

## Code of Professional Conduct

This Code of Conduct applies to all Certified Members. The purpose of this Code of Professional Conduct (the ‘Code’) is to

identify those professional obligations that serve to protect the public in general, the client in particular, and the reputation of the profession of Certified Management Consultants (the ‘Profession’).

The Code also clearly identifies each Institute’s expectations of Certified Members with respect to the Profession and to other Certified Members of the Institute. Certified Members are bound by the terms of this Code and acknowledge that a breach of this Code may lead to disciplinary action, as set out in the Bylaws of each Institute.

### 1.0 RESPONSIBILITIES TO THE PUBLIC

#### 1.01 LEGAL

---

- 1.01.1 Certified Members shall be aware of and comply with all applicable legislation and laws at all times.
- 1.01.2 Certified Members shall not cause any person or persons to contravene any applicable legislation or laws at any time.
- 1.01.3 Certified Members shall not serve or act on behalf of any person or persons who cause(s) or will cause the Certified Member to contravene any applicable legislation or laws at any time.

#### 1.02 REPRESENTATION

---

- 1.02.1 Certified Members shall not make public statements on behalf of an Institute or its Members unless authorized in writing to do so.
- 1.02.2 Certified Members asked by another person or party to make a representation on behalf of an Institute, or its Members, shall, as appropriate, either:
  - 1. Refer the request to a designated spokesperson(s) of the Institute; or
  - 2. Ask the Institute for authorization.
- 1.02.3 Certified Members who wish to speak on behalf of an Institute shall secure the proper written authorization before doing so.

#### 1.03 PUBLIC PROTECTION

---

- 1.03.1 The public has the right to have confidence in Certified Members (individually and collectively) and, therefore, any actions of the Certified Member that jeopardize such trust will be considered “acting in a manner unbecoming to the Profession,” including:
  - 1. A violation of any applicable legislation or laws.
  - 2. A breach of this Code; and/or
  - 3. Any actions inside or outside of the context of the Profession that may be or, may be perceived to be, detrimental to the Profession.
- 1.03.2 Certified Members who breach this Code shall be liable for suspension or expulsion from membership in their Institute or other penalties, in accordance with the terms of the disciplinary procedures of their Institute.

## 2.0 RESPONSIBILITIES TO THE PROFESSION

### 2.01 KNOWLEDGE

---

- 2.01.1 Certified Members shall maintain their knowledge and understanding of this Code and the Common Body of Knowledge, referenced on the web site of CMC-Canada (cmc-canada.ca), including any amendments or updates to it.
- 2.01.2 Certified Members shall develop their skills and knowledge beyond the fundamentals described in the Common Body of Knowledge, particularly in their area(s) of preferred practice, to a level that is consistent with the needs of their clients and comparable to the services provided by other consultants in the same field.

### 2.02 SELF DISCIPLINE

---

- 2.02.1 Certified Members shall strive to discipline themselves to maintain the high standards of professional and ethical practice reflected in this Code.
- 2.02.2 Certified Members have the right to trust that other Certified Members will conduct themselves appropriately and, therefore, any actions, which mitigate that trust, will be considered acting in a manner unbecoming to the Profession.
- 2.02.3 Certified Members who act in a manner unbecoming to the Profession are subject to being reported to their Institute by other Members.
- 2.02.4 Certified Members shall report to their Institute and/or encourage those clients or members of the public affected to so report, the behaviour of any Certified Member they perceive to constitute acting in a manner unbecoming to the Profession.

### 2.03 RESPONSIBILITIES FOR OTHERS

---

- 2.03.1 In addition to being responsible for their own advice and actions, Certified Members shall ensure that any and all management consultants, who work under their leadership on consulting assignments, understand and comply with this Code. These management consultants include the Certified Member's peers, employees, and/or subcontracted associates.
- 2.03.2 Certified Members shall be responsible for any breach of this Code reported to their Institute with respect to any Certified Member of his or her consulting team and will be liable to the same actions and consequences that would apply if the Certified Member alone failed to comply with the Code where it is determined that the Certified Member was aware, or ought to have been aware, of the breach.

## 2.04 IMAGE

---

- 2.04.1 Certified Members shall ensure that their behaviour is consistent with and reinforces a positive public image of the Profession.
- 2.04.2 Certified Members shall ensure that their activities will not conflict or be seen to conflict with their integrity, objectivity, or independence.
- 2.04.3 Certified Members shall ensure that their physical and emotional state is consistent with the requirements of client work, particularly when developing or providing professional advice.
- 2.04.4 Certified Members shall ensure that all their business affairs as consultants and otherwise shall comply with all applicable legislation and laws, as well as this Code.

## 3.01 REVIEW OF A CERTIFIED MEMBER'S WORK

- 3.01.1 A Certified Member's work shall be deemed to be under critical review if a client, or the client's representative or advisor, asks another Certified Member to review and comment on any of the Certified Member's written reports, memoranda, or working files.
- 3.01.2 Certified Members shall not accept a request to conduct a review of another Certified Member's work if they have a conflict of interest.
- 3.01.3 Certified Members shall inform other Certified Members in writing whose work they have been asked to review.
- 3.01.4 The results of a review of a Certified Member's work shall be communicated with the Certified Member in question unless such discussion would jeopardize client confidentiality or other obligations to the client.
- 3.01.5 At the request of the Institute's Professional Conduct and Discipline Committee, the Institute may request one or more Certified Members to review the work of another Certified Member. In such cases, the Committee shall establish the terms of reference for the review.

## 4.0 RESPONSIBILITIES TO THE CLIENT

### 4.01 DUE CARE

---

- 4.01.1 Subject to compliance with applicable legislation and this Code, Certified Members shall recognize the interests of the client organization overall as paramount in every assignment.

- 4.01.2 Certified Members shall not promote services, accept engagements, conduct work, or provide advice to clients that is in any way to the Certified Member's advantage or potential advantage while to the client's, or the public's disadvantage or potential disadvantage.
- 4.01.3 Certified Members shall not accept or conduct work that is in the interest of any individual or group within the client organization if the work would, in any way, be detrimental or not serve the best interests of the overall organization.
- 4.01.4 Certified Members shall not accept or conduct work that is in the interest of any individual or group external to the client organization if the work would in any way be detrimental or not serve the best interests of the overall organization.
- 4.01.5 Certified Members shall always provide objective and independent advice. Certified Members must not allow their objectivity and independence to be influenced by any individual or group either within or external to the client organization.
- 4.01.6 Certified Members shall not guarantee specific quantitative results that are beyond their direct control.
- 4.01.7 Certified Members shall respond to client requests for quantification of intended benefits or results, or for risk-sharing approaches, where the total fees for the member will be related to the benefits or results realized, by specifying as a minimum:
1. The client's responsibilities related to the intended benefits or results;
  2. Identifying the risks and assumptions associated with realizing the intended benefits or results;
  3. Identifying the measures to be used; and,
  4. Clearly communicating these elements to the client.

## 4.02 BUSINESS DEVELOPMENT

---

- 4.02.1 Certified Members shall not criticize other Certified Members, either directly or indirectly, in an attempt to secure business or in any other aspect of their professional work.
- 4.02.2 Certified Members shall not participate in misleading advertising, pressure tactics, or other unprofessional methods of obtaining business.

## 4.03 COMPETENCE

---

- 4.03.1 Certified Members shall not present themselves as qualified to conduct an assignment without having both the relevant education and practical experience to do so.

- 4.03.2 Certified Members shall not undertake assignments for which they do not have relevant qualifications including education and experience even if a client, aware of this limitation, specifically requests that they do so.
- 4.03.3 Certified Members shall specify in writing their relevant qualifications and those of any and all other management consultants proposed for the engagement.
- 4.03.4 Certified Members shall describe how their qualifications will be applied in the engagement as well as how the qualifications of each member of the consulting team will be applied.
- 4.03.5 Certified Members shall also describe their role in the engagement and the role of each member of the consulting team.

## 4.04 INFORMED CLIENT

---

- 4.04.1 Certified Members shall confirm in writing the terms of reference for an assignment.
- 4.04.2 Written terms of reference shall confirm:
1. Assignment objectives;
  2. Steps, milestones, and deliverables in the proposed work plan;
  3. Timeline of steps, milestones, deliverables, and completion date;
  4. Names, relevant qualifications, and role of each consultant proposed;
  5. Fees; and,
  6. Billing arrangements including how all expenses, disbursements and applicable taxes will be handled.
- 4.04.3 Certified Members shall not begin an assignment until the client has accepted the written terms of reference.

## 4.05 FEE ARRANGEMENTS

---

- 4.05.1 Certified Members shall confirm in writing the budget and billing arrangements related to professional fees, expenses, disbursements, and applicable taxes.
- 4.05.2 Should the terms of reference change during the course of the assignment, Certified Members shall ensure that any corresponding impact on fees, expenses, disbursements, taxes, or billing arrangements are communicated to the client and agreed to in writing.
- 4.05.3 Certified Members shall not permit for budget or time management purposes, a reduction in consulting time or in senior consulting involvement in an assignment if, as a

result, the quality of service will be below that described in the terms of reference

- 4.05.4 Certified Members shall not undertake assignments of a scale or magnitude where the proposed fee arrangements are such that they represent a substantial business risk for the client.

## 4.06 Conflict

---

- 4.06.1 Certified Members shall not accept assignments with their clients' competitors or with other organizations where the assignments would conflict with the interests of their clients without the permission of all of the parties involved.
- 4.06.2 Subject to any confidentiality obligations to a client, Certified Members shall disclose to a client or prospective client any personal, professional, or other business interests that may jeopardize the client's confidence in their integrity or objectivity or their capacity to provide independence.
- 4.06.3 Certified Members shall follow the instructions of a client within applicable legislation, laws and this Code, with regard to the client's interests. If this is not possible, Certified Members shall withdraw from the assignment.
- 4.06.4 Certified Members shall not recruit to their own firm, or refer to other firms, any employee with whom the Certified Member is working as part of an assignment for a client unless the client has been informed and has granted consent in advance.

## 4.07 CONFIDENTIALITY

---

- 4.07.1 Certified Members shall not disclose any confidential client information without the specific consent of the client and shall, if exposed to any personal information of a third party, comply with the privacy policies of the client at all times.
- 4.07.2 Certified Members shall store confidential client information and third-party personal information in accordance with the policies of the client and, in any event, in such a fashion that through diligence and normally accepted administrative practices, it is possible to safeguard the information at all times.
- 4.07.3 Certified Members must treat any and all information obtained from a client as confidential unless otherwise directed by the client, but in no circumstances shall the Certified Member disclose information to another party that is protected by applicable legislation and laws.

- 4.07.4 Upon terminating an assignment, Certified Members shall offer to return to the client any and all material pertaining to the engagement and any third-party personal information obtained from the client.

- 4.07.5 If confidential client information that has been obtained by a Certified Member or if any third-party personal information obtained from the client is, at any point in time, exposed to individuals beyond the Certified Member's direct authority to control, the Certified Member shall inform the client immediately and take appropriate action to protect the client's interests.

- 4.07.6 Certified Members shall encourage clients to classify sensitive information and if at all possible, shall refrain from taking possession of sensitive information.

- 4.07.7 Certified Members shall keep the client informed as to the location and condition of storage of any and all information that has been deemed to be confidential or contains third party personal information.

- 4.07.8 Certified Members shall refrain from making public statements that may directly or indirectly lead to the disclosure of confidential client information or third-party personal information obtained from the client.

- 4.07.9 The rules pertaining to confidential client information shall not apply to compliance with a validly issued and enforceable subpoena and summons as long as disclosure of the information is not in violation of applicable legislation and laws.

## 4.08 OBJECTIVITY

---

- 4.08.1 In advance of undertaking assignments, Certified Members shall ensure that they do not accept any terms or conditions that may affect their ability to conduct the assignments in a fair, independent, and objective manner.

- 4.08.2 When events or circumstances arise that affect a Certified Member's objectivity, or perceived objectivity, the Certified Member shall:

1. Discuss and attempt to rectify the matter with the client immediately; or
2. Reserves the right to withdraw from the assignment if such remains the case