

CODE OF ETHICS, PRACTICES AND OBLIGATIONS OF THE MEMBERS OF THE ASSOCIATION OF CREATIVE COMMUNICATIONS AGENCIES (A2C) ¹

INTRODUCTION

One sign of maturity in an industry is the extent to which its members not only subscribe to a code of moral practices, but undertake to establish mechanisms that will ensure the code is respected and put these in place.

When an agency becomes a member of the Association of Creative Communications Agencies (A2C) it agrees to conform to the present code of ethics. The members of the A2C agree to promote this code periodically in order to make known the ethical regulations, practices and obligations which it imposes. The members agree also to post in their places of businesses, in full public view, the standards of quality which arise out of the Code.

SUPPORT FOR THE COMPANY AND CONSUMERS AND SELF REGULATION

The members of the A2C recognize the obligation to create communication which conforms to Québec and Canadian laws. The members of the A2C recognize that clients and consumers alike have the right to expect that the member agencies of the A2C conduct business in conformity with the law, with the various codes of self regulation set up by their industry, and with recognized standards of ethics.

The A2C adheres to the principle of self-regulation, and each year remits in the name of its members a share of contributions received to the Advertising Standards Canada (ASC) - Les normes canadiennes de la publicité (NCP). The member agencies agree to respect the various codes and policies developed and managed by ASC - CPC. It is also expected that the members provide, in turn and as needed, volunteers who will participate in the various self-regulatory organizations and administrative bodies of the ASC - CPC.

SUPPORT FOR THE WORK OF THE A2C

Although most of the work of the A2C is carried out by full-time staff, we could not fully achieve our mission within the industry without the advice and support of our members. Although it is not a condition of membership, we hope that each member supports us in the following way:

- a) By agreeing to provide volunteer personnel who will work on the various committees of the A2C as needed;
- b) By agreeing to provide volunteers able to sit as members of the Board of Directors and the Executive Committee if requested;

¹ (Footnote)1. This code is patterned after that of the Institute of Communication and Advertising (ICA). It has been adapted to reflect the reality of the legal and social context of Quebec. It does not contravene in any way the propositions made by the ICA to its members and makes it possible for common members of the two associations to fully respect both Codes in their entirety.

- c) By making sure that its designated representative will attend the Annual General Meeting and any other event held for the members.

PUBLIC CRITICISM OF THE INDUSTRY

A public dialogue on the state or direction of the industry is healthy, but some public statements can be harmful and unjust. Such remarks must be considered by members as not conforming to the ethics Code.

Defining such occurrences is difficult but, in general, they tend to be statements disparaging the work or business practices of other agencies with the apparent aim of enhancing the agency making them. This section does not apply to those agencies which have developed an expertise, services or an application of the communication art that is very specific and which they try to market in an honest way.

RELATIONS WITH THE CUSTOMER

- 1) An agency member and its employees will keep confidential any information obtained regarding the businesses of a customer, unless they are exempted specifically by customer, the information belongs in the public domain or is demanded by a recognized court.
- 2) An agency member may not, without the knowledge of its customer, receive, solicit or otherwise obtain from a third party, any compensation or benefit of any kind within the framework of the work it carries out for the account of that customer.
- 3) An agency member which acquires goods or services in the name of its customer must try to obtain what it believes to be the best terms and prices for the benefit of its customer.
- 4) An agency member or its employees should not form business connections with a third party, which would knowingly be in conflict with the interests of a customer.
- 5) In the event of conflict of interest, actual or potential, the agency member undertakes to declare it to all the parties concerned.
- 6) An agency member must present to his customer an honest invoicing, fair and equitable. This should reflect the standards generally in force in industry, the work actually completed and terms of remuneration agreed upon with the customer.
- 7) An agency member must avoid, in any presentation to a prospect customer, making untrue, fallacious or disagreeable remarks about another agency or its employees.
- 8) An agency member may not make a prospective customer believe that it will engage a practitioner already employed by another agency for the express purpose of managing the account of that customer.

RELATIONS WITH THE MEDIA AND SUPPLIERS

- 1) An agency member must take care to ensure that it and/or its employees do not accept gifts or obtain favours that could be perceived as creating an obligation towards the media or suppliers.
- 2) An agency member or its employees may not solicit from media or suppliers any confidential information regarding the advertising material or the advertising plans of any company.
- 3) Any agency which buys a share in any media or advertising supplier used or likely to be used by the agency's competitors, must declare this acquisition publicly. This declaration is to ensure that there will be no abuse of confidence or conflict of interest on the part of the entity acquired by a competitor.

RELATIONS BETWEEN MEMBER AGENCIES

- 1) An agency member and its employees must avoid making remarks that are untrue, fallacious or disagreeable about any other agency, group of agencies, their employees or the industry in general.
- 2) No agency member or employee may solicit confidential information from the employees of another agency.
- 3) An agency member may not ask an employee coming from another agency to reveal confidential information concerning the clients or operations of that agency.
- 4) An agency member should not engage or try to engage the personnel of another agency with the intention of acquiring one or more of its accounts.
- 5) It is recognized that accounts sometimes "follow" the personnel which changes agency. It is in violation of the Code to expressly ask the employee "to bring along" his accounts with him. Clearly, discussions between the leaders of an agency regarding a merger or a possible co-operation of some nature do not apply here.

ADMINISTRATION

- 1) This Code will be managed by the Board of directors of the A2C, its Executive Committee as described below, and by a "Hearing Committee" created specifically for the purpose of conducting whatever investigations are required with all necessary prudence, diligence and confidentiality.
- 2) The purpose of this section is not to demand that the Board of Directors of the A2C vigilantly pursue whether infringements with the Code have been made. It should, however, take the necessary measures so that an investigation is undertaken where a possible infringement could be made public whether or not a member has lodged a complaint.
- 3) Possible infringements with the Code can be discussed with the General Manager of the A2C, but any complaint must be submitted to him in writing by the official representative or other senior officer of an agency member. Only an agency member

can lodge a complaint with the President or General Manager or the Board of Directors of the A2C.

- 4) Upon receipt of a written complaint, the President or General Manager of the A2C must ensure that the file is complete and require the plaintiff to produce all documents necessary for his analysis. The President-General Manager of the A2C must then submit the file to the Executive Committee of the A2C which will have sole discretion to reject any complaint which it considers frivolous or unfounded.
- 5) If the Executive Committee of the A2C does not reject the complaint, a "Hearing Committee" made up of three members of the Board not party to the litigation, will be formed to deal with the complaint. This committee must then inform the instigator of the alleged Code violation of the nature of the complaint.
- 6) The Hearing Committee of the A2C may offer, if deemed necessary, to appoint a mediator in order to bring the parties to an agreement. If the mediation leads to an agreement, the mediator will submit a report to the Hearing Committee and the file will be closed. If the offer of mediation is refused, if the mediation fails or if the Hearing Committee decides to go beyond mediation, a formal hearing can be requested by the plaintiff or ordered by the Hearing Committee.
- 7) At the hearing, the plaintiff as well as the member against whom the complaint is lodged may be represented by legal counsel. The Hearing Committee can request that all arguments presented to it be under oath and that notes are taken in shorthand or recorded electronically. It must establish its own rules of proof and of procedure, founded on principles of impartiality. It can also engage the services of any person whom it would consider helpful to its task. After hearing, the Committee must determine whether, in its opinion, the member has infringed upon the Code.
- 8) The Hearing Committee will transmit its conclusions in writing to the Board of Directors of the A2C as well as its recommendations as to sanctions that may be taken if it finds the complaint justly founded. The Board of directors will
 - i) Transmit to the parties the written decision of the Hearing Committee;
 - ii) Assign blame publicly or privately to the member;
 - iii) Require of this member that it undertake certain specific actions and/or
 - iv) Eject the member from the association.
- 9) Any member agency found guilty of an infringement to the Code can appeal the sanction imposed upon it, by requesting permission to present its case in front of the Board of Directors of the A2C which will have sole discretion to accept or refuse to hear such an appeal.