

## **Code of Ethics Policy**

The Code of Ethics applies to The McDowell Group of Companies, its subsidiary, affiliated companies, all full time, part time, executive officers and directors (collectively referred to as “Employees”).

**A Commitment to Ethical Business Conduct:** Our Code of Ethics affirms the Company’s commitment to uphold high moral and ethical principles and specifies the basic norms of behaviour for those conducting business on its behalf. While the Company’s business practices must be consistent, we believe that honesty is the essential standard of integrity. Thus, McDowell’s activities are to be based on honesty, integrity and respect.

**1. Respect for the Law:** The Company and its employees shall comply with all laws, rules and regulations and governmental requirements of those jurisdictions in which it conducts business.

**Guidance:** Ignorance of the law is not a defense and is not acceptable.

Accordingly, our employees must diligently seek to avoid conduct which might be interpreted as being in contravention of laws governing the affairs of the Company in any jurisdiction where it carries on business. Employees must not permit their decisions to be improperly influenced nor shall they improperly influence the decisions of others, irrespective of any perceived benefits to the Company. Moreover, the Company promotes fair competition and requires its employees to avoid all actions which could be construed as being anti-competitive.

Compliance with the general laws and ethics of Canada applies to all jurisdictions where the Company conducts its operations. For example, bribery, sexual harassment, substance abuse, the exploitation of child labour or abuse of human rights will not be tolerated, irrespective of the local laws governing such matters.

If an employee is in doubt about the application of any legal requirement, the employee should refer the matter to his or her supervisor who, if necessary, should seek the advice of the President.

**2. Fair Dealing & Professionalism:** The Company values its reputation for fair dealing and holds itself and its employees to the highest standard when fulfilling those values.

**Guidance:** McDowell honours its commitments, duly performs its obligations and treats with respect those that are obligated to it. Employees should treat fairly those they have dealings with and be honest with the Company, its suppliers, customers, partners and others in its employ as well as members of the communities in which it carries on its operations.

Negotiations must be carried out in good faith with no intention to mislead. No employee should do anything that could be interpreted as being dishonest, unprofessional, compromising or outside reasonable commercial standards of fair dealing.

Employees must refrain from disparaging competitors or their products and should not improperly seek competitors' trade secrets or other confidential information nor take improper or unlawful advantage of others in its business dealings.

**3. Gifts and Entertainment:** McDowell discourages the receiving of gifts or entertainment by employees from persons outside the Company, and discourages the giving of gifts or entertainment by employees on behalf of the Company to persons outside the Company. Such practices are permissible only where they involve moderate values and conform to the following basic principles:

- they are infrequent
- they legitimately serve a definite business purpose
- they are appropriate to the business responsibilities of the individuals
- they are within limits of reciprocation as a normal business expense

**Guidance:** McDowell strives to maintain the highest standards of ethics in its relations with those with whom it does business. Secret commissions or other direct or indirect compensation to third parties or their family members, friends or associates are contrary to these principles. Actions taken and decisions made by Company employees should be on the basis of an impartial and objective assessment of the facts in each situation, free from influence by gifts, favours and the like, which may adversely affect the judgments involved. While gifts of services may foster important business relationships, the Company must avoid either the fact or the appearance of improper influence in its relationships with organizations or individuals with whom the Company deals in the course of its business.

If you have any doubt about the possible application of these principles to specific circumstances, consult your President.

**4. Books and Records:** The Company's books and records will reflect, in an accurate and timely manner, all Company transactions.

**Guidance:** All financial statements and books, records and accounts of the Company must accurately reflect transactions and events and conform both to legal requirements and accounting principles and also to the Company's system of internal accounting. As an employee, you have the responsibility to ensure that false or intentionally misleading entries are not made by you, or anyone who reports to you, in the Company's accounting records. All officers and employees of the Company that are responsible for financial or accounting matters are also required to ensure the full, fair, accurate, timely and understandable disclosure in all periodic reports .

This commitment and responsibility extends to the highest levels of our organization, including our managers, secretaries, vice presidents and presidents. Employees may submit concerns regarding questionable accounting and auditing matters; confidentially or anonymously is assured.

**5. Dealing with Public Officials:** All dealings between employees of the company and public officials or other persons will be conducted in a manner that will not compromise the integrity or question the reputation of any public official or other person, the Company or its affiliates.

**Guidance:** Even the appearance of impropriety in dealing with public officials and others is not consistent with this principle. Participation, whether directly or indirectly, in any bribes, kickbacks, contributions or similar payments is also contrary to this principle, whether or not they might further the business interests of the Company.

**6. Improper Influence on Conduct of Audits:** Audits of the Company will be conducted free of improper influence on the auditors or the conduct of the auditors.

**Guidance:** Employees shall not influence, coerce, manipulate or mislead any internal auditor or any independent public or certified accountant engaged by the Company in the performance of an audit for the purpose of rendering the financial statements materially misleading.

Conduct with auditors must be carried out with honesty and integrity as it is with all other business relationships. Other conduct considered inappropriate includes offering or paying bribes, providing auditors with inaccurate or misleading legal analysis, threatening to cancel existing engagements if an auditor objects to accounting treatment, blackmailing or making physical threats.

**7. Conflict of Interest:** Employees will avoid all situations in which their personal interests conflict or might appear to conflict with their duties to the Company. Any potential conflict shall be reported to the Company.

**Guidance:** Employees should avoid acquiring interests or participating in any activities that would tend:

- (a) to deprive the Company of the time or attention required to perform their duties properly, or
- (b) to create an obligation or distraction which would affect their judgment or ability to act solely in the Company's best interest, or
- (c) to result in improper personal benefit to them or their family.

Opportunities which become available to an employee by reason of his or her job, position, or employment activities must be disclosed to the Company and be treated as belonging to the Company even if they arise outside of normal working hours.

**8. Outside Directorships:** Employees of the Company may not serve as directors of any outside business organization unless such service is specifically approved by senior management.

**Guidance:** There are a number of factors and criteria that the Company will use in determining whether or not to approve an employee's request for an outside business directorship. Directorships in outside companies should satisfy a number of business considerations including

(1) furthering the interests of the Company; (2) not detracting in any material way from the employee's ability to fulfill his or her commitments to the Company; and (3) not raising the possibility of a conflict of interest. When evaluating requests the Company will also take into consideration the time commitment and potential personal liabilities arising from the responsibilities associated with any particular outside directorship.

**9. Confidentiality:** Unless previously published, the Company's records, reports, papers, devices, processes, plans, methods and apparatus are considered by the Company to be secret and confidential and should not be revealed without proper authorization.

**Guidance:** Customers, employees, investors and the public should have such information about the Company as is necessary for them to judge adequately the Company and its activities. The Company believes that full and complete reporting to regulatory agencies and the provision only by properly authorized employees of the Company; of information required by the public constitute a responsible and workable approach to the interests of disclosure. However, the Company, except as required by law, should not disclose information which might impair its own competitive effectiveness or which might violate the private rights of employees, other individuals or institutions.

**10. Corporate Opportunities:** Employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

**Guidance:** Employees are prohibited without the consent of the company from (1) taking for themselves opportunities that are discovered through the use of corporate property, information or their position, (2) using corporate property, information or their position for personal gain, and (3) competing with the Company directly or indirectly.

**11. Protection and Proper use of Company Assets:** Employees should protect the Company's assets and ensure their efficient use.

**Guidance:** All employees, officers and directors must use Company assets for legitimate business purposes. Company policies permit appropriate use of electronic communications assets and, for persons eligible for this perquisite, the personal use of leased automobiles. The Company and its employees will take steps to prevent theft, carelessness and any manner of waste that has a direct impact on the Company's profitability.

**12. Inside Information:** Inside information obtained as a result of an individual's employment with the Company will not be disclosed to others nor used for personal financial gain.

**Guidance:** Employees may find themselves in violation of Section 9 if they misuse information not generally known to the public or if, while possessing specific confidential information. Specific confidential information would include information concerning sales or earnings figures, or information concerning major contracts, proposed acquisitions or mergers.

**13. Human Rights:** McDowell supports and promotes a work environment within which individuals are treated with respect, provided with equality of opportunity based on merit and kept free of all forms of discrimination.

**Guidance:** Discrimination should not be tolerated at any level of the Company or in any part of the employment relationship. This includes areas such as recruitment, promotion, training opportunities, salary, benefits and terminations. Employees will be treated as individuals and given opportunities based on merit and ability to do the work.

We will sustain an environment that encourages personal respect. Differences between individuals, such as in age, race, sex, religion and physical limitation will be respected. Employees can expect to have their dignity honoured and their rights protected. Employees are entitled to freedom from sexual and all other forms of personal harassment.

**14. Reporting Obligations:** Compliance with McDowell policies protects all employees as well as the value of the Company's assets and operations and its reputation for acting properly. Identifying problems

or violations to enable them to be quickly and properly resolved or to prevent them from escalating or recurring, benefits all workers and enhances the workplace for the betterment of all concerned.

**Guidance:** Employees have a duty to report violations of the Company's policies and standards including its Code of Business, Environmental, Health and Safety Practices. Any employee making such a report is to be free from any concern about retaliatory consequences. Reprisals or intimidation of employees who draw attention to problems or violations will not be tolerated. Employees can report their concerns to their supervisor or the Company's President

**15. Accountability for Adherence to the Code:** Failure by any employee to comply with the laws or regulations governing the Company's business, this Code or any other Company policy or requirement may result in disciplinary action including termination and, if warranted, legal proceedings. All employees are required to cooperate in any internal investigations of misconduct.

**Guidance:** Every employee who has executive or managerial responsibilities is expected to ensure that the Code is communicated to and understood by employees reporting to him or her. All employees are required to sign an annual acknowledgement of adherence to the Code.

**16. Waivers of the Code of Ethics:** Any change in or waiver of this Code may be made only by the Board and will be promptly disclosed as required by law or regulation.

Although the various matters dealt with in this Code do not cover the full spectrum of employee activities, they are indicative of the Company's commitment to the maintenance of high standards of conduct and are to be considered descriptive of the type of behaviour expected from employees in all circumstance.