



POWER FINANCIAL
CORPORATION

Code of Business Conduct and Ethics

Adopted by the Board of Directors
August 2, 2019



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Message from the President and Chief Executive Officer

Power Financial Corporation's strong foundation of integrity and ethical business conduct is fundamental to our success, enabling us to generate long-term sustainable growth. We value our reputation, which we have built and maintained over the years by upholding high standards of conduct, earning the confidence, respect and trust of our customers, business partners, shareholders, employees and communities where we are present.

Our responsible management philosophy is a reflection of our core values of integrity, trust, respect and corporate citizenship. As a responsible shareholder of our group companies, we must lead by example and live up to the high standards of ethical conduct expected of us.

Our Code of Business Conduct and Ethics reflects these core values and provides guidance for conducting our business activities in accordance with the relevant legal, ethical, and professional standards.

It is important that we all read, reflect and understand the Code of Business Conduct and Ethics, and let it guide us in our day-to-day business.

R. Jeffrey Orr
President and Chief Executive Officer



1. Purpose and Scope

This Code of Business Conduct and Ethics (the “Code”) applies to directors, officers and employees of Power Financial Corporation (the “Corporation”) and its wholly owned subsidiaries.

The Board of Directors has adopted the Code to set out its expectations for the conduct of all directors, officers and employees in all their dealings on behalf of the Corporation. The Code does not cover every issue that may arise but sets out basic principles to guide us in carrying out our business activities with integrity.

It is important that all directors, officers and employees read and understand the expectations and responsibilities under the Code. In addition to the Code, we maintain various policies and procedures that govern our business, including those presented in Appendix A.

Each year, you will be required to acknowledge that you have read this Code, that you understand your obligations under it, and that you agree to comply, and have complied, with it.

The Corporation is committed to the principles set out in the Code and considers any violation to be a very serious matter. An individual who violates the Code may face disciplinary action up to and including termination of office or employment with the Corporation without notice. Any questions regarding the Code and its application or interpretation should be directed to a supervisor or the General Counsel, as appropriate.

In addition, third parties who work on the Corporation’s behalf, such as service suppliers, consultants and advisors, are expected to comply with Corporation’s Third Party Code of Conduct. Our Third Party Code of Conduct sets out the expectations we have of third parties, including their employees and sub-contractors working on their behalf. Third parties are expected to conduct their activities in accordance with the highest legal, ethical, and professional standards, and in a manner consistent with our values and responsible management philosophy, which align with our *Corporate Social Responsibility Statement* and the ten principles of the United Nations Global Compact.

2. Compliance with Laws

The Corporation is subject to complex laws and regulations that are frequently in a state of change. Directors, officers and employees are expected to make reasonable efforts to become familiar with laws affecting their activities and to be diligent about compliance with these laws. If in doubt, employees are encouraged to consult their supervisors and, in the case of directors and officers, the General Counsel.

3. Responsible Management

Responsible management has long been an intrinsic corporate value and a guiding principle closely linked to the Corporation’s long-term sustainable growth. The Corporation’s *Corporate Social Responsibility Statement* reflects the Corporation’s commitment to acting responsibly and provides guidance to management on corporate social responsibility issues.



4. Respectful, Equitable and Diverse Workplace

The Corporation endeavours to provide a workplace in which all people are treated fairly, with dignity, mutual respect and professionalism. The Corporation will not tolerate harassment, including sexual or psychological harassment, threats, violence, or any other disrespectful or inappropriate behaviour in the workplace.

The Corporation is committed to providing a work environment of equal opportunities in employment, appointment and advancement based on appropriate qualifications, requirements and performance. The Corporation will not tolerate unlawful discrimination on the basis of, among other things, age, sex, sexual orientation, race, national origin, religion or disability.

The Corporation supports an inclusive and diverse workforce including employees from a variety of backgrounds, age groups, ethnicities and with diverse education, experience and expertise. The Board and Senior Management Gender Diversity Policy sets forth the Corporation's approach to achieving and maintaining diversity on the Corporation's Board of Directors and senior management team.

5. Employment Practices and Human Rights

The Corporation is committed to employment practices that comply with applicable employment laws and regulations. In addition, the Corporation endeavours to support and respect internationally proclaimed human rights under the Universal Declaration of Human Rights and the International Labour Organization (ILO) conventions.

6. Environment, Health and Safety

The Corporation has a long-standing commitment to conducting its activities in an environmentally responsible manner and providing employees with a safe workplace in compliance with applicable regulations. Officers and employees are expected to abide by the Corporation's *Environmental Policy*.

7. Fair Dealing

The Corporation expects its directors, officers and employees to deal with all parties in good faith, in the context of a competitive business environment, while complying with applicable legal obligations.

8. Conflicts of Interest

The Corporation expects that in performing their duties its directors, officers and employees will place the Corporation's interest in any business transaction ahead of any personal interest or gain. Directors, officers and employees are expected to avoid situations where personal interests could conflict with the interests of the Corporation.

8.1 Material Transactions and Interests

Subject to exceptions and provisions contained in the *Canada Business Corporations Act*, a director or an officer of the Corporation shall disclose to the Corporation, in writing or by requesting to have it entered in the minutes of meetings of directors or of meetings of



committees of directors, the nature and extent of any interest that he or she has in a material contract or material transaction, whether made or proposed, with the Corporation, if the director or officer (a) is a party to the contract or transaction; (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or (c) has a material interest in a party to the contract or transaction. In addition, the director shall, if requested by any other director, not be present at a meeting while the Board of Directors is considering any such material contract and shall not vote on such material contract, unless permitted by law.

8.2 Outside Activities

Officers and employees are expected to advise and obtain the approval of the President and Chief Executive Officer prior to joining the board of directors of another business corporation or entity outside the Power Financial group and to advise and obtain the approval of their supervisor or direct report prior to joining the board of directors of a not-for-profit corporation or entity.

Where such an approval is granted, officers and employees shall comply with the conditions under which such approval was granted, if any, and shall ensure that their outside involvement does not conflict with their duties toward the Corporation and does not adversely affect the Corporation's reputation nor conflict with its core values. In that respect, when acting as director of another business or not-for-profit corporation or entity, officers and employees shall make all appropriate and reasonable efforts to avoid conflicts of interest with the business of the Corporation, its affiliates or any other entity in which the Corporation has a direct or indirect interest and shall formally recuse themselves from any discussion or decision that could involve any of these entities.

8.3 Anti-Bribery and Anti-Corruption

The Corporation is committed to carrying out its business ethically and without the use of bribery. Directors, officers, and employees are expected to abide by the Corporation's *Global Anti-Bribery Policy*, which prohibits receiving, promising, giving, providing, or authorizing the provision of anything of value to obtain or retain business, an advantage, or favoured treatment from anyone.

8.4 Donations, Sponsorships, Political Contributions and Lobbying

The Corporation is committed to making a positive contribution to the communities where it is established. The Corporation, through its parent company Power Corporation of Canada, supports worthwhile causes, and employees are encouraged to participate personally to support their communities.

Directors, officers and employees are expected to ensure donations and sponsorships made on behalf of the Corporation are conducted in accordance with the Corporation's *Global Anti-Bribery Policy* and other applicable legal requirements and corporate policies.

Individuals who wish to make political contributions on their own behalf are expected to comply with the applicable legal requirements in the relevant jurisdiction.

Furthermore, lobbying activities must be conducted in accordance with the Corporation's *Lobbying Procedures*.



9. Confidentiality of the Corporation's Information

In the course of their work, directors, officers and employees may acquire confidential information regarding the activities of the Corporation. Except where it is authorized or legally required, disclosure of confidential information is strictly prohibited – such disclosure can be harmful to the Corporation and could form the basis for legal action against the Corporation and/or the individual responsible for the disclosure. The obligation to keep certain information confidential applies both during and following employment or office with the Corporation.

Directors, officers and employees may also acquire confidential information regarding individuals and corporate or business entities through their position with the Corporation. The Corporation expects such individuals who receive this type of information through their office or employment with the Corporation to protect the confidentiality of such information.

10. Privacy of Information

The Corporation is committed to maintaining the confidentiality and security of the personal information regarding its employees, as well as any personal information it may collect from any other individuals, including its securityholders or the users of its websites and third-party social media sites.

Directors, officers and employees are expected to abide by the Corporation's *Employee Privacy Policy* with respect to any personal information regarding employees. The Corporation's privacy commitment regarding personal information of other individuals is publicly disclosed on its [website](#).

11. Disclosure

The Corporation is committed to consistent and fair disclosure practices aimed at informative, timely and broadly disseminated disclosure of information to the market in accordance with all applicable laws. The Corporation is subject to the requirements of securities regulators and the Toronto Stock Exchange about how and when information about the Corporation is disclosed to the public.

Directors, officers and employees are expected to abide by the Corporation's *Disclosure Policy*, which provides guidance on disclosure relating to financial information and authorized spokespersons, and by the Corporation's *Social Media Policy*, which provides guidance on communications made through social media.

Directors, officers and employees must not respond to requests or inquiries from representatives of the media, regulators or the investment community unless authorized by the Corporation or requested to do so by an authorized spokesperson.

12. Securities Laws and Insider Trading

In addition to the restrictions on disclosure of the Corporation's confidential information, directors, officers and employees are also subject to restrictions on trading in the Corporation's securities and that of its affiliates while in possession of certain confidential information. Directors, officers and employees are expected to abide by the Corporation's *Policy Concerning Insider Trading*.



13. Protection and Use of the Corporation's Assets and Opportunities

The Corporation's equipment, supplies, intellectual property (including the Corporation's name), records, documents and other assets are intended for business use in accordance with the Corporation's policies.

Corporate property provided to directors, officers and employees in the course of their office or employment is and remains the property of the Corporation and such property shall be returned to the Corporation upon termination of office or employment as appropriate or upon request.

The Corporation's property and opportunities must not be used for personal gain or illegal activities. Directors, officers and employees should report any instances of theft, misuse or waste of funds or assets or appropriation of opportunity to the President and Chief Executive Officer, the General Counsel or a member of the Audit Committee.

The Corporation is committed to ensuring the integrity of the recording, processing, retention and destruction of its documents and records to meet its obligations. Officers and employees are also expected to abide by the Corporation's *Record Retention Policy*.

Officers and employees are also expected to abide by the Corporation's *Security of Technology and Intellectual Property Policy*, which establishes guidelines for the proper use of the hardware, software, websites, e-mail, telecommunications, internet access or other systems that support and host the network of the Corporation, and the Corporation's *Social Media Policy*, which provides guidance on communications made through social media.

14. Reporting Illegal or Unethical Behaviour

Directors, officers and employees who believe that a violation of the Code or any law, rule or regulation has been or is likely to be committed have an obligation to promptly report the relevant information to an appropriate supervisor or, in the case of directors and senior officers, to the General Counsel. Alternatively, in any case, the violation or potential violation may be reported to the President and Chief Executive Officer or any member of the Audit Committee, as appropriate, in accordance with the Corporation's procedures.

Confidentiality of reports made in good faith regarding alleged violations will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review and subject to applicable law.

An individual who receives such a report must make a record of its receipt, document how the situation was dealt with and report thereon to the General Counsel or the President and Chief Executive Officer. The General Counsel or the President and Chief Executive Officer will retain all such reports and may, depending on the circumstances, report to a Committee of the Board of Directors.

The Corporation wishes to assure employees and officers that the Corporation will not discharge, demote or suspend an employee or officer who, in good faith, brings forward reasonable concerns about actual or potential violations of laws, rules or regulations, or the Code.

The Corporation has established the *Accounting Complaints Handling Procedures*, to allow employees to report complaints or concerns about the Corporation or any of its wholly owned



subsidiaries regarding these matters, and to ensure that such reports are investigated promptly and thoroughly. Please refer to the *Accounting Complaints Handling Procedures* for examples of possible concerns regarding accounting, internal accounting controls or auditing matters, and for instructions on reporting procedures. Employees may report any complaint or concern anonymously, although the Corporation's ability to fully investigate an anonymous report may be limited if it is unable to obtain additional information.

15. Contact Information

Any questions regarding the Code and its application or interpretation should be directed to a supervisor or the General Counsel, as appropriate.

16. Compliance with the Code

The Code applies to all directors, officers and employees of the Corporation. An individual who violates the Code may face disciplinary action up to and including termination of his or her office or employment with the Corporation without notice. A violation of the Code may also violate certain securities laws. If it appears that an individual may have violated such securities laws, the Corporation may refer the matter to the appropriate regulatory authorities. This could lead to penalties, fines or imprisonment.

Waivers of the Code for employees (for greater certainty, other than executive officers) may be granted only in writing by the President and Chief Executive Officer of the Corporation. Waivers of the Code for executive officers and directors may be granted only in writing by the Board of Directors.

Directors and executive officers are reminded that the Canadian securities regulatory authorities consider that conduct by a director or executive officer which constitutes a material departure from the Code will likely constitute a "material change" within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*. National Instrument 51-102 requires every material change report to include a full description of the material change, including: the date of the departure(s); the party(ies) involved in the departure(s); the reason why the Board of Directors has or has not sanctioned the departure(s); and any measures the Board of Directors has taken to address or remedy the departure(s).

Each director, officer and employee is to be provided with a copy of the Code and will be required to sign an annual acknowledgement. New directors, officers and employees are to be provided with a copy of the Code and will be educated about its importance. The Code will be circulated to directors, officers and employees from time to time when appropriate and whenever material changes are made to the Code.

The Code is publicly available in the [Governance section](#) of the Corporation's website and is filed on [SEDAR](#).



17. No Rights Created

This Code is a statement of the fundamental principles and key policies and procedures that govern the conduct of the Corporation's business. It is not intended to and does not, in any way, constitute an employment contract or an assurance of continued employment or create any rights for any director, officer or employee.



Appendix A

Corporate Policies and Procedures

The Code is supplemented by corporate policies, statements, and procedures, some of which are listed below.

- Accounting Complaints Handling Procedures
- Corporate Social Responsibility Statement
- Disclosure Policy
- Employee Privacy Policy
- Environmental Policy
- Global Anti-Bribery Policy
- Lobbying Procedures
- Policy Concerning Insider Trading
- Record Retention Policy
- Respectful Workplace Policy and Procedures
- Security of Technology and Intellectual Property Policy
- Social Media Policy

This is not an exhaustive list of policies and procedures. Directors, officers and employees must familiarize themselves with, and at all times comply with, all of the Corporation's policies and procedures.