilization Central will designate an individual (e.g. Corporate Secretary) to be responsible for overseeing the complaints handling processes. (Attached as Appendix A).

Stabilization Central will make available to Members its complaint handling policy and/or procedure and the contact information for accessing the service.

#### 4.2 Handling Complaints

Stabilization Central will handle Complaints in a fair and transparent manner and responses will be timely.

#### 4.3 Record Keeping

Stabilization Central's 'complaint handling' policy or procedure will outline record keeping, level of severity and appropriate action taken. Examples include: the level of severity for alleged loss of funds to due action or inaction by Stabilization Central, mistreatment of a member, adjudication of claims, etc.

#### 4.4 Reporting Complaints

Stabilization Central will report to the Board, at least annually, on the number of complaints received, the general nature of those complaints, and how those complaints were dealt with. The types of complaints that require reporting and/or responding to by the Board will be set out in the complaint handling procedure.