

# BDC Code of Conduct, Ethics and Values



Approved at the meeting of the Board of Directors on July 29, 2015

TITLE	BDC CODE OF CONDUCT, ETHICS AND VALUES		
APPROVED BY	Board of Directors	July 29, 2015	ISSUED
		DATE	DATE

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*In the following text, the masculine gender is used for reasons of simplicity and clarity.*

## 1.0 DEFINITIONS

The following key words, listed in alphabetical order, are defined to assist in understanding the policy:

<b>“BDC”</b>	The Business Development Bank of Canada (also referred to as “the Bank”).
<b>“BDC Policies”</b>	Refers to BDC’s corporate policies, corporate directives, business rules and procedures.
<b>“Client”</b>	Any individual or any form of legal entity with whom BDC transacts or proposes to transact for the purposes of fulfilling its mandate, including clients of BDC Financing, BDC Advantage, BDC Growth and Transition Capital, BDC Venture Capital and BDC Securitization.
<b>“Conflict of Interest”</b>	Arises when the interests of an Employee, Consultant or Supplier, or of a Family Member or Interested Person, or a duty to some other person or entity, interferes with, or appears to interfere with, the responsibility and duty of an Employee, Consultant or Supplier to BDC. It occurs when an individual exercises a duty or function that provides an opportunity to further his personal interest or those of his Family Members or Interested Persons or to improperly further another person’s personal interest, even if BDC is not adversely affected by the conduct.
<b>“Consultant” or “Consultants”</b>	Any business or person who is not an Employee of BDC that is a member of the BDC Advantage external network of consultants and bound by a Master Agreement and one or more contracts to provide consulting services to BDC <b>clients</b> .
<b>“Directors”</b>	Individuals appointed by an Order in Council to BDC’s Board of Directors.
<b>“Employee” or “Employees”</b>	All BDC permanent and temporary personnel, whether full-time or part-time, and including the President & CEO.
<b>“Family Members”</b>	With respect to any BDC Employee, Consultant or Supplier, means a person in a familial relationship and includes: a spouse or equivalent, live-in partner, dependent, child, step-child, parent, foster parent, mother-in-law or father-in-law, grandparent, sibling, sister-in-law or brother-in-law, or any other such person whether or not they reside in the same household as the Employee, Consultant or Supplier.
<b>“Influencers”</b>	Persons with whom BDC usually works in the local community, such as accountants or lawyers, and who may refer Clients to BDC.

<b>“Information Asset”</b>	Any documentary material, regardless of form or medium, created by BDC employees or received from other sources and under the custody of BDC.
<b>“Interested Person”</b>	Someone having a close personal or business relationship with an Employee, Consultant or Supplier.
<b>“Officer”</b>	Members of BDC’s Senior Management Committee (“SMC”)
<b>“Personal Device”</b>	Means a personally owned device not provided by BDC, but for which use has specifically been authorized in writing by BDC, that is used during the course of normal activities, as well as to serve the interests of BDC.
<b>“Personal Information”</b>	Is defined as being any information about an identifiable individual (e.g. age, ethnic origin, religion, marital status, education and financial history, medical history, personal views or opinions of or about the individual). This includes personal information about BDC’s Employees and Consultants, as well as its Clients (e.g. directors, officers, shareholders and guarantors of corporate Clients).
<b>“The Code”</b>	Refers to the <i>BDC Code of Conduct, Ethics and Values</i> together with the BDC Policy on the <i>Disclosure of Wrongdoing in the Workplace</i> , the Policy on <i>Personal Trading</i> , and the <i>Corporate Directives on Anti-Fraud and Anti-Money Laundering and Anti-Terrorist Financing</i> .
<b>“Supplier” or “Suppliers”</b>	Any company or person who is not an Employee of BDC that provides services to BDC under a Service agreement or one or more Statements of Work, or any other agreement (regardless of its title) stipulating the services to be provided to BDC, including any person or company that acts as a consultant to BDC, but excluding any company that has adopted and has still in force an employee code of conduct whose terms have been considered adequate by the Assistant Vice President, Legal Affairs. These firms are not required to sign or renew their oath to the Code so long as they have in force at all times a satisfactory code of conduct.
<b>“We,” “Us,” “Our”</b>	Collectively designates all BDC employees, consultants and suppliers, and is intended to indicate that compliance with the Code is both a personal and collective responsibility.

## 2.0 INTRODUCTION

### ***Spirit of the Code***

In today's complex business world, questions can often arise about the right thing to do. In the spirit of upholding the highest standards of ethics valued by BDC, the *Code* brings together information on compliance requirements and the principles of ethical conduct that underlay BDC's business. The Code is intended to help us clearly understand what is expected of us and to apply these principles in everything we do.

### **2.1 Objective and Scope**

As a federal Crown Corporation, BDC operates within a framework of laws, rules and regulations. We are also guided by BDC Policies which include the Code, and some of which are referred to specifically herein and listed in Appendix A.

The Code broadly addresses a variety of ethical and legal concerns that many of us may face from time to time. It is established to guide our judgement and help us better understand the ethical demands and constraints related to our work. The Code contains information related to key principles of ethical conduct, disclosure of information on wrongdoing and administration of the Code.

The Code is available on the BDC intranet and website ([www.bdc.ca](http://www.bdc.ca)) under the Governance tab.

### **2.2 To whom the Code applies**

All Employees at every level of BDC are subject to the Code.

Consultants, as defined in the Code, including their representatives and employees, are required to conduct themselves in a manner consistent with the Code. The Code replaces the Consultant Code of Conduct (F-CNM-017), applicable previously to external consultants.

Suppliers, as defined in the Code, including their representatives and employees, are required to conduct themselves in a manner consistent with the Code.

The Code also addresses the relationship between BDC and its Clients, Influencers, partners, suppliers, shareholder and other business contacts with whom BDC interacts or contracts. BDC will not knowingly enter into or maintain a relationship with a person or organization that does not maintain the standards of business conduct and ethics that are reflected in the Code.

Directors are subject to a Board code of conduct specific to the BDC Board of Directors, which applies similar ethical standards as the *Conflict of Interest Act*.

## 2.3 Reference to BDC policies and legislation

The Code refers directly or indirectly to certain applicable laws and BDC policies. A non-exhaustive list is set out in Appendix A. Any person with access authorized by BDC is required to read and comply with these documents, which can be consulted on the BDC intranet or obtained from a manager.

A Consultant or Supplier who is uncertain whether a BDC policy applies to him must refer to a BDC manager who will conduct the necessary investigation, as applicable.

## 2.4 Compliance with the Code

We must read, know and understand and comply with the content of the Code, and the BDC policies that affect our work. We must understand, however, that no code of conduct can cover all of the circumstances that we may encounter. BDC encourages us to apply not only the letter of the Code but its spirit and principles.

Dishonest or unethical conduct or conduct that is illegal constitutes a breach to the Code regardless of whether the Code specifically addresses such conduct.

Any Employee who fails to meet the standards set out in the Code will be subject to possible review of his actions, or lack thereof, as well as corrective and/or disciplinary action up to and including immediate dismissal.

With regard to a Consultant, Supplier or any other Business Partner, failure to act in a manner consistent with the Code may result in termination of the business relationship.

The Board oversees compliance with the Code and relies on the Senior Vice President, Human Resources to monitor and provide regular reports.

## 2.5 Public Sector's Code

As a federal Crown Corporation, BDC also commits to the values and adheres to the expected behaviour of the Values and Ethics Code for the Public Sector. For Employees, the *Values and Ethics Code for the Public Sector* is incorporated in and must be read in conjunction with the present Code. It may be consulted on the Treasury Board of Canada Secretariat.

### 3.0 BDC's CORE VALUES

BDC's principles of ethical conduct include honesty, integrity, loyalty and compliance with the law. We uphold these principles and abide by the highest standards of ethics. We also make decisions that are in the best interests of BDC and its shareholder in accordance with the Code. A strong foundation for ethical conduct is provided by BDC's five core values:

- ✓ **ethics**
- ✓ **client connection**
- ✓ **team spirit**
- ✓ **accountability**
- ✓ **work - life balance.**

### 4.0 PRINCIPLES OF ETHICAL CONDUCT

The following principles of ethical conduct are not exhaustive. They cover minimum standards and common business situations in which ethical or legal concerns arise. We must therefore understand and comply with the spirit of professional integrity that underlies these standards.

#### 4.1 Compliance with Laws and Policies

In conducting the business of BDC, we must comply in all matters with all applicable laws, rules, regulations and practices in jurisdictions where BDC operates as well as with BDC's by-laws and BDC policies.

BDC will not engage in any activities that are illegal and does not permit us to do so on its behalf.

Any questions about the interpretation or application of legislation or the legality of any issue must be addressed to the Senior Vice President, Legal Affairs and Corporate Secretary, or Assistant Vice President, Legal Affairs, before taking action.

#### 4.2 Protecting BDC's Reputation

BDC's reputation is at the core of its success and must be protected continuously. It has been built over the years and depends upon our shared commitment to BDC's principles of ethical conduct. We must always conduct ourselves in ways that enhance BDC's reputation with Clients and the public at large and protect BDC from image or reputational damage.

When in doubt, we should always ask ourselves if BDC's reputation would be harmed if the situation became public. We must avoid activities that could compromise BDC's image or reputation within the community while performing our duties as well as outside our regular working hours with BDC or when dealing with clients.



## 4.3 Corporate Social Responsibility

Corporate social responsibility is about meeting society's expectations and managing the economic, social and environmental consequences of our actions. It is a principle, not a stand-alone program, and it shapes BDC Policies and practices. At BDC, corporate social responsibility means:

- **Economically** – supporting entrepreneurs and promoting entrepreneurship to create economic opportunities.
- **Socially** – using responsible governance, finance and human resources practices in order to act in ways that build public trust.
- **Environmentally** – supporting entrepreneurs, using greener practices and committing to act responsibly towards the environment in order to protect BDC and its stakeholders against unacceptable levels of environmental risks and to support sustainable development.

## 4.4 Fair Dealing with Employees, Client, Suppliers, External Parties and Public

We deal fairly with those with whom we interact. Strong mutual respect, transparency of actions, open communications and a spirit of support are to permeate all interactions between employees. We deal fairly with BDC's clients, suppliers, external parties and the public and act within our delegated authority. It is expected that no one will take advantage of anyone else through manipulation, concealment, wilful obstruction, false statements, abuse of privileged information, misrepresentation of facts or any unfair or disrespectful practice, either orally or in writing.

### 4.4.1 Relationships between individuals

Our commitment to people extends beyond our Client and supplier relationships, to all our relationships and we must all act as "One Team, One Bank".

***We shall:***

- respect others;
- work openly, honestly and collaboratively with our colleagues in the best interests of BDC;
- act within our employment duties, qualifications and delegated authority;
- share relevant and complete information in the performance of our duties;
- keep other information confidential;

Individuals who feel they have not been treated fairly shall feel free to discuss the matter firstly with their manager, director, contract administrator, or with their Human Resources Business Partner or, lastly, with the Ombudsman.

## ***Diversity***

Workplace diversity provides different perspectives and supports opportunity, change and innovation. BDC values individual differences and diversity and promotes, at a minimum, the standards and protection of federal employment equity legislation. In all cases, BDC will deal fairly and ethically with diversity issues and treat people with respect and dignity.

## ***Workplace Free from Harassment, Discrimination and Violence***

BDC promotes a work environment that encourages mutual respect and professional conduct. BDC's procedure *Promoting a Workplace Free from Harassment, Discrimination and Violence* prohibits any form of disrespectful conduct, harassment, or discrimination and is an integral part of this Code. It specifies that such behaviours are unacceptable and will not be tolerated by BDC.

## ***Substance Abuse***

We are strictly prohibited from being impaired by the consumption of alcohol or drugs while on BDC's premises or while conducting BDC business or activities.

Alcohol or drug dependency is a treatable condition and early intervention improves the probability of lasting recovery. We are all encouraged to seek professional assistance and to use the Employee Assistance Program made available by BDC for its Employees when help is required.

## ***External Communications and Social Media***

Consultants and Suppliers are not authorized to speak officially on behalf of BDC, or grant interviews or make statements to the media regarding BDC's policies or business.

### ***For Employees:***

All communications by employees on behalf of BDC must be approved and are overseen by Public Affairs. Only BDC individuals who have been authorized to act as BDC'S spokesperson can officially speak on its behalf, grant interviews or make statements to the media concerning BDC policy or business.

Employees who wish to participate in public forums, interviews with the media or conferences on their own behalf must notify BDC before agreeing to participate. Even though they are acting on their own behalf, certain publications could have an impact on BDC's reputation or business.

When appearing in public forums, social media or conferences, Employees should be clear as to whether the information they present and the opinions they express represent BDC or their own personal views. Employees may quote previously published information from key publications such as the annual report and corporate plan summary. Employees are required to follow BDC's corporate directive on *Disclosure* and the *Use of Information Technology* corporate directive.

Employees are also required to comply with the *Employee Social Media Usage* procedure in their use of the Internet, social networking websites and blogs or in their participation in newsgroups or chat rooms.

## **BDC image**

Unless specifically authorized by Public Affairs, we will not use the BDC logo or brand name in our personal communications or for our own benefit in any communication medium, and will respect BDC's brand image, copyright, image and official marks.

## **4.4.2 Clients, Consultants, Suppliers, External Parties and Public**

### **Clients**

We must demonstrate high standards of conduct and offer exemplary service in all dealings with Clients.

BDC is committed to respecting the “**Know Your Customer**” principles in all its jurisdictions. We are responsible for complying with BDC Policies in these areas, including the *Anti-Money Laundering and Anti-Terrorist Financing* corporate directive, and for exercising due diligence in every transaction.

BDC adheres to the principles of free competition. As provided in the *Competition Act*, bid-rigging, deceptive marketing practices, tied selling, abuse of dominant position and concerted actions to fix prices or interest rates impede fair competition and must be avoided. Any person who has concerns about the legality of any issue regarding fair competition should contact the Assistant Vice President, Legal Affairs.

BDC's *Charter of Client Rights* outlines its commitment to its Clients by way of Accountability, Information, Fairness, Confidentiality, and Due Process. The Charter is administered by the Ombudsman who is responsible for the complaint handling process and independent mediation.

### **Suppliers**

When contracting with suppliers, BDC must ensure that its Policies regarding supplier selection and contracting are respected including the *Procurement and Contracting* policy, as well as applicable laws and Free Trade Agreements (FTAs) negotiated and signed by the Government of Canada.

### **Referrals and Enquiries by Members of Parliament, Senators, Ministers and their Staff, and BDC Directors**

BDC encourages referrals from Clients, Consultants or Suppliers, which must be provided without undue pressure. Any referral or enquiries by members of Parliament and BDC Directors are required to follow the policy on *Handling of Referrals and Enquiries by Members of Parliament, Senators, Ministers and their Staff, and BDC Directors*.

## **4.5 Conflict of Interest**

We must be objective and impartial in all business dealings to avoid a Conflict of Interest or to be perceived to be in a Conflict of Interest. We must, at all times, avoid situations where personal interests conflict, or could appear to conflict, with our BDC role and responsibilities. We must arrange our personal affairs to avoid real, potential or perceived conflicts of interest and must not access or

otherwise use or take advantage of BDC's network of contacts or information base for our own purposes or at the request of others.

When a close personal situation is likely to create a situation where our personal interests may enter into conflict, or could appear to be in conflict, with our responsibilities, the Manager, Director, or person responsible for managing the contract must be notified. Appropriate measures will be taken or recommendations made based on the circumstances.

We shall not give preferential treatment to any person, including Family Members or Interested Persons. We must ensure that we are not obligated to, or do not give the appearance of obligation to, any person who might profit from special consideration. We are prohibited from managing or working on accounts of Family Members or Interested Persons.

Those who recommend or approve transactions:

- must not have any personal business with anyone involved, regardless of their role;
- are not permitted to participate in any transaction or contract that involves a Client, Consultant or Supplier that is a Family Member or Interested Person;
- must disclose the situation in accordance with 4.5.7 below.

Also, the *BDC Act* prohibits BDC from making a loan, investment or guarantee directly to a Director or Officer.

#### 4.5.1 Personal Assets / Liabilities

All personal financial assets or liabilities that may give rise to a real or potential Conflict of Interest must be disclosed in writing in accordance with 4.5.7 below. This includes interests in partnerships, proprietorships, joint ventures, private companies, and family businesses or real estate property for other than personal use.

When assets or interests give rise to a real or potential Conflict of Interest, as determined by BDC, the individual may be required to divest the assets by selling them or by making them subject to a trust arrangement or other action acceptable to BDC, or be prohibited from entering into any contract that would place the individual in a situation of conflict.

#### 4.5.2 Directorships

It is permitted to serve as directors of corporations except where there could be a Conflict of Interest or a perceived Conflict of Interest, particularly if that corporation is conducting, or has already conducted, business with BDC.

Prior to accepting appointments to "not-for-profit", community-oriented, trade or professional association, Employees and Consultants must notify their **Manager, Human Resources Business Partner or Director**.

For Employees, all commercial board appointments require a written approval by the Employee's Vice President (or level above) and the Senior Vice President, Human Resources. We must all nonetheless disclose our interests.

Employees of BDC who are asked to serve as directors of corporations in which BDC invests should refer to BDC Policies, including BDC Policies on BDC Venture Capital and on Personal Trading.

Annually, as part of their commitment to the Code, we are required to declare:

- the name of the organizations on which we are sitting as directors on boards;
- the name of the not-for-profit, community-oriented or trade-related associations on which we are appointed and still sitting.

#### 4.5.3 Outside Employment or Activities and Post-Employment

Employment outside of BDC working hours, whether for another employer or on a self-employment basis (compensated or not), is permitted if:

- 1) There is no conflict of interest or perceived conflict of interest; *and*
- 2) It does not result in a decrease in your performance or a decline in the quality of your work produced at BDC; *and*
- 3) It does not affect your ability to perform your duties and responsibilities objectively and impartially; *and*
- 4) You obtain prior approval from your Vice President and the Human Resources Business Partner. For temporary employees, summer students and contractual employees, approval may be obtained from the Human Resources Business Partner.

BDC reserves its right to request an employee to discontinue his participation in outside employment or other business activity at any time if any of the conditions above is not met.

We are forbidden to show preferential treatment to a former Employee, Consultant or Supplier who wishes to contract with BDC or is engaged by someone who wishes to do so.

Further, if an Employee or Consultant has had significant dealings with a Client or entity during the previous 12 months, he will not, for a period of 6 months following the termination of his employment:

- make representations to BDC on behalf of the Client or entity; and
- he will not give advice to the Client or entity using information that is not available to the public concerning BDC programs or policies.

In the exercise of their functions, Consultants shall not be influenced by projects or outside employment offers from clients. Consultants shall immediately notify their Director of any offer of employment or external professional activities that could place them in a conflict of interest.

Consultants shall not recruit or recommend to other companies any employee of a client, unless they received prior written authorization from BDC and the client concerned.

#### 4.5.4 Political Activities

Discretion is in order when we participate in political activities, and we must never act as representatives of BDC. Volunteering on behalf of, or donating to, a candidate for election to any federal, provincial, territorial or municipal legislative body is permitted.

Anyone who decides to run as a candidate for election must inform BDC of his intention to do so. The person shall then take a leave of absence without pay or terminate his contract with BDC from the time the Writ of Election is issued, until the day after the election. If the person is elected as a member of a federal, provincial or territorial legislative body, with the exception of a municipal council, he must resign from BDC, shall be removed from the network of consultants or shall no longer be a BDC Supplier.

We are prohibited from using our position at or Contract with BDC or its resources to influence political contributions or votes.

BDC will not purchase tickets or corporate tables at events raising financial contributions for a political party. Furthermore, we will not attend such functions as representatives of BDC.

#### 4.5.5 Community or Non-Profit Organizations

Those who volunteer with community organizations do so as individuals and not as BDC representatives. If their involvement in community organizations creates a real or perceived Conflict of Interest with BDC responsibilities, they will be required to withdraw from the organization.

#### 4.5.6 Acceptance of Gifts

We must not accept, nor offer, gifts consisting of cash, bonds, negotiable securities, discounts, hospitality or other favoured treatment or other benefits (“gift” or “gifts”) that could influence our judgment or performance of our duties. This also applies to our Family Members and Interested Persons.

Any inadvertently or involuntarily received gift must be reported to BDC to determine the appropriate measures to be taken. Further, if there is doubt regarding accepting a gift, it is recommended to consult with your Manager, Director, or Human Resources Business Partner.

We must not give or accept, directly or indirectly, any gift offered for/by persons, groups or organizations conducting or which would like to conduct business with BDC unless the gift:

- is of nominal value (normally under \$200, or higher value only if judged appropriate by their manager or director who approves in advance following a written declaration by the Employee); and
- does not violate any applicable laws or regulations; and
- reflects a normal expression of courtesy or hospitality;
- and does not raise suspicion about their objectivity and impartiality.

Infrequent, casual hospitality, such as a lunch or dinner for business purposes or tickets to local sporting or cultural events, invitations to local social or charitable events, local golf games or tournaments or small promotional articles are normally acceptable.

When invited to events organized or sponsored by a Client or supplier, we may accept a prize when it meets the conditions described above. Any prizes or gifts of value in excess of this amount must be returned to the organizers.

At such events, we may keep a prize if we personally paid for the ticket that was drawn. We may also keep a prize won at an event not organized by or sponsored by a Client or a supplier, such as a social or charitable event, where the prize is a result of a draw based on chance.

We must decline sponsored travel from any organization or individual doing business or in a relationship with BDC unless we are a guest speaker or panellist at a public conference, in which case prior approval is required from the Vice President.

#### 4.5.7 Disclosure

Unless specified otherwise, any person who believes he has a Conflict of Interest that could create a bias or perception of a bias has the obligation to promptly and fully disclose the conflict in writing to his **manager, Human Resources Business Partner, director or BDC business contact**, who will consult with the Assistant Vice President, Legal Affairs.

More specifically:

- Those who recommend or approve transaction must disclose situations involving a Family Member or Interested Person to their managing partner or Vice President or level above who shall consult with the Assistant Vice President, Legal Affairs.
- Anyone (or to the person's knowledge, a Family Member or Interested Person of that Employee) who holds an interest in a business or closely held corporation that would like to do or has done business with BDC must provide complete written disclosure to BDC.
- Employees who hold registered or incorporated businesses, even if inactive, are required to declare in writing to their Vice President or level above with a copy to the Human Resources Business Partner the business name, business purpose and level of revenues for the last 12 months.
- Officers shall disclose annually all interests that they, or a Family Member or Interested Person, have in an entity that is or might reasonably be expected to be a party to a material contract or transaction with BDC.

We are required to declare the above upon entering into a relationship with BDC. Annually, we must make a declaration as part of the acknowledgement and renewal process specified in section 6.1.

#### 4.6 Insider Information or Trading in Securities

We are required to comply with the *Policy on Personal Trading* with regard to public companies.

We must not, directly or indirectly, knowingly take advantage of, or benefit from, information we obtain at work that is not generally available to the public.



## 4.7 Fraud and Misappropriation

We are required to comply with the *Anti-Fraud* corporate directive and to report any such suspected dishonest conduct.

BDC has zero tolerance for any type of fraud, theft, misappropriation, money laundering, bribery and corruption.

We must not engage directly or indirectly in any bribe, kickback or other inappropriate payment to or from Clients or other external parties.

We should not directly or indirectly use or allow the use of BDC funds, property or information of any kind, including intellectual property, methodologies, processes or trade secrets. We must not allow the use of BDC funds, property or information for anything other than officially approved activities. Use of such assets in a negligent, inadequate manner or for personal gain constitutes a violation of the Code. Anyone found to have done so will be considered to have committed a misappropriation.

## 4.8 Protecting BDC Assets

The use of BDC assets or Personal Device is subject to applicable legislation and BDC Policies which includes but is not limited to the following:

- *Disclosure Policy*;
- *Information Management* corporate directive;
- *Use of Information Technology* corporate directive;
- *User Access* corporate directive;
- *BlackBerry and Cellular Phones* procedure.

### 4.8.1 Transactions, Information and Records must be Accurate, Confidential and Secure

We must play our part in ensuring the accuracy and integrity of BDC's record-keeping and information gathering and reporting systems. We must comply with BDC Policies to ensure that transactions are properly authorized, promptly recorded in the right accounts and adequately supported by back-up documentation. Under no circumstances should we try to bypass an internal control procedure even if we think this is harmless or will save time.

BDC strives to ensure all reports (whether for external or internal use), records, and other data are factual, fair, complete, timely and understandable and are maintained according to BDC Policies and legal requirements. To protect the accuracy of our records, only legal and approved software is to be used on BDC equipment.

BDC expects us to respect and follow its practices for record retention and their safeguard. We must not knowingly destroy, mutilate, alter, falsify or conceal BDC's records.



BDC is subject to the *Access to Information Act* and therefore external parties may, subject to certain exemptions, have access to any records under BDC's control. This includes records in hard copy or electronic format. We must cooperate with BDC's designated Access to Information Coordinator to ensure that all records relevant to a particular formal request are identified and retrieved for review. The *Access to Information Act* makes it a criminal offence to destroy, alter, falsify or conceal a document with the intent of obstructing the right of access under the *Act*.

## 4.8.2 Confidentiality and Protection of Personal and other Information

### 4.8.2.1 Personal Information

BDC is subject to the *Privacy Act* which sets out the conditions for the collection, use, retention, disclosure and disposal of Personal Information.

The *Privacy Act* sets out various principles governing the collection and use of Personal Information. In addition to the confidentiality obligation highlighted in 4.8.2.3 below, in dealing with Personal Information, we should also:

- collect personal information only if relating to an operating program or activity of BDC;
- wherever possible, collect Personal Information directly from the individual;
- collect it only with consent of the individual, after informing him of the purpose;
- collect only what is necessary and relevant to a particular BDC activity/product;
- use it only for the purpose for which it was originally collected;
- endeavour to keep it accurate, complete and up to date; and
- retain it for a minimum of two years after last use and comply with BDC's records retention schedule.

As a general rule, individuals (including Employees in relation to their own Personal Information) have a right of access to all Personal Information held by BDC about them.

### 4.8.2.2 Client Confidentiality

All information regarding relations and dealings between BDC and its Clients must be kept confidential. This includes information about whether or not an individual or business is a Client. The *BDC Act* provides that Client related information is privileged and may only be disclosed without consent in limited, prescribed circumstances.

We are required to protect the confidentiality and security of Client information not only when BDC collects, uses or retains the information but also when it disposes of or destroys information (e.g. by shredding).

BDC may require confidential information about Clients from external parties while performing due diligence, so we must ensure we have the necessary Client written consent before proceeding. Before disclosing any confidential (business, personal or financial) information about Clients to external parties, including requests for reports on Clients from other banks or correspondents, BDC must obtain the necessary Client consent and follow steps outlined in BDC procedure called *Release of*

*Information concerning Customers (Circ. 10503).* When in doubt, we should seek guidance from Legal Affairs.

#### **4.8.2.3 Protecting Confidentiality**

BDC has an obligation to safeguard the privacy of its Employees and affairs. At all times, including after the end of our relationship with BDC, we are required to take appropriate precautions to protect the confidentiality of Client-related, personal and government sensitive information, and Employee transactions, information and stated intentions (collectively “confidential information”).

For example, we:

- limit access to confidential information only on a need to know basis;
- do not carelessly display confidential information or leave confidential documents lying about in an unsecured manner;
- do not discuss confidential information in public places, including hallways, elevators or cafeteria/restaurants or on blogs or social networks;
- do not reveal confidential information to persons outside BDC, including family or Interested Persons, or other person who does not require the information for his work;
- only disclose government sensitive information by following the policies issued by the Government of Canada;
- use only secure media to transmit confidential information (e.g., take necessary precautions when using insecure media such as cellular telephones) and be certain with whom we are communicating;
- destroy or dispose of confidential information according to BDC record management retention procedures; and
- keep all systems secure by following BDC’s security processes and procedures.

#### **4.8.3 Security of Property, Proprietary Information and Information Technology**

Effective security at BDC is a team effort involving the participation and support of everyone.

BDC provides assets and equipment, such as telephones, fax machines, photocopiers, computers, devices, etc., for the purpose of performing its business operations. We are expected to ensure that any personal use of BDC assets is kept to a minimum and that we do not take advantage of them for our own benefit or profit.

We have an obligation to protect company assets, facilities, supplies, equipment, and information systems and programs against loss, theft, damage, misuse, corruption, vandalism and unauthorized access, use and disposal. This applies on BDC premises as well as off-premises. It also applies to those who authorize assets to be held in our custody or safekeeping, in which case we are responsible for being aware of and satisfied with their security procedures.

We are expected to take reasonable measures to safeguard access controls such as UserID and password, pass cards, smart card or token and keys.

We should have no expectation of privacy when using any BDC assets or Personal Device, either on BDC premises or off-site. BDC has the right to review, monitor and conduct audits of its equipment, systems and Personal Device, including e-mail communications. Those who request to use their own equipment to perform their duties must comply with all applicable legislation and BDC Policies. The use of personal equipment will never be an excuse or a valid justification for any illegal or inappropriate use in contravention with such legislation or BDC Policies.

Anything Employees develop, create or author in their capacity as an Employee of BDC becomes the sole and exclusive property of BDC. Consultants and Suppliers must refer to their contracts for details on intellectual property.

#### 4.8.4 Information Technology Security

Information Technology Security is committed to protecting BDC, and encouraging users to protect BDC from, illegal or damaging actions by individuals, whether committed knowingly or unknowingly.

Systems and equipment, including, but not limited to, all computer equipment provided to us by BDC as well as all software, operating systems, mobile devices, storage media and network accounts providing access to electronic mail and Internet browsing, are the property of BDC. While BDC accepts reasonable personal use of some of the above, these systems and equipment are to be used primarily for business purposes during the course of normal activities, as well as to serve the interests of BDC. BDC is the exclusive owner of all Information Asset which includes data recorded on any computer facilities and Personal Device.

We must safeguard any information of which we are the designated Information Asset Owner (according to the *Information Management* corporate directive), or have custody, or use, even when we are disposing of records or equipment. We must comply at all times with BDC security processes and protection requirements, including any specific requirements applicable to a particular system or program, including Personal Device.

Those who regularly work at home or off-site, or have BDC equipment or Personal Device in their custody as part of an approved arrangement, are expected to keep the Information Asset safe and to follow BDC Policies.

We are required to read and apply at all times BDC's *Use of Information Technology* corporate directive and other applicable BDC Policies on information technology.

## 5.0 REVIEW OF BREACHES TO THE CODE AND DISCLOSURE OF WRONGDOING IN THE WORKPLACE

BDC has an *Internal Procedure to Review Breaches to the Code* and a policy on *Disclosure of Wrongdoing in the Workplace*. BDC promotes a culture of open and honest communication where issues and concerns can be handled with respect and confidentiality.

## 5.1 Internal Procedure to Review Breaches to the Code

BDC's *Internal Procedure to Review Breaches to the Code* outlines the internal procedure undertaken by BDC as it relates to a review of a Breach to the Code (as defined in the procedure). It also confirms clear responsibilities and accountabilities with regard to an investigative process and informs us all on how we are expected to conduct ourselves when we become aware or are informed of a Breach to the Code.

## 5.2 BDC's Policy on the Disclosure of Wrongdoing in the Workplace

When we have reasonable grounds to believe that another person has committed, is about to commit or has been asked to commit, a wrongdoing in violation of the Code, we are required to report it. This can be done without fear of reprisal. When making a report, everyone should respect the reputation of individuals and refrain from making false or misleading disclosures of wrongdoing or disclosures in bad faith. Disclosures of wrongdoing may be anonymous and confidential and should follow the internal processes established in this policy.

## 5.3 Disclosure Channels

Disclosure of any wrongdoing is made to the Chief Audit Executive and may also be made to our direct manager.

Those who want to anonymously report any suspected wrongdoing may also do so using the Ethic hotline administered by ClearView Connects, a toll-free hotline and secured website available on the employee portal by clicking on *Code - Ethics Hotline*.

Alternatively, we may disclose a wrongdoing in accordance with the public sector-wide mechanism set out in the *Public Servants Disclosure Protection Act*, which is incorporated in the policy on the *Disclosure of Wrongdoing in the Workplace*.

## 5.4 Chief Audit Executive

As the BDC Senior Officer designated pursuant to the *Public Servants Disclosure Protection Act* for receiving and acting on the disclosures of wrongdoing, the Chief Audit Executive receives, records and reviews all disclosures of information, including those that may be anonymous, concerning wrongdoing. He establishes if there are sufficient grounds for further action and ensures the privacy rights and confidentiality of persons involved in the disclosure process (including persons making disclosures, witnesses and persons implicated or alleged to be responsible for the wrongdoing).

## 6.0 ADMINISTRATION OF THE CODE

### 6.1 Acknowledgments and Renewal for Employees

When hired, every BDC Employee is required to swear the ***Oath or Solemn Affirmation of Office*** and sign a ***Compliance Acknowledgment*** certifying that he has read and understood the Code, and that he, as a condition of employment, will comply with the Code.

Each year, as a condition of employment, BDC Employees review the Code and renew this Acknowledgment. They must consult with their managers if they are unsure of the course of action to follow with respect to their obligations under the Code.

### 6.2 Acknowledgement and Renewal for Consultants

Consultants are required to conduct themselves in a manner consistent with the Code. When retained, they swear the ***Oath or Solemn Affirmation of Office*** and confirm within their Master Agreement and Contract with BDC that they have read and understood the Code, and that, as a condition of their contract, they will comply with the Code.

**In the case of a company**, the company commits to BDC to provide a copy of the Code to all individuals that are assigned to provide services and to monitor their compliance with the obligations set out in the Code at all times.

Each year, BDC consultants review the Code and renew their oath, personally or on behalf of the employees assigned to perform services, as a condition to maintaining and continuing the Master Agreement and Contracts in place.

Consultants must consult a BDC manager if they are unsure of the course of action to follow with respect to their obligations under the Code.

### 6.3 Acknowledgment and Renewal for Suppliers

Suppliers, as defined in the Code, are required to comply with the Code. BDC does not establish or maintain any relationship with an individual or company that does not adhere to business standards and ethics that comply with its Code.

Any Supplier providing services to BDC signs the ***Oath or Solemn Affirmation of Office***, and confirms within its service contract (whatever the title) or a Statement of Work concluded with BDC, that he has read and understood the Code and agrees to comply with it as a condition of his contract.

In the case of a company, the company commits to BDC to have the Oath or Solemn Affirmation of Office signed and to provide a copy of the Code to any individual assigned to perform services, as a condition to maintaining and continuing a business relationship with BDC.

Each year, BDC's Suppliers review the Code and renew their oath, personally or on behalf of the employees assigned to perform services, as a condition to maintaining and continuing a business relationship with BDC.

## 6.4 Code Interpretation

If there is any need for interpretation under the *Code of Conduct, Ethic and Values*, the Senior Vice President, Human Resources is responsible for rendering a decision.

## 6.5 Review and Approval of the Code

The Code is reviewed regularly but at least every two (2) years by the Governance/Nominating Committee and approved by the Board with any changes required.

**Appendix A** is a non-exhaustive list of legislation and policies applicable to BDC and serves as a reference. We should consult them when necessary before taking any action and we must ensure that we are in compliance.

**Mary Karamanos**  
**Senior Vice President, Human Resources**

**- END OF POLICY-**

## Appendix A

### Policies

Disclosure Policy

Disclosure of Wrongdoing in the Workplace

Environmental Risk Management

Handling of Referrals and Enquiries by Members of Parliament, Senators, Ministerial Staff and BDC Directors

Personal Trading for Employees and Consultants

Procurement and Contracting

### Corporate Directives

Anti-Fraud

Anti-Money Laundering and Anti-Terrorist Financing

Blackberry and Cellular Phones

Information Management

User Access Management

Use of Information Technology

### Procedures

Employee Social Media Usage

Environmental Risk Management

Internal Procedure to Review Breaches to the Code of Conduct

*Promoting Workplace Free from Harassment, Discrimination and Violence*

### Other documents

Charter of Client Rights

### Legislation

The following, non-exhaustive, list of legislation applies to BDC. It serves as a reference. We should consult the legislation when necessary before taking any action and we must ensure that we are in compliance.

*Access to Information Act*

*BDC Act*

*Canada Labour Code*

*Canadian Human Rights Act*

*Competition Act*

*Conflict of Interest Act*

*Corruption of Foreign Public Officials Act*

*Criminal Code*

*Financial Administration Act and securities laws of each province*

*Official Languages Act*

*Privacy Act*

*Public Servants Disclosure Protection Act*

*Values and Ethics Code for the Public Sector*