

<b>Name of Policy:</b> Code of Ethics		<b>Responsible Department:</b> Human Resources & Safety	
<b>Date Established:</b> September 2009	<b>Approval Date:</b> January 30, 2020		<b>Next Review Date:</b> January 2021

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## A. PURPOSE

We strive to be a respected partner within the communities we serve through high standards in business integrity and ethics necessary to preserve and enhance the business reputation of the City of Peterborough Holdings Inc. (CoPHI) and its Subsidiaries, herein referred to as Peterborough Utilities.

## B. SCOPE

This policy applies to Management, Employees, Directors and Commissioners of PUG, consisting of City of Peterborough Holdings Inc. (“COPHI”), and its wholly owned subsidiary companies, Peterborough Distribution Inc. (“PDI”), Peterborough Utilities Inc. (“PUI”), Peterborough Utilities Services Inc. (“PUSI”), PUG Services Corp and Peterborough Utilities Commission (“PUC”) for the purpose of this policy the named entities in this scope paragraph are collectively referred to as the “Company”.

## C. COMPLIANCE AND INTERPRETATION

The Code of Ethics (COE) establishes the framework for how we will work and interact with each other, customers and the public. It will not describe in detail all the ethical challenges you may encounter in your work but the intention is to provide guidance to help when making decisions. For more specific guidelines, refer to the applicable policy or practice or seek guidance from your manager or the Ethics Officer (Director HR & Safety).

Persons who have employees reporting to them should take all necessary steps to ensure their employees know and follow the policy. All Managers and Supervisors should periodically consult with their staff members to determine that appropriate procedures for implementation of the policy have been developed and are being followed.

Failure to act in accordance with the guidelines outlined in this Code may have consequences for the individual, may create potential harm to the the Company’s reputation, and may put the Company at risk for legal penalty.

All employees and representatives should be aware that violating the policy could significantly damage the Company and expose it to unintended legal liabilities. In addition, individuals who violate this policy are subject to appropriate disciplinary action by the Company, including possible termination of employment.

## D. KEY POLICY PRINCIPLES

### Conflict of Interest

A conflict of interest is any situation where your personal interest conflicts, appears to conflict, or could potentially conflict, in any way with the interests of the Company.

In order to avoid a conflict of interest;

- Base all business decisions on merit and strictly in the best interest of the Company.
- Derive no personal benefit, whether direct or indirect, as a result of making a business decision on the behalf of the Company.
- Do not take any part in, or in any way influence, any decision related to the Company that might result in a financial or other advantage for you, your family members, or friends. Always ensure that these relationships do not impact your ability to make sound, impartial, and objective decisions on behalf of the Company.
- When in doubt, ask your manager or the Ethics Officer (Director, Human Resources & Safety).

### Gifts and Favours

Employees establish and maintain many interactions with other individuals, companies and organizations to carry out necessary business functions and may be exposed to opportunities for personal financial benefit. Accepting or offering gifts or favours may compromise or appear to compromise the ability to make business decisions that are in the best interest of the the Company.

Employees shall never solicit gifts, favours, hospitality, or anything of monetary value.

When performing duties on behalf of a client (e.g. City of Peterborough), employees are to follow the Policy with the greatest restrictions regarding the acceptance of gifts and/or favours.

Acceptance by employees of gifts or favours is acceptable when:

- The monetary value is less than \$50;
- The gift(s) is merchandise distributed to all participants at a conference/seminar (eg. bags, t-shirts, mugs, etc.);
- The gift is a result of a random draw (e.g. door prize where all attendees are automatically entered at a conference); and/or
- The employee is able to reciprocate in kind; (e.g. buying lunch).

Acceptance of gifts and/or favour is not permitted when:

- The gift is a result of a vendor specific draw; or
- The value can be perceived as to having the ability to influence decisions.

No employee shall offer payment, gift or favours to any person in a position of trust or public responsibility, such as government or corporate officials, with the intent to induce them to violate their duties or to obtain favourable treatment for the employee or the Company in the negotiations or the award of contracts or otherwise.

Depending on circumstances, unacceptable gifts should be returned with thanks and clarification of our policy or suitably distributed in the Company and/or community.

Acceptance of gifts or favours is permitted when used for the purpose of raising funds for community betterment through draws, raffles, auctions, etc. (e.g. United Way Campaign)

### Outside Activities (Moonlighting)

The Company recognizes and respects your rights to carry on outside activities as you may deem proper and desirable. Employees are permitted to engage in outside activities subject to certain restrictions based on reasonable business concerns.

The following rules apply to all employees who wish to engage in outside activities or employment:

- Work-related activities and conduct away from PUG must not compete with, conflict with or compromise the company's interests or adversely affect job performance and the ability to fulfill all responsibilities to PUG. Employees are prohibited from performing any services for customers of PUG that are normally performed by PUG. This prohibition also extends to the unauthorized use of any company tools or equipment and the unauthorized use or application of any company confidential information.
- Employees may not solicit or conduct any outside business during work time for PUG.
- PUG employees must carefully consider the demands that additional work activity will create before accepting the activities. Outside work activities will not be considered an excuse for poor job performance, absenteeism, tardiness, leaving early or impact their ability to perform required standby duties. If outside work activity causes or contributes to job-related problems at PUG, the employee will be asked to discontinue the outside engagement, and the employee may be subject to the normal disciplinary procedures for dealing with the resulting job-related problem(s).
- Employees may not use PUG paid sick leave to perform work for another entity.
- Requests for unpaid leave of absence in order to work a secondary job will not be approved. Where an employee requests vacation time to work a secondary job, the request must be approved by the department manager and is not to exceed two continuous weeks.

If an employee's outside activities present a conflict of interest with PUG, or if such activities have any potential for negative impact on PUG, the employee will be asked to terminate the outside activity.

In each of these situations, the rule is the same – if you are considering entering into a situation that creates a conflict of interest, do not. **If you are in a situation that may create a conflict of interest, or the appearance of a conflict of interest, review the situation with your Manager or Human Resources.** Finally, it is

important to understand that as circumstances change, a situation that previously did not present a conflict of interest may present one.

### Directorships

Employees shall not be an officer or serve on the Board of any private or public business entity that competes with the Company.

Management staff will not typically be an officer or serve on the Board of any private or public business entity that contract directly with the Company (excluding where the business entity is solely a utility customer of the Company.)

If there could be a potential conflict of interest or the organization is a competing business to the Company, employees must receive prior approval from the President & CEO before accepting any appointment to the board of a public or private business entity.

Employees are exempt from requiring prior approval to participate on specific types of volunteer Boards, provided the organization is not involved in the energy or environmental fields.

The exemption applies to:

- Sports organizations (e.g. Peterborough Minor Hockey)
- Religious organizations (e.g. Church Boards)
- Registered charities (e.g. Children's Aid Society, United Way, Five Counties, etc)

### Declaration of Actual, Perceived, or Potential Conflict of Interest & Outside Activities

Employees must promptly declare to their manager or the Ethics Officer any actual, perceived or potential conflict of interest, using the Declaration of Conflict of Interest Form found on Shockwave. There are many reasons employees might need to declare a conflict of interest. For example, employees might be directly or indirectly involved in a business transaction such as a hiring process, a monetary decision, or a reporting relationship involving someone with whom they have a personal relationship. This is not an exhaustive list of examples. If in doubt, please contact your Manager or the Ethics Officer.

### Legal Compliance

The business of the Company shall be conducted in compliance with all applicable laws, statutes and regulations, and contractual obligations. Employees should be familiar with the laws and regulations that relate to their work and must comply with them. It is the responsibility of managers to ensure that members of their team are aware of their responsibilities in this regard and seek advice from the appropriate department.

### Accounting, Finance & Business Reporting

Appropriate entries into the books and records of the Company shall be made of all transactions in order to meet our legal and financial requirements. No false or artificial entries or entries that obscure the purposes of the underlying transaction shall be made for any reason. No undisclosed or unrecorded funds or assets shall be established or maintained.

The making of payments of any nature or the use of the funds or assets of the Company for any purpose which would be in violation of any applicable law, regulation or corporate undertaking is prohibited.

The Company shall not knowingly aid or abet any person or company to circumvent laws, evade income taxes or defraud shareholder interests or creditors. Accordingly, no payment due to a customer, agent or distributor shall be made to a third party or to another jurisdiction nominated by the customer, agent or distributor, if after reasonable enquiry, the Company believes such a purpose is intended. No payments are to be made in currency or by transfer to any unidentified bank account.

### Information Technology and Use of the Internet

The Company does not tolerate improper use of computers or the internet. Every employee who uses Company technology and equipment is required to be familiar with practices governing their use.

### Confidentiality

The Company will make all reasonable efforts to protect confidential information with respect to its customers, its employees, its business partners and Shareholder. No employee will take action that knowingly violates any disclosure of information legislation. Information will be provided, as required, to regulatory and government agencies.

### Proprietary Information

As a provider of services to the public, the Company has available to it certain customer related information. This information is and must be strictly controlled, and no employee should use such information in any manner which is not authorized by the Company or the customer. Proprietary information belonging to the Company will be protected from unauthorized disclosure by employees during and after employment with the Company. All documents and records belonging to the PUG must be returned when an employee leaves the employ of the Company. Examples include customer mailing lists, Company and/or departmental work practices, etc.

### Intellectual Property

All intellectual property arising from employment with the Company shall be the property of the Company. Employees must make full disclosure of all intellectual property, including inventions, and assign all rights to the Company, without charge, so as to enable the Company to apply for intellectual property protection. Any employee may ask to be released from the obligation to assign a specific intellectual property to the Company by making an application to this effect. Each case will be examined individually and the Company will act reasonably in exercising its discretion. Examples of intellectual property include software programs developed by staff on behalf of the Company, or other ideas, inventions that provide cost savings or efficiencies to the organization.

### Health & Safety

The Company is committed to providing a safe and healthy environment for all employees, customers, contractors, suppliers and the public. Employees are required to comply with the Health & Safety policy and practices as set out by the Company.

### Employment

The Company is an equal opportunity employer and is committed to providing a workplace that is free from harassment and discrimination by reason of gender, race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, age, sexual orientation, marital status, record of offences, disability, or other reasons in accordance with the principles set forth in the Ontario Human Rights Code.

### Environment

The Company is committed to conducting all operations in an environmentally responsible manner. It is the responsibility of every employee to incorporate environmental considerations into decision making and, whenever possible, mitigate potentially negative environmental consequences of proposed actions. The Company will comply with all environmental legislation in the conduct of its business.

## **E. RESPONSIBILITIES**

All employees shall:

- Complete the annual acknowledgement form and comply with the Code
- Complete any required training on the Code
- Declare any actual, perceived or potential conflicts of interest, to their supervisor or the Ethics Officer.
- Immediately report any violations or suspected violations of the Code to their supervisor or the Ethics Officer.
- Immediately report any concerns regarding questionable accounting or auditing matters to the Ethics Officer.

Supervisors and managers, in addition to their responsibilities as employees, shall:

- Ensure that their employees understand and comply with the Code.
- Review the Code with their employees on an annual basis.
- Create an environment that ensures that employees feel comfortable bringing their concerns forward.
- Maintain the confidentiality of the individual who raises a concern to the extent permitted by law and the Company's ability to address the concern.
- Immediately informs the Ethics Officer of any actual or suspected violations of the Code.
- Upon receipt of a declaration or a written complaint from their employee, consult with the Ethics Officer for assistance in determining the appropriate course of action.
- Inform consultants, contractors, business partners and suppliers of our expectations that they comply with our Code and immediately report non-compliance to the Ethic Officer.

The Ethics Officer (Director, Human Resources & Safety) shall:

- Ensure the Code is communicated across the Company.
- Annually review and update the Code for submission to the Audit Committee.
- Track and report all reported violations of the Code to the Audit Committee on an as needed basis.
- Provide advice and guidance with respect to the provisions of the Code.
- Ensure that appropriate management action is taken to investigate and manage known or suspected violations of the Code.

The President & CEO will submit the Code for approval by the Board of Directors and is accountable for development and implementation of any policies or practices required for putting the Code into practice. The President & CEO is ultimately responsible for compliance with this Code including the compliance by all employees.

The Board of Directors monitors compliance with the Code through the Audit Committee, to whom the Ethics Officer reports. The Board of Directors will review and reassess the Code annually.

## **F. REPORTING VIOLATIONS OF THE CODE**

Employees who are concerned that a violation of this Code exists, with respect to themselves or others, have a duty to report such violations to their supervisor, manager or Ethics Officer.

### Whistle Blower

Employees who do not have a person of authority that they feel comfortable contacting should contact the Chair of the Audit Committee directly by email to the [auditchair@peterboroughutilities.ca](mailto:auditchair@peterboroughutilities.ca), or by regular mail or other means of delivery to

1867 Ashburnham Drive, Peterborough, Ontario marked "Private and Strictly Confidential and Attention: Chair of the Audit Committee.

Any complaint should provide sufficient, precise, and relevant information pertaining to dates, places persons/witnesses, numbers etc. so that a reasonable investigation can be conducted.

Such envelopes shall be forwarded unopened to the Chair of the Audit Committee. Supervisors and managers are required to report suspected violations of the Code to the Ethics Officer who has the responsibility to inform the Chair of the Audit Committee. The Chair of the Audit Committee will have the responsibility to review all reported violations.

Non-employees may submit complaints by email to [auditchair@peterboroughutilities.ca](mailto:auditchair@peterboroughutilities.ca), or by regular mail or other means of delivery to 1867 Ashburnham Drive, PO Box 4125, Peterborough, Ontario, K9J 6Z5 marked "Private and Strictly Confidential and Attention: Chair of the Audit Committee. Such envelopes shall be forwarded unopened to the Chair of the Audit Committee. These procedures shall be posted on the Company website.

### Reprisals

No employee who in good faith reports a violation of the Code shall suffer harassment, retaliation, or adverse employment consequences. Any effort to retaliate against any person making a complaint in good faith is strictly prohibited and shall be reported immediately to the Ethics Officer or the Chair of the Audit Committee.

### Acting in Good Faith

Anyone filing a complaint concerning a violation or suggested violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code and is real, legitimate, and significant enough to warrant an investigation.

### Handling of Reported Violations

The Ethics Officer or the Chair of the Audit Committee (when sent directly to the Chair) will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days, unless it is received anonymously. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

### Treatment of Complaints

- i) All complaints will be treated as confidential, whether received anonymously or otherwise.

- ii) Although a person making an anonymous complaint may be advised that to maintain anonymity could hinder an effective investigation, the anonymity of the person making the complaint shall be maintained until he/she no longer wishes to remain anonymous. Any system established for exchanging information with a complainant shall be designed to maintain anonymity.
- iii) The Ethics Officer will inform the Audit Committee, in summary form or otherwise, of all complaints received, with an initial assessment as to the appropriate treatment of each complaint. Assessment, investigation, and evaluation of complaints shall be conducted by the Ethics Officer at the direction of the Audit Committee. If the Audit Committee deems it appropriate, the committee may engage, at the Company's expense, independent advisors, such as outside legal counsel or auditors who are not affiliated with the Company auditor for the purpose of undertaking an investigation and/or recommending appropriate action.
- iv) The Company will regard the making of any deliberately false or malicious allegations by an employee as a serious offence that may result in disciplinary action up to and including termination for cause.
- v) Following investigation and evaluation of a complaint, the Ethics Officer will report to the Audit committee the recommended disciplinary or remedial action, if any is required.
- vi) The recommended remedial actions will be reviewed by the Audit Committee and shall be brought to the Board for authorization who will then inform the appropriate Executive for implementation. If the action taken to resolve a complaint is deemed by the Audit Committee to be material or otherwise appropriate for inclusion in the minutes of the Audit Committee it shall be so noted.
- vii) Reasonable and necessary steps will also be taken to prevent any further violations of the Code.
- viii) To the extent that the policy allows, the complainant will be informed when the assessment is complete.

#### Retention of Records of Complaints

Records pertaining to complaints are the property of the Company and will be retained:

- i) Upon receiving a written declaration/complaint, a confidential file shall be created and maintained in compliance with applicable laws and document retention policies.
- ii) Subject to safeguards that ensure their confidentiality, and when applicable, the anonymity of the complainant.

- iii) In such a manner as to maximize their usefulness to the Company's overall compliance program.

## **G. COMMUNICATION AND TRAINING**

All employees are expected to comply with all workplace rules and policies, as well as the Code of Ethics. This means reading the Code and making sure they understand it.

Supervisors and managers are expected to ensure that all employees understand and comply with the Code and are comfortable coming forward with their concerns. When supervisors are required to address sensitive issues in the workplace, they will maintain confidentiality as much as possible. When this is impossible, they will first notify the employee.

Refresher training will be provided to all staff on an annual basis and training records will be maintained by Human Resources & Safety.

## **H. ANNUAL ACKNOWLEDGEMENT**

All individuals are required, as a condition of their appointment or employment, to complete the Code of Ethics Acknowledgement Form on an annual basis agreeing to abide by the Code. No one may begin employment at the Company until he or she has read the Code and completed an acknowledgement.

Individuals who sit on boards of directors or committees of any public or private business entity, or of any charitable, professional or other not-for profit board must disclose these positions in their annual acknowledgement.

## **I. RELATED POLICIES & PRACTICES**

- Environmental Policy
- Harassment & Violence Prevention Policy
- Health & Safety Policy
- IT Acceptable Use Policy
- Privacy Policy
- Purchasing Policy