

**CANADA DEVELOPMENT INVESTMENT CORPORATION**  
and subsidiaries

**Director Code of Conduct**

Effective June 24, 2016

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**What is inside:**

- 1. About the Code..... 2
  - 1.1 Who the Code governs ..... 2
  - 1.2 Our mandate ..... 2
  - 1.3 Definitions ..... 2
  - 1.4 How to use the Code ..... 4
  - 1.5 Enforcing and maintaining the Code and Compliance Officer..... 4
  - 1.6 Failing to comply ..... 4
  - 1.7 Who to go to for help ..... 5
- 2. Personal and professional conduct..... 5
- 3. Conflicts of interest..... 6
  - 3.1 Meaning of Conflict of Interest..... 6
  - 3.2 Conflicts of Interest under the CBCA and FAA ..... 7
  - 3.3 Prevention..... 7
  - 3.4 General responsibilities and duties to avoid conflicts of interest..... 8
  - 3.5 Requirements during directorship ..... 8
  - 3.6 If you have a real, potential or perceived conflict of interest ..... 9
  - 3.7 Conflict of duties and systemic conflicts of interest ..... 10
  - 3.8 Conflict of Interest Act..... 10
  - 3.9 Political activities and lobbying..... 11
- 4. Gifts, hospitality and other benefits ..... 11
- 5. Protecting our assets.....13
- 6. Personal trading.....13
  - 6.1 Guidelines .....13
  - 6.2 Trades covered by guidelines.....14
  - 6.3 Insider trading and tipping.....15
  - 6.4 Disclosing trading and personal information.....16
- 7. Reporting Forms.....16
  - 7.1 Upon becoming a director .....16
  - 7.2 Completing the Acknowledgement for New Directors .....16
  - 7.3 Completing the Personal Information Form .....16
  - 7.4 Annual Reporting.....17
  - 7.5 Completing the Annual Acknowledgement .....17

7.6	Use of Information in Reporting Forms.....	18
7.7	Additional Reporting Obligations.....	18
8.	Continuing Duties of Former Directors.....	18

Appendix A - Summary of obligations under the *Conflict of Interest Act*

Appendix B - Acknowledgement for New Directors

Appendix C - Personal information form

Appendix D - Annual Acknowledgement

## **1. About the Code**

The Code contains principles and guidelines for ethical behaviour at CDEV and its wholly-owned subsidiaries, and describes the governance and corporate culture we want to develop and preserve. The Code is intended to preserve CDEV's reputation and protect CDEV and its wholly-owned subsidiaries' directors from legal liability.

### **1.1 Who the Code governs**

The Code applies to all members of the board of directors of CDEV. This Code also applies to all members of the board of directors of CHHC, Trans Mountain, Canada Eldor Inc., Canada TMP Finance Ltd. or any other wholly-owned subsidiary of CDEV designated by the Board of CDEV as subject to this Code, whether or not such directors are also officers of CDEV or any of its subsidiaries. The Code also applies to any member of the board of directors of any other wholly-owned subsidiary of CDEV who is not an officer or director of CDEV or one of the subsidiaries referred to in the previous sentence.

### **1.2 Our mandate**

CDEV was established in 1982 under the CBCA to manage investments assigned to it and to privatize its holdings when appropriate, carrying out all of its activities in the best interests of Canada, operating in a commercial manner.

Through your directorship, you have a fundamental role to play in serving Canadians, their communities and the public interest by advancing our mandate under the direction of the elected government and in accordance with the law.

### **1.3 Definitions**

**Acknowledgement for New Directors** means the form attached as Appendix B.

**Annual Acknowledgement** means the form attached as Appendix D.

**Associate** means:

- a corporation you own or control shares in, directly or indirectly, when the shares represent more than 10% of the voting rights,
- your business partner who is acting on behalf of your partnership, and
- a trust or estate you have a material beneficial interest in, or for which you serve as trustee or in a similar capacity.

**Board** means, unless referring to the board of directors of a specific entity, the board of directors on which you serve.

**CBCA** means the *Canada Business Corporations Act*.

**CDEV, we, us** and **our** refer to Canada Development Investment Corporation.

**Chair** refers to the chair of the Board on which you serve, unless specifically referring to the Chair of CDEV or one of CDEV's subsidiaries or of a particular committee of a board of directors.

**CHHC** means Canada Hibernia Holding Corporation.

**Code** means this Director Code of Conduct.

**Compliance Officer** means (i) in respect of CDEV and its wholly-owned subsidiaries other than Trans Mountain, the Executive Vice-President of CDEV, or such other person as may be designated by the Board (in the absence of the Compliance Officer or in the case of the Compliance Officer's own compliance with the Code, the Chair of the N&G Committee shall assume the duties of the Compliance Officer), or (ii) in respect of Trans Mountain, means the Vice President, General Counsel.

**conflict of duties** is defined in Section 3.7, *Conflict of duties and systemic conflicts of interest*.

**conflict of interest** is defined in Section 3.1, *Meaning of Conflict of Interest*.

**Corporation** means CDEV or the wholly-owned subsidiary of CDEV, as the case may be, on whose board of directors you are serving.

**Ethics Commissioner** means the Office of the Conflict of Interest and Ethics Commissioner (Canada).

**FAA** means the *Financial Administration Act* (Canada).

**N&G Committee** means the Nominating and Governance Committee of the Board of CDEV.

**perceived conflict of interest** is defined in Section 3.1, *Meaning of Conflict of Interest*.

**Personal Information Form** means the form attached as Appendix C.

**potential conflict of interest** is defined in Section 3.1, *Meaning of Conflict of Interest*.

**real conflict of interest** is defined in Section 3.1, *Meaning of Conflict of Interest*.

**Responsible Chair** means (i) in respect of CDEV and its wholly-owned subsidiaries other than Trans Mountain, the Chair of the N&G Committee or, in the case of the Chair of the N&G Committee's compliance with the Code, the Chair of CDEV, or (ii) in respect of Trans Mountain, the Chair of the Board of Trans Mountain or, in the case of the Chair's compliance with the Code, the Chair of the Audit Committee of Trans Mountain.

**Restricted Trading List** is defined in Section 6.2, *Trades covered by guidelines*.

**security** is defined in Section 6.2, *Trades covered by guidelines*.

**systemic conflict of interest** is defined in Section 3.7, *Conflict of duties and systemic conflicts of interest*.

**trade** is defined in Section 6.2, *Trades covered by guidelines*.

**Trans Mountain** means Trans Mountain Corporation.

**You** and **your** refer to any member of the board of directors of CDEV or its wholly-owned subsidiaries.

## **1.4 How to use the Code**

In most situations, prudence, experience, judgment and honesty will guide your decisions and actions. There are situations, however, where issues will arise. The Code sets out guidelines for:

- personal and professional conduct
- identifying and dealing with conflicts of interest
- receiving gifts, hospitality and other benefits
- protecting our assets
- making sure your personal trading avoids a conflict of interest or the use of confidential information.

The Code also sets out certain reporting obligations and the consequences of a failure to comply with the Code. It also provides information on who to go to for information or help with complying with your obligations under the Code.

These guidelines are designed to help you make the right decisions; but they cannot cover every aspect of ethical conduct nor every situation or dilemma you could face as a director. If you are not sure of the appropriate thing to do, always act in the best interests of the Corporation and contact one of the people listed in Section 1.7, *Who to go to for help*.

The following questions are examples of things to consider when evaluating a particular situation under the Code:

- Is it legal?
- Is it in conflict with the best interests of our shareholder?
- Will your action or decision bear the closest public scrutiny and meet or exceed the standard of behavior that the Canadian public reasonably expects of our organization?
- Could it create a negative perception of you or our organization?
- Do you or your relatives or friends have a private interest that others may feel influences your ability to carry out your duties in a responsible way?

## **1.5 Enforcing and maintaining the Code and Compliance Officer**

The CDEV Board, with the assistance of the N&G Committee, is responsible for the Code. It monitors how the Code is being applied throughout our organization, reviews the Code periodically and recommends any appropriate changes.

The applicable Compliance Officer is responsible for administering the Code's procedures.

Always check CDEV's website ([www.cdev.gc.ca](http://www.cdev.gc.ca)) for the most recent version of the Code, or speak to the Compliance Officer for confirmation.

## **1.6 Failing to comply**

CDEV takes the Code seriously. Failing to comply with any aspect of it will result in sanctions. Depending on your actions, failing to comply could lead to civil or criminal prosecution, which could result in substantial fines or imprisonment or the Chair could recommend that you be removed from the Board.

If you believe or suspect that the Code or any of the Corporation's other policies have not been adhered to, you should report it immediately. See Section 1.7, *Who to go to for help*, for

information about who to contact. Your report will be accepted as good faith compliance with the Code, but does not necessarily absolve you (if you are involved) or anyone else of the breach or suspected breach of the Code.

### **1.7 Who to go to for help**

If you want to report a breach or suspected breach, you are not sure about a specific situation or you have questions about some aspect of the Code, contact:

- the Compliance Officer,
- the Chair of the N&G Committee, or
- the Chair.

Your discussions will be kept in confidence as much as possible. Any issues should be resolved in a fair and respectful manner and informal processes such as dialogue or mediation should be considered.

Each CDEV director appointed by Order in Council also has obligations as a “public office holder” (but not as a “reporting public office holder”) under the *Conflict of Interest Act* (such obligations are summarized below under Section 3.8, *Conflict of Interest Act* and in Appendix A). Accordingly, if you are a director of CDEV you are encouraged to consult with the Ethics Commissioner if you are in doubt about your obligations under that Act.

## **2. Personal and professional conduct**

As a director, you have a statutory duty to act in accordance with a minimum standard of care, and you might incur personal liability where your conduct falls short of this criterion. Pursuant to the CBCA and the FAA, in exercising your powers and discharging your duties as a director you must (a) act honestly and in good faith with a view to the best interests of the corporation on whose board you are serving, and (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In addition to your statutory duties, we expect our relationship with you to be based on trust. This means you must have an unwavering commitment to honesty and integrity in all of your actions.

In addition to the specific requirements of the Code and the *Conflict of Interest Act*, we expect you to:

- apply your best effort, knowledge, skills, time and energy to carrying out your duties and responsibilities with the Corporation,
- act honestly and uphold the highest ethical standards so that public confidence and trust in the integrity, objectivity and impartiality of the government are conserved and enhanced,
- conduct yourself with integrity and perform your duties and arrange your private affairs in a manner that will bear the closest public scrutiny, an obligation that may not be fully satisfied by simply acting within the law,

- be loyal to the Corporation as part of your commitment to serving on its board; this means supporting the achievement of its corporate objectives, regardless of any other association you may have,
- be courteous in all of your internal and external dealings so your behaviour and actions reflect positively on the Corporation,
- comply with all of the Corporation's policies and procedures, including the Code,
- comply with your obligations as a "public office holder" under the *Conflict of Interest Act*; those obligations are summarized below under Section 3.8, *Conflict of Interest Act* and in more detail in Appendix A (if you are not a director of CDEV, we still expect you to conduct yourself as if you were a "public office holder" under the *Conflict of Interest Act*),
- comply with the letter and spirit of the laws that apply to us, including the CBCA and the FAA, their associated regulations and other laws,
- protect information belonging to us and keep it confidential; this applies even after you are no longer a director of the Corporation,
- ensure that your use of social media or social networks for personal or professional use shows respect for democracy, duty of loyalty, requirements for security of information and maintains the professionalism and reputation of the Corporation as well as respect for people, and
- respect the legal rights of others, including persons and organizations we transact business with.

We also expect that you will *not*:

- be involved in, or appear to be involved in, any improper conduct, or conduct that conflicts with the Code,
- engage in, condone or commit any illegal acts, or encourage others to do so,
- knowingly take advantage of, or benefit from, information that is obtained in the course of your official duties that is not available to the public,
- offer consulting or other services to CDEV or its subsidiaries personally or professionally, or through an entity that you, your family or another relative has a material interest in, without the prior approval of the Board and in compliance with the *Conflict of Interest Act* (all such approvals granted by the Board of a subsidiary of CDEV are to be reported by the applicable Compliance Officer to the Board of CDEV),
- intend or claim to speak on behalf of the Corporation when you are in fact speaking on behalf of someone else, or
- try to influence a management issue on behalf of someone else.

### **3. Conflicts of interest**

#### **3.1 Meaning of Conflict of Interest**

Our conflict of interest procedures go beyond the requirements of the CBCA and the FAA and are generally consistent with the obligations of directors of CDEV under the *Conflict of Interest Act*. They are intended to help you:

- identify real, potential or perceived conflicts of interest,
- minimize the chance that you will find yourself in one, and
- resolve any existing conflicts of interest.



You are in a **conflict of interest** when you exercise an official power, duty or function that provides an opportunity to further your private interests or those of your relatives<sup>2</sup> or friends or to improperly further another person's private interests. You have a **real conflict of interest** if such a situation exists at the present time. You have a **perceived conflict of interest** if a situation could be perceived by a reasonable observer to be a conflict of interest, whether or not that is actually the case. A **potential conflict of interest** is a situation where a conflict of interest could reasonably be foreseen to exist in the future.

Conflicts of interest are not always clear cut, and actions that appear to be conflicts of interest can be just as damaging. In determining whether something constitutes a perceived conflict of interest, appearance to the public is the key, not your actual integrity or good faith.

### 3.2 Conflicts of Interest under the CBCA and FAA

The CBCA and the FAA provide a disclosure and voting scheme in relation to potential conflicts of interest of directors. For purposes of the CBCA and FAA, you are considered to have a conflict of interest if:

- you are a party to a material contract or material transaction, whether made or proposed, with the Corporation,
- you are a director or officer of, or if you act in a similar capacity for, a party to the contract or transaction, or
- you have a material interest in a party to the contract or transaction.

You probably have a conflict of interest if you have a material interest in an entity or person the Corporation is doing or considering doing business with. You may have a material interest if:

- you are related to the person or people being considered for a transaction,
- you are related to an officer or employee of the entity that the Corporation is considering for a transaction, or
- the person or entity that the Corporation is considering doing business with is your associate.

The best way to judge whether you have a **material interest** in an entity is to ask yourself if a well-informed person would reasonably conclude that your interest in it could in any way influence your decision or performance in carrying out a duty on behalf of the Corporation.

### 3.3 Prevention

You help maintain public confidence in the objectivity of the Corporation by preventing and avoiding situations that constitute a real, perceived or potential conflict of interest. Conflict of interest does not relate exclusively to matters concerning financial transactions and the transfer of economic benefit. Conflicts of interest in any area of activity can have a negative impact on the perceived objectivity of the Corporation.

We expect you to organize your affairs in a way that will:

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<sup>2</sup> Pursuant to the *Conflict of Interest Act*, "relatives" means "persons who are related to a public office holder by birth, marriage, common-law partnership, adoption or affinity".

- maintain public confidence and trust in the integrity and objectivity of the Corporation, and
- allow you to identify, disclose, and, where reasonably possible, eliminate any real, potential or perceived conflicts of interest.

It is impossible to foresee every situation that could give rise to a real, potential or perceived conflict of interest. When in doubt, you should refer to the requirements found in the Code, the *Conflict of Interest Act* and any professional obligations applicable to you to guide appropriate action. You should also seek guidance from anyone identified under Section 1.7, *Who to go to for help*. If you are a director of CDEV and are uncomfortable discussing a particular situation with any of those individuals you should consult the Ethics Commissioner.

### **3.4 General responsibilities and duties to avoid conflicts of interest**

Your general responsibilities and duties to avoid conflicts of interest include:

- taking all possible steps to recognize, prevent, resolve and if necessary report any real, potential or perceived conflicts of interest,
- unless otherwise permitted in the Code, refraining from having private interests which would be unduly affected by corporate or government actions in which you participate,
- refraining from the direct or indirect use of, or allowing the direct or indirect use of corporate or government property of any kind, including property leased to the Corporation or the government, for anything other than officially approved activities,
- not assisting private entities or persons in their dealings with the Corporation or the government where this would result in preferential treatment of the entities or persons,
- avoiding interfering in the dealings of private entities or persons with the Corporation or the government in order to inappropriately influence the outcome,
- maintaining the impartiality of the Corporation and not engaging in any outside or political activities that impairs or could be seen to impair your ability to perform your duties in an objective manner, and
- ensuring that any real, potential or perceived conflict is resolved in the public interest.

### **3.5 Requirements during directorship**

You are required to notify us in accordance with Section 3.6, *If you have a real, potential or perceived conflict of interest*, of all outside activities, assets and interests that might give rise to a real, potential or perceived conflict of interest in relation to your official duties.

On a regular basis thereafter, and every time a major change occurs in your personal affairs or matters that the Corporation or its subsidiaries are involved in, you are required to review your obligations under the Code. If a real, potential or perceived conflict of interest exists, you are to promptly notify us in accordance with Section 3.6, *If you have a real, potential or perceived conflict of interest*.

### 3.5.1 **Your assets**

You are required to evaluate your assets, taking into consideration the nature of your official duties as a director and the characteristics of your assets. If there is any real, potential or perceived conflict of interest between the carrying out of those duties and your assets, you are to report this matter to us in a timely manner in accordance with Section 3.6, *If you have a real, potential or perceived conflict of interest*.

Where the Responsible Chair determines that any of these assets results in a real, potential or perceived conflict of interest in relation to your official duties, you may be required to divest those assets, or to take other measures to resolve the conflict. You may not sell or transfer assets to family members or anyone else for the purpose of circumventing the compliance requirements.

### 3.5.2 **Outside activities**

You may not engage in outside activities that subject you to demands incompatible with your official duties or cast doubt on your ability to perform your duties in a completely objective manner. The Responsible Chair may require that outside activities be modified or terminated if it is determined that they are likely to give rise to a real, potential or perceived conflict of interest.

You must notify the Responsible Chair in advance in writing if you plan to accept an appointment to a board or as executive of any business or enterprise that might benefit from, or be in conflict with, the activities of the Corporation, and obtain the written approval of the Responsible Chair.

If you receive a benefit or income either directly or indirectly from a contract with the Government of Canada, you are required to report to the Responsible Chair on such contractual or other arrangements. He or she will determine whether the arrangement presents a real, potential or perceived conflict of interest, and may require that the contract be modified or terminated.

## **3.6 If you have a real, potential or perceived conflict of interest**

If you have a real, potential or perceived conflict of interest as described above, you cannot approve the transaction or participate in any discussions to approve it.

You must notify the Responsible Chair in writing, and also send a copy to the Compliance Officer who will inform the other members of the Board. The FAA and CBCA set out the procedures a director must follow in respect of disclosure and voting in matters where he or she has a conflict of interest.

In general, you must disclose your conflict prior to any discussion of a proposal or transaction relating to the conflict taking place and not participate in the consideration of or vote on the proposal or transaction. At the beginning of each meeting of the board of directors or a committee of the Corporation, directors will be asked to declare any real, perceived or potential conflicts of interest in the matters to be considered at the meeting.

In circumstances where you are also a director or officer of, or if you act in a similar capacity for, a party to a material contract or material transaction, whether made or proposed, with the Corporation, Section 116 of the FAA provides that:

- you must disclose your interest in writing or request to have entered in the minutes of a meeting of the Board the nature and extent of your interest (a general notice to the Board by you declaring that you are a director of or have a material interest in a person and are to be regarded as interested in any contract made with that person is sufficient for this purpose),
- you must disclose your interest at the meeting at which the contract or proposed contract is first considered or at the first meeting of the Board after you become interested, and
- you shall not vote on any resolution to approve the contract unless it relates to (i) the terms of your own employment with the Corporation, (ii) indemnity or insurance for you pursuant to section 119 of the FAA, or (iii) is, in the case of a director of CDEV, between CDEV and a subsidiary of CDEV or, in the case of a director of a subsidiary of CDEV, is between the subsidiary and CDEV or another one of its subsidiaries.

### **3.7 Conflict of duties and systemic conflicts of interest**

We define a ***conflict of duties*** as a conflict that arises, not because of your private interests, but as a result of one or more concurrent or competing official responsibilities. These roles could include your directorship with the Corporation and your responsibilities in an outside role that forms part of your official duties, such as an appointment to a board of directors, or other outside function. You should avoid and disclose any conflict of duties to the Responsible Chair should a conflict of duties arise and seek a decision as to an appropriate resolution in the Corporation's best interests.

You have a ***systematic conflict of interest*** if you have or take on executive responsibilities with an organization whose objectives and mandates may be in conflict with, or may reasonably be perceived to be in conflict with, the objectives and mandates of the Corporation. If you find yourself in this situation, you will be expected to resign from the Board.

### **3.8 Conflict of Interest Act**

Directors of CDEV, as Governor-in-Council appointees, must also comply with the *Conflict of Interest Act* and avoid conflicts of interest as specified in that Act. In general, a CDEV director will be in a conflict of interest under that Act if he or she exercises an official power, duty or function that provides an opportunity to further his or her private interests or those of his or her relatives or friends or to improperly further another person's private interest. The further obligations of directors of CDEV as "public office holders" under that Act are summarized in Appendix A.

If you are a director of a subsidiary of CDEV and not otherwise subject to the *Conflict of Interest Act*, we still expect you to conduct yourself in accordance with the obligations of a "public office holder" under the *Conflict of Interest Act*.

### **3.9 Political activities and lobbying**

If you suspect that the Corporation's business activities are becoming subject to political interference, report this immediately to the Compliance Officer or the Responsible Chair.

CDEV directors appointed by Order in Council are subject to obligations with respect to political activities as set out in the *Ethical and Political Activity Guidelines for Public Office Holders*. We also expect directors of CDEV subsidiaries to follow the same Guidelines, whether or not they are otherwise subject to them. The Guidelines set out the general principle that a public office holder should not participate in a political activity that is, or that may reasonably be seen, to be incompatible with the public office holder's duties or reasonably seen to impair his or her ability to discharge those duties in a politically impartial fashion or that would cast doubt on the integrity or impartiality of the office.

If you are unsure whether you should engage in a particular political activity you are encouraged to consult with the Compliance Officer or the Responsible Chair.

We also expect that you will not:

- use the Corporation's assets for fundraising or political purposes (please also see Section 4.1.1, *Solicitation*),
- seek election or appointment to a public office that may affect the Corporation or your position with the Corporation, without the written approval of the Responsible Chair,
- engage in lobbying on the Corporation's behalf without the written approval of the Responsible Chair, or
- deal with any public official in a manner that would compromise the integrity or reputation of that official, or deal with any matters with a high public profile in a manner inconsistent with the approach approved by the Board.

### **4. Gifts, hospitality and other benefits**

We are sensitive to the public's perception of how we deal with gifts, hospitality and other benefits. You are expected to use your best judgment to avoid situations of real, potential or perceived conflict. We expect that you will use the following criteria on gifts, hospitality and other benefits, keeping in mind the full context of the Code.

You (including your family members, other relatives and associates) must not accept or solicit any gifts, hospitality or other benefits that may have a real, potential or perceived influence on your objectivity in carrying out your official duties and responsibilities, or that may place you under an obligation to the donor.

For example, you *cannot* under any circumstances accept:

- gifts, hospitality and other benefits from existing and potential vendors or suppliers, or other entities that the Corporation is involved with:
  - in exchange for, or as a condition of, exercising your duties
  - to induce certain behaviour while carrying out your duties, or
  - when it results in, or could reasonably appear to result in, preferential treatment,or
- cash incentives, special preferred pricing, loans at preferred rates or secret commissions or kickbacks, in exchange for preferential treatment.

You *may* accept gifts, hospitality and other benefits without specific approval if they:

- are infrequent and do not exceed a total of \$200 in any 12-month period from a single source (provided that the Compliance Officer may approve higher values in his or her discretion) (examples include low-cost promotional objects, simple meals, souvenirs with minimal value, tickets to conferences or sporting or cultural events)
- arise out of activities or events related to your official duties and responsibilities,
- are within the normal standards of courtesy, hospitality or protocol, and
- do not compromise or reasonably appear to compromise your integrity or objectivity, or the integrity or objectivity of the Corporation or anyone else.

Attendance at certain widely attended gatherings and opportunities to attend industry meetings or educational conferences are generally not considered to be gifts and other benefits. You may generally accept meals or participate in events related to these gatherings, meetings or conferences if the same treatment is offered to all participants or attendees and if attendance is offered to multiple organizations (and does not include any free airfare or accommodation).

Where it is impossible to decline gifts, hospitality and other benefits that do not meet the principles set out above, or where you believe that there is sufficient benefit to the Corporation to warrant accepting hospitality, you must ask for guidance from the Compliance Officer. He or she will notify you in writing whether the gifts, hospitality or other benefits are to be declined or retained by the Corporation, or donated to charity, disposed of, or retained by you.

You must also:

- discourage existing and potential vendors and suppliers from offering inducements that conflict with the Code,
- return any inappropriate gifts with an explanation of the prohibitions in the Code for their reference, and
- always ask the Compliance Officer if you are in doubt.

If you are a director of CDEV, you are reminded that under the *Conflict of Interest Act*, in any circumstances, any gift, hospitality or benefit which has a value exceeding \$1,000 must be forfeited (or the value paid) to the Crown, unless the Ethics Commissioner otherwise approves.

#### 4.1.1 **Solicitation**

Absent prior approval of the Responsible Chair, you may not solicit (for yourself or others) gifts, hospitality, charitable donations, other benefits or transfers of economic value from a person, group or organization in the private sector who, to your knowledge, has existing or reasonably anticipated business relationships with the Corporation.

Similarly, if an outside individual or entity, with whom the Corporation has past, present or potential official dealings, offers a benefit to the Corporation such as funding for an event or a donation of equipment, you are to consider whether any real, potential or perceived conflict of interest exists, and obtain the consent in writing of the Responsible Chair prior to accepting any such benefit that is material.

The Responsible Chair may require that the activities be modified or terminated where it is determined that there is a real, potential or perceived conflict of interest or an obligation to the donor. These provisions are designed to ensure that the Code is consistent with paragraph 121(c) of the *Criminal Code*.

## **5. Protecting our assets**

You are required to protect the information and other assets that belong to us.

Our information includes:

- information relating to our business and affairs, including proprietary, technical, business, investment, financial, human resources and other information,
- information relating to third parties we deal with, and
- proprietary and confidential records belonging to us.

As a director, you have an obligation to keep information belonging to us confidential while you are a member of the Board and after you have retired from the Board. This includes information concerning CDEV's subsidiaries even if you are not a member of the board of directors of that subsidiary. If you become aware of a possible misuse of confidential information, we expect you to report that to the Chair and the chair of the audit committee. You can only disclose our information as part of your duties and responsibilities, or when the law requires it.

Our assets include:

- physical property,
- electronic property,
- human resources,
- work completed by our employees, officers and directors, and
- work completed for us by others in the absence of some other agreement about ownership.

You have an obligation to protect these assets and can only use them for the benefit of the Corporation or other uses specifically permitted by another policy adopted by the Board from time to time.

We expect that all of our records will be maintained with integrity and care, in compliance with our procedures and all applicable accounting principles and laws. All funds and assets must be recorded and disclosed. Our records, reports and financial condition must not be distorted or manipulated.

## **6. Personal trading**

We have established the following personal trading guidelines to make sure we are carrying out our activities using the highest level of integrity, and to protect you and us from the risk or perception of insider trading, the potential for civil liability and any embarrassment. The Corporation may adopt additional trading restrictions specific to certain securities outside of the Code from time to time (e.g. as it relates to public securities held by the Corporation from time to time), which will be promptly communicated to you upon adoption.

### **6.1 Guidelines**

The key consideration underlying our personal trading guidelines is that you must not engage in improper insider trading. You are responsible for ensuring your own compliance with these guidelines and you are required to confirm this compliance annually.

We explain these guidelines further below.

## 6.2 Trades covered by guidelines

For the purposes of our guidelines, these general rules apply:

- you cannot engage in insider trading, and
- you cannot trade in securities that are on the Restricted Trading List without pre-clearing such trades in advance with the Compliance Officer.

The Restricted Trading List is a confidential list maintained by the Compliance Officer for the Corporation and includes securities where the Corporation:

- has a special relationship with the issuer,
- is considered to be an insider of the issuer or have special status for other reasons, and
- is considering, or is aware of, potential material transactions involving the issuer.

A copy of the Restricted Trading List is available from the Compliance Officer and will be provided to directors at each regularly scheduled Board meeting and at any time that a change is made to it.

We define a **trade** as any activity that represents a change in legal or beneficial ownership of securities. This includes gifts and donations. A **security** is a share, bond or debenture or other form of corporate debt, interests in trusts and limited partnerships, and includes options and other rights and interests.

These restrictions apply to investment accounts you influence, direct or control and would normally apply to accounts where:

- you are involved in making investment decisions,
- you have a significant influence on the investment decisions, or
- you are involved in voting decisions or have voting control.

It includes investment accounts you hold, and could also apply to accounts that are not in your name (if you influence, direct or control them), such as:

- accounts held by a corporation, partnership or other entity
- accounts held by an investment club or other similar organization, and
- accounts held by a member of your family that resides in your household or accounts held in trust for you or a member of your family that resides in your household.

These restrictions do *not* apply to:

- a blind trust (i.e., a trust in which you (and/or a family member) are a beneficiary but for which you do not receive any reporting and have no knowledge regarding investments),
- accounts managed on your (and/or a family member's) behalf where a third party financial advisor has full discretion over investment decisions and for which no trading instructions are given other than customary general client investment objectives and similar information,
- automatic plans, such as an automatic dividend reinvestment plan, share purchase plan or similar automatic plan, as long as you were otherwise permitted to trade in the security at the time you became covered by the plan or the plan was amended, or
- transactions in the following types of securities:



- government securities, foreign or domestic,
- short- term instruments, such as certificates of deposit and guaranteed investment certificates, of financial intermediaries including life insurance companies and banks where these instruments are purchased for holding to maturity,
- bankers acceptances, bank certificates of deposit, repurchase agreements or commercial paper of nonfinancial institutions with a maturity of 180 days or less where these instruments are purchased for holding to maturity,
- open- end mutual funds (or the equivalent, including funds of funds),
- closed- end mutual funds, or
- exchange- traded funds or “ETFs” (i.e., Holders, iShares, OPALS).

During your career, you may have participated in compensation arrangements for other entities that include things like:

- grants of restricted or deferred stock units or stock appreciation rights,
- rights or stock options, and
- long-term incentive plans.

You may participate in these kinds of arrangements through other directorships you may have. However, your *exercise* of any of these items is considered a trade for the purpose of these guidelines.

### **6.3 Insider trading and tipping**

Canadian securities legislation imposes trading restrictions when you have material information about a public company that has not been publicly disclosed.

It is against the law for you or anyone else to trade securities based on undisclosed material information you obtained through your work with us or to pass the undisclosed material information on (called ***tipping***), intentionally or not, to someone who may then trade the securities. It is also against the law to recommend or encourage someone to trade securities with knowledge of undisclosed material information about the issuer of the securities.

If you have given a broker or portfolio manager the discretion to trade securities in a managed account, and a security is traded at a time when the Corporation has undisclosed material information in relation to that security, you may have difficulty proving that the trade was made without the benefit of that information. This difficulty may be most acute if you have undisclosed material information or if your broker or manager does not have the necessary registrations under securities laws to trade for a managed account. You could eliminate that difficulty by either placing your investments in a blind trust, or by requiring your broker or manager to obtain pre-clearance for each trade.

If you obtain undisclosed material information in relation to a public company through your directorship with the Corporation, you must not pass that information to others except on a “need to know” basis within the Corporation. You must also not recommend or encourage anyone else to trade securities of that company while you are in possession of undisclosed material information about the company.

Insider trading laws are complicated and continue to evolve. If you are not sure whether information is material, you should speak to the Compliance Officer before trading in any

securities relating to the information, to avoid breaching the Code or involving yourself or others in any liability issues.

If you suspect that you may have learned undisclosed material information about an issuer, you should contact the Compliance Officer as soon as possible.

#### **6.4 Disclosing trading and personal information**

You are required to confirm annually that you have complied with our personal trading guidelines during the previous fiscal year. This confirmation is required in the Annual Acknowledgement.

### **7. Reporting Forms**

#### **7.1 Upon becoming a director**

Upon becoming a director you will be asked to complete the Acknowledgement for New Directors and the Personal Information Form and return them to the Corporate Secretary (or such other individual as may be designated by the Compliance Officer). Instructions for completing these forms are set out below under Section 7.2, *Completing the Acknowledgement for New Directors*, and Section 7.3, *Completing the Personal Information Form*.

#### **7.2 Completing the Acknowledgement for New Directors**

The Acknowledgment for New Directors can be found in Appendix B. In that form you will be asked to check the appropriate boxes to confirm that you have read and understood the Code and agree to conduct yourself according to the principles and guidelines for ethical behaviour as set out in the Code and that you agree to formally acknowledge at least once a year while you are serving on our Board that you have read, understood and complied with the Code. If you are a director of CDEV, must also check the appropriate box to acknowledge that you have provided to the federal government, and not revoked, a certification that you will observe the *Ethical and Political Activity Guidelines for Public Office Holders* or that you have not yet provided the certification and agree to observe such guidelines while you are a director of CDEV.

#### **7.3 Completing the Personal Information Form**

The Personal Information Form can be found in Appendix C.

##### **Section 1: About the organizations you're affiliated with**

In the first section of the Personal Information Form, you are required to disclose if you:

- (a) are a director, officer, employee or trustee of an organization; or
- (b) exercise control over, have more than 10% of the voting rights or make investment or other major decisions for an organization.

If so, you will need to provide the name of the organization and the position you hold with the organization. You do not, however, need to provide us with information concerning your role as a part-time director, officer or trustee of a non-profit organization unless such role constitutes a

real, perceived or potential conflict of interest. Examples of roles that would not normally need to be reported include serving on the board of a local minor sports association, the board of a charity or the board of a condominium in which you reside.

### Section 2: About private interests and activities

In the second section of the Personal Information Form, you are required to disclose any of your other outside activities, assets and interests that might give rise to a real, potential or perceived conflict of interest in relation to your official duties as described in the Code. For example, ownership of property that could be impacted by decisions made by the Corporation should be reported in this section of the Personal Information Form. This includes ownership of securities of an entity on the Restricted Trading List.

### Section 3: About family members

In the third section of the Personal Information Form, you need to tell us if, to your knowledge, you have a family member (for purposes of this form only, a spouse, common-law partner, child, sibling or parent) who works for or is on the board of directors of:

- a supplier or other entity that has a major relationship with the Corporation, such as joint venture co-owners,
- an entity on the Restricted Trading List or other entity that the Corporation holds a significant position in.

## **7.4 Annual Reporting**

On an annual basis at the start of each calendar year, we will ask you to complete the Annual Acknowledgement and an updated Personal Information Form. These forms must be returned to the Corporate Secretary (or such other individual as may be designated by the Compliance Officer).

## **7.5 Completing the Annual Acknowledgement**

The Annual Acknowledgment can be found in Appendix D. In that form you will be asked to check the appropriate boxes to confirm that:

- you have read and understood the Code,
- you have complied with the Code during the reporting period specified in the form,
- if you are a director of CDEV, you have observed the *Ethical and Political Activity Guidelines for Public Office Holders* during the reporting period specified in the form, and
- you have complied with the personal trading guidelines described in the Code during the reporting period specified in the form.

## 7.6 Use of Information in Reporting Forms

The information in the Acknowledgement for New Directors, the Personal Information Form and the Annual Acknowledgement will be provided to the Responsible Chair and the Compliance Officer for purposes of monitoring potential conflicts of interest. Disclosure of an interest or association on these forms does not necessarily mean that such interest or association constitutes a real, potential or perceived conflict of interest. ***You are also reminded that compliance with this Code is an ongoing obligation and the forms may not request disclosure of every circumstance that could constitute a real, potential or perceived conflict of interest requiring disclosure under this Code.*** For example, the forms do not require disclosure of private interests of all relatives and friends although such interests could constitute a real, potential or perceived conflict of interest if you exercise an official power, duty or function that provides an opportunity to further those interests. In such a case, you still have an obligation to report those circumstances in accordance with the Code.

## 7.7 Additional Reporting Obligations

In addition to the Acknowledgment for New Directors, the Personal Information Form and the Annual Acknowledgment, you also have ongoing reporting obligations with respect to:

- a suspected failure to adhere to the Code (see Section 1.7),
- the existence of a real, potential or perceived conflict of interest (see Sections 3.5 and 3.6),
- possible appointments that may require approval under the Code (see Section 3.5.2),
- benefits or income received from a contract with the Government of Canada (see Section 3.5.2),
- conflicts of duties (see Section 3.7),
- a suspicion of political interference with the Corporation's business activities (see Section 3.9),
- requests to engage in certain political activities (see Section 3.9),
- offers of benefits to the Corporation by outside individuals or entities with whom the Corporation has past, present or potential official dealings (see Section 4.1.1),
- requests for approval to trade a security of an issuer on the Restricted Trading List (see Section 6.2), and
- possible receipt of undisclosed material information about an issuer (see Section 6.3).

## 8. Continuing Duties of Former Directors

Even after you cease to be a director, you may not act in any manner that would result in you taking improper advantage of your previous position as a director of the Corporation. This includes "switching sides" by acting for or on behalf of any person or organization in matters relating to a specific proceeding, transaction, negotiation or case where the Corporation or one of its subsidiaries is a party and where you, in your capacity as a director of the Corporation, either acted for or provided advice to the Corporation, or participated in considering the specific proceeding, transaction, negotiation or case. This also includes providing advice to any person or organization using information obtained while you were a director of the Corporation that is not available to the public. There is no time limit on these prohibitions.

**Appendix A**  
**Summary of obligations of Directors of CDEV (referred to as “public office holders”) under the *Conflict of Interest Act***

***This summary, prepared by the Office of the Conflict of Interest and Ethics Commissioner, is intended as a quick reference; the Act itself is the final authority. You are encouraged to seek advice from the Office of the Conflict of Interest and Ethics Commissioner. You can reach an advisor by telephone at 613-995-0721 or by email at [ciec-ccie@parl.gc.ca](mailto:ciec-ccie@parl.gc.ca).***

**July 2017**

Public office holders are in a ***conflict of interest*** when they exercise an official power, duty or function that provides an opportunity to further their private interests or those of their relatives or friends, or to improperly further another person's private interests. (section 4)

**General Duties (Part 1)**

- Arrange your private affairs to prevent conflicts of interest. (section 5)
- Abstain from participating in decisions that would involve a conflict of interest. (subsection 6(1))
- Do not take any action aimed at circumventing the *Conflict of Interest Act*. (s. 18)
- Compliance with the Act is a condition of your appointment or employment as a public office holder. (s. 19)
- Conflict of Interest Rules (Part 1)

**You are prohibited from:**

- Providing preferential treatment to any person or organization based on the identity of the person or organization representing them. (s. 7)
- Using information that is not available to the public to further private interests. (s. 8)
- Using your position to influence a decision in order to further private interests. (s. 9)
- Being influenced in exercising your duties by offers of outside employment. (s. 10)
- Accepting any gift or other advantage that might reasonably be seen to have been given to influence you in the exercise of your official duties. (s. 11) Certain exceptions to this rule are outlined in ss. 11(2). If you or a member of your family accepts a courtesy or protocol gift that has a value of \$1,000 or more, you must forfeit it to the Crown, unless the Conflict of Interest and Ethics Commissioner determines otherwise. (ss. 11(3))
- Entering into a contract or employment relationship, in the exercise of your official duties, with a spouse, common-law partner, child, sibling or parent, or permitting the entity for which you work to do so. (s. 14)
- Personally soliciting funds if it places you in a conflict of interest. (s. 16)

### **Recusal (Part 2)**

- You must recuse yourself from any discussion, decision, debate or vote if you would be in a conflict of interest. (s. 21)

### **Post-Employment (Part 3)**

You are prohibited from:

- Acting in a manner that takes improper advantage of your previous office. (s. 33)
- Acting for or on behalf of any person or organization in connection with any specific proceeding, transaction, negotiation or case where the Crown is a party and where you had acted for, or provided advice to, the Crown while in public office. (ss. 34(1))
- Providing advice to clients, business associates or employers using information that was acquired in the course of your official duties and that is not available to the public. (ss. 34(2))

### **Administration and Enforcement (Part 4)**

The Commissioner may conduct an examination:

- On the written request of a Senator or Member of the House of Commons who has reasonable grounds to believe that a public office holder or former public office holder has contravened the Act (s. 44); or
- On the Commissioner's own initiative if the Commissioner has reason to believe that a public office holder or former public office holder has contravened the Act. (s. 45)

**Appendix B**  
**Acknowledgement for New Directors**

**Use this form to acknowledge that you have read and understood the Code and will comply with it.**

**You are required to complete this form when you begin serving as a director.**

*Our* refers to Canada Development Investment Corporation (CDEV) or the wholly-owned subsidiary of which you are a director. *You* refers to any member of the board of directors of CDEV or its wholly-owned subsidiaries, including a director who is also an employee of CDEV or one of its subsidiaries. The *Code* means the CDEV Director Code of Conduct.

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**When you begin serving on our Board**

As a new director, you are required to read and understand the Code, and acknowledge that you have done so and will comply with it.

**Your acknowledgement**

*Please check the appropriate boxes below.*

You acknowledge that you have read and understood the Code.

- You agree to conduct yourself according to the principles and guidelines for ethical behaviour as set out in the Code.
- You agree to formally acknowledge at least once a year while you are serving on our Board that you have read, understood and complied with the Code.

If you are a director of CDEV, you are required by the Government of Canada to observe the *Ethical and Political Activity Guidelines for Public Office Holders* as a condition of your holding office as a director.

- You acknowledge that you have provided and not revoked a certification to that effect to the Government

OR

- You have not yet provided any such certification and you agree to observe the *Ethical and Political Activity Guidelines for Public Office Holders* while you are a director of CDEV.

*Please sign here*

Name (please print):

Signature

Date

## Appendix C Personal information form

**Use this form to tell us about your directorships, trusteeships, private interests and activities and other information for our conflict of interest procedures.**

**You are required to complete this form when you begin serving on the Board and again annually while you are serving on the board. Instructions on how to complete this form can be found in Section 7.3 of the CDEV Director Code of Conduct.**

**Disclosure of an interest or association on these forms does not necessarily mean that such interest or association constitutes a real, potential or perceived conflict of interest. *You are also reminded that compliance with this Code is an ongoing obligation and this form may not request disclosure of every circumstance that could constitute a real, potential or perceived conflict of interest requiring disclosure under this Code.* Even if not specifically requested on this form, you still have an obligation to report any real, potential or perceived conflict of interest in accordance with the Code.**

*Our or the Corporation* refers to Canada Development Investment Corporation (CDEV) or the wholly-owned subsidiary of which you are a director. *You* refers to any director of CDEV or its wholly-owned subsidiaries, including a director who is also an employee of CDEV or one of its subsidiaries. The *Code* means the CDEV Director Code of Conduct.

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### **Section 1: About the organizations you're affiliated with**

If you:

- (a) are a director, officer, employee or trustee of any organization; or
- (b) exercise control over, have more than 10% of the voting rights or make investment or other major decisions for any organization,

you need to provide us with more information. You do not, however, need to provide us with information concerning your role as a part-time director, officer or trustee of a non-profit organization unless such role constitutes a real, perceived or potential conflict of interest.

*Please check the appropriate box below.*

No - you are not a director, officer, employee or trustee or are affiliated with an organization as described above.

Yes - you are a director, officer, employee or trustee or are affiliated with an organization as described above. If you checked this box, complete the information below. Use a separate sheet if you need more space.



**Affiliation 1**

Name of organization	Position Held
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**Affiliation 2**

Name of organization	Position Held
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**Affiliation 3**

Name of organization	Position Held
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**Affiliation 4**

Name of organization	Position Held
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**Section 2: About private interests and activities**

Please disclose any of your outside activities, assets and interests that might give rise to a real, potential or perceived conflict of interest in relation to your official duties as described in the Code. This includes ownership of securities of an entity on the Corporation's Restricted Trading List. See Section 7.3 of the Code for other examples of items that should be reported in this section.

*Please check the appropriate box below.*

No - you do *not* have any outside activities, assets or interests that could raise this concern.

Yes - you have outside activities, assets or interests that could raise this concern. *If you checked this box, describe such outside activities, assets or interests below. Use a separate sheet if you need more space.*

This information helps us monitor your objectivity in carrying out your duties and maintain public confidence and trust in CDEV.

**Outside activity, asset or interest 1**

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**Outside activity, asset or interest 2**

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**Section 3: About family members**

As part of the Code you need to tell us if, to your knowledge, you have a family member (for purposes of this form only, a spouse, common-law partner, child, sibling or parent) who works for or is on the board of directors of:

- a supplier or other entity that has a major relationship with CDEV or one of its wholly-owned subsidiaries, such as joint venture co-owners,
- an entity on the Corporation's Restricted Trading List or other entity that the Corporation holds a significant position in.

**Note that this form does not require disclosure of private interests of all relatives and friends although such interests could constitute a real, potential or perceived conflict of interest if you exercise an official power, duty or function that provides an opportunity to further those interests. In such a case, you still have an obligation to report those circumstances in accordance with the Code.**

*Please check the appropriate box below.*

- No - you do *not* have a family member who works for, or is on the board of directors of, one of the two parties listed above.
- Yes - you have a family member who works for, or is on the board of directors of, one of the two parties listed above. *If you checked this box, complete the information below. Use a separate sheet if you need more space.*

**Person 1**

Name
Organization he or she works for
Position held

**Person 2**

Name
Organization he or she works for
Position held

**Your acknowledgement**

You have provided the above information for the following reporting period:

<i>[date to date]</i>
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*Please sign here*

Name <i>(please print)</i> :
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Signature	Date
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## Appendix D Annual Acknowledgement

**Use this form to acknowledge that you have read and understood the Code and will comply with it.**

**You are required to complete this form annually while you are serving on our Board.**

*Our* refers to Canada Development Investment Corporation (CDEV) or the wholly-owned subsidiary of which you are a director. *You* refers to any member of the board of directors of CDEV or its wholly-owned subsidiaries, including a director who is also an employee of CDEV or one of its subsidiaries. The *Code* means the CDEV Employee Code of Conduct.

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As a director, you are required to read and understand the Code, and acknowledge that you have done so and will comply with the Code. We will ask you to do this annually.

### Reporting Period

[date to date]

### Your acknowledgement

*Please check the appropriate boxes below for the reporting period specified above:*

- You acknowledge that you have read and understood the Code.
- You confirm that you have complied with the Code during the reporting period specified above.
- If you are a director of CDEV, you agree that you have observed the *Ethical and Political Activity Guidelines for Public Office Holders* during the reporting period specified above.
- You confirm that you have complied with the personal trading guidelines described in the Code during the reporting period specified above.

*Please sign here*

Name (please print):

Signature

Date