

HOMEQUITY BANK CODE OF CONDUCT

Purpose

As a responsible business enterprise and corporate citizen, HomeEquity Bank (the “**Bank**”) is committed to ensuring that our business activities are carried out with the highest standards of ethics, integrity, fairness and professionalism. Our Code of Conduct (the “**Code**”) outlines the minimum standards of conduct required of our directors and employees. Specifically, the objectives of the Code are to:

- emphasize the Bank’s commitment to ethics and compliance with the law;
- set forth minimum standards of business conduct and guiding principles;
- provide guidance on how to resolve potentially difficult situations; and
- spell out reporting mechanisms for known or suspected violations.

Every employee and director of the Bank is expected and required to assess business decisions and their actions on behalf of the organization in light of whether it is right, legal and fair.

Application

The Code applies to all employees and directors of the Bank. For purposes of this Code, references to “employee” and employment are intended to include those who have a contract or term employment arrangement with the Bank.

Your Responsibilities

New directors, officers and employees are given a copy of the Code when they join the Bank and must acknowledge that they have read it

Every year, all employees and directors are required to review and attest to compliance with this Code.

You are expected to be familiar with the Code, carry out your responsibilities in accordance with the Code, seek guidance when necessary, and report actual or suspected violations of the Code.

For the most part, it will be relatively easy to determine how to apply the Code in business dealings. However, the Code does not address each and every circumstance and ethical issue that may be encountered. All employees are expected to comply with the requirements and spirit of the Code, use good judgment and to request management’s assistance when in doubt. If you come across a situation for which the Code does not provide specific guidance, consider the following approach:

- make sure you have all the facts;
- ask yourself whether what you are being asked to do seems improper or unethical;
- keep your colleagues informed and get them involved;
- discuss the situation with your manager and/or other resources within the Bank (such as legal, human resources, senior management, directors), as appropriate; and
- if you are unsure as to what to do in a situation, seek guidance before you act

The success of our business depends largely on the public's trust and our ethical reputation. To this end, adherence to the Code is a condition of employment at the Bank. Violations will be taken seriously and may result in disciplinary action, including termination. A breach may also result in you being subject to criminal or civil penalties.

The Bank's Guiding Principles

1. Compliance with the Law

As a federally regulated financial institution, there are extensive laws, rules and regulations with which the Bank is required to comply. The Bank's affiliated entities are also subject to certain legal requirements. These laws include, but are not limited to banking, anti-money laundering and terrorist financing, lobbying and employment legislation.

The Bank's policies and procedures are designed to ensure compliance with these laws, regulations, rules, requirements and expectations. Adherence to these policies and procedures is essential to ensuring we fulfill our obligations.

You are expected to understand, be observant of and comply with the laws, rules and regulations that are relevant to your particular position. Concern for what is right should be the first consideration in all business decisions and actions. Never enter into any transaction or perform any task that could reasonably be considered legally suspect, even if it might be common practice. If in doubt, seek advice from your manager.

2. Ethical Conduct

The Bank exercises the highest degree of ethical corporate conduct and recognizes that customers and the public have a right to openness and honesty in all their dealings with us. As a representative of the Bank, you must conduct yourself in a manner that demonstrates commitment to the highest standards of personal integrity, and in ways that respect the reputation and position of trust placed upon the Bank. You must be fair and honest in all your dealings with the Bank, customers, suppliers, competitors and employees. You must also not knowingly induce an employee of another organization to breach that organization's code of conduct. For further guidance see the Bank's ***Fraud Policy***.

3. Conflicts of Interest

Employees are expected to avoid any situation or scenario that places him or her in an actual, potential or perceived conflict of interest. "Conflict of interest" includes but is not limited to any situation where the duties or position of individual allow or might appear to allow personal benefit or benefits for friends or relatives of the individual, or businesses in which the individual may have an interest.

You are not permitted to use your position, or knowledge gained through employment, for private or personal advantage or in a manner that a conflict, or an appearance of conflict, arises between the Bank's interest and your personal interests.

For further guidance see the Bank's ***Conflict of Interest Policy and Fraud Policy***.

4. Personal Integrity

Criminal Record

If you are charged with, and/or found guilty of, a criminal offence, you must inform either the Bank's Human Resources Department, or your manager who will then consult with Human Resources. There may be employment consequences if you are charged or found guilty of an offence.

Drugs and Alcohol

Employees are expected to be able to fully perform their duties without being under the influence of drugs or alcohol. Where alcohol is available at a Bank or Partner social event or activity, the Bank's position on the consumption of alcohol at company social events and activities is consistent with our company values and our belief that our employees act as responsible employees and citizens, In this regard, employees should not consume alcohol to the point of excess and must not drive while under the influence. Failure to comply with the requirements of this policy will result in disciplinary action.

See the Bank's ***Substances in the Workplace Policy***.

Harassment, Discrimination and Violence in the Workplace

The Bank is committed to conducting all of its affairs with fairness and equity and this includes the treatment of employees, customers, suppliers and competitors. Any behavior that could be construed as harassment or discrimination on any ground protected by Human Rights will not be condoned. All employees must comply with the Bank's Harassment Policy. Similarly, violence of any kind in the workplace, at a Bank event or in the presence of or directed towards any employee, customer or supplier will not be tolerated. Any employee who engages in, or threatens to engage in any violence or harassment, will be subject to serious discipline up to and including dismissal for just cause and without payment. Specifically, this includes:

Unlawful discrimination on the basis of race, national or ethnic origin, sex, religion, sexual orientation, age, marital status, family status, disability and conviction for which a pardon has been granted;

- threatening, intimidating or violent acts;
- sexual or other harassment, or offensive behaviour; and
- taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice

See the Bank's ***Harassment Policy*** and ***Violence Prevention Policy***.

5. Unethical, Prohibited and Illegal Conduct

Irregular business conduct will in no circumstances be tolerated. Examples of irregular business conduct include, but are not limited to, the following:

Bribery - Engaging in any act that can be perceived as giving or receiving a bribe or other questionable payment.

Commission Sharing - Any commission sharing (such as finders fees or secret commission) with any other officer, employee or director, agent or broker who is not licensed to buy or sell the

security or instrument which gave rise to the commission, or is not part of an established commission-sharing program.

Theft - Embezzlement or misappropriation of funds or property belonging to the Bank, or entrusted to the Bank.

Falsifying Records – An employee shall not make entries to any account that are either false or obscure the true nature of the transaction. The Bank is responsible to provide fair, accurate, and timely disclosure in understandable reports and documents that it files or submits to any regulatory bodies and in other public communications. Employees must not manipulate or falsify any Bank financial statement, record or return. See the Bank's **Fraud Policy** for further guidance.

Money Laundering & Cheque Kiting - Money laundering is the process of using multiple transactions conducted through various financial institutions to disguise the original source of illicit funds. Money laundering is a criminal offence and knowingly failing to report a suspected money laundering scheme is also a criminal offence.

Cheque Kiting is a fraudulent mechanism that creates an illusion of a balance in an account using some method of physically or electronically transferring funds between two or more accounts. Subsequently, artificial balances are then withdrawn.

Employees must not knowingly initiate or be a party to a money laundering or cheque kiting scheme. If it is evident that an employee knew or ought to have known about the activity, the employee will be considered to have been a party to a money laundering or cheque kiting scheme. The Bank is committed to compliance with the regulations of *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. Suspicious situations must be reported immediately to the Chief Risk Officer/Chief Compliance Officer. See the Bank's **Anti-Money Laundering and Terrorist Financing Policy** for further details.

Terrorism – The Bank is committed to conducting business in compliance with the *United Nations Suppression of Terrorism Regulations*. No Bank employee shall knowingly deal, directly or indirectly, in any property of a person known to be involved in or supporting terrorism activities of any kind.

Tied Selling – Coercing or imposing undue pressure on clients to purchase a product or service and/or the transfer of other business to the Bank as a condition of approving their request for a product or service (e.g. mortgages) is considered tied selling which is not permissible.

6. Handle Information Carefully

Confidential Information about the Bank's Business

Information is a valuable asset. All information about the Bank and its business, whether you think it is material or not, is confidential and must be treated as such until the information has been publicly disclosed.

You cannot disclose confidential information to other Bank colleagues unless they need to know the information to carry out their responsibilities on behalf of the Bank. In addition, you must not access client information unless doing so in the normal course of your duties for reasons related to your role.

You are not allowed to disclose confidential information to anyone outside the Bank except as required by law or as approved in advance by the appropriate Bank employee or director.

Take precautions against accidentally disclosing confidential information, and handle and save Bank and client information in accordance with the HomeEquity Bank IT Acceptable Use Policy. For example, mark it appropriately, never discuss it in public places, only send it using HomeEquity Bank e-mail, keep your computers and devices secured, and only save Bank or client information on HomeEquity Bank approved devices and the HomeEquity Bank network.

The obligation to protect the Bank's confidential information continues even after your employment ends.

Personal Information & Privacy Laws

Under Canada's privacy laws, you are required to keep confidential any information that you may access in the course of your work about our clients, potential clients and employees. The obligation to keep personal information confidential continues even after your employment ends.

You may collect, use or disclose personal information in accordance with the Bank's privacy policy and procedures. You are expected to be knowledgeable of the Bank's privacy requirements and IT Acceptable Use Policy and conduct your activities accordingly.

See the Bank's ***Privacy Policy***

Books and Records

The Bank is required to maintain accurate records to manage its affairs and to comply with its legal and financial obligations. All of our stakeholders count on the Bank to provide honest and accurate information. All business transactions must be properly authorized and supported by accurate documentation. You must not conceal, alter or falsify any document or record, including expense or sales reports. See the Bank's ***Fraud Policy*** for further guidance.

Technology

The Bank's electronic communication systems are its property and are provided for business purposes. Occasional and appropriate use of e-mail, internet, facsimiles and the telephone for personal purposes is permitted provided it does not interfere with your business responsibilities. Internet use must be conducted in a professional manner. For example, accessing internet sites containing obscene or offensive material, or sending e-mails that are derogatory to another person is prohibited.

You should not expect that any of your e-mail or internet communications on the Bank's systems are private. Be aware that almost all business records, including e-mail and computer records may become subject to public disclosure in the course of litigation or governmental investigations.

See the Bank's ***IT Acceptable Use Policy*** and related policies.

Other Assets

You are expected to use the Bank's assets within the scope of your responsibilities with the Bank and not for personal use. You are also expected to take reasonable steps to protect the Bank's assets against loss, damage, theft and misuse.

Misappropriation of assets is not only a breach of your duty but may be an act of fraud against the Bank. Taking the Bank's property from the facilities without permission is theft. See the Bank's ***Fraud Policy***.

7. Communicate Professionally

Inquiries and Complaints

You are not permitted to handle inquiries or complaints unless you have been expressly authorized to do so.

Prompt, courteous and accurate responses should be made to all inquiries. Complaints are to be handled in accordance with specific procedures. See the Bank's ***Complaint Handling Procedures***.

Public Relations

The Bank has identified certain individuals within the organization who are authorized to communicate publicly on matters concerning the Bank. If you are approached by the media or any other entity about a matter and have not been granted authority to handle it, forward it to your manager.

Appearance

Dress codes continue to change in business environments. We have moved from a very formal dress code requiring suits, ties, dresses, etc. at all times to a more relaxed requirement commonly referred to as "business casual" when it suits the occasion. Your choice of work attire should be guided by what is appropriate for your customers and guests. It must be neat, clean and conform to the established dress standards of the business, having regard to personal hygiene and grooming.

See the Bank's ***Dress Code Policy***.

Reporting Violations

Safeguarding the reputation of the Bank and complying with the Code is the responsibility of every employee and director. If you become aware of or suspect any breach of the Code (or related policies and procedures), you have an obligation to report it. We also encourage you to report a complaint or concern regarding questionable accounting, internal controls, disclosure controls or auditing matters.

Reports may be made anonymously. Confidentiality will be maintained to the extent possible. Our Whistleblower Procedures explain how to go about making a report.

See the Bank's ***Whistleblower Procedures***.

If your concern is harassment-related, please refer to the ***Harassment Policy*** for specific guidance on what you should do and how such reports are handled.

Cooperation and Escalation

You must cooperate with the Bank with respect to investigations of any kind pertaining to breaches of the Code as well as any legal or regulatory investigation.

If you receive any kind of demand from any third party (regulatory, law enforcement or other) it must be escalated to your manager, legal or the Human Resources Department.

Anonymity and Confidentiality

You may submit a confidential written report to the Senior Vice President, Human Resources. Please ensure that it contains sufficient information to permit an investigation. Reports will be treated confidentially to the extent possible.

No Retaliation

You will not be subject to retaliation for reporting the suspected violation in good faith.

Penalties

If it is determined that the Code has been violated, either directly, by failure to report a known violation, or by withholding information related to a violation, the offending employee may be disciplined. The penalty will vary depending on the nature of the violation. Penalties may include:

- written notice to the offending employee that a violation has been determined
- demotion or re-assignment of the employee
- suspension with or without pay
- termination of employment, possibly for just cause and without payment

If the violation is also in breach of the law, criminal or civil liabilities may be applicable as well.

Other Related Policies

Where applicable, reference is made in the Code to other related HomeEquity Bank policies or documents which provide further guidance on the specific topic. All of these are posted on our intranet site under the "Human Resources" tab. It is your responsibility to refer to these and educate yourself on their content.

Code Oversight

The Senior Vice President, Human Resources has ongoing responsibility for this Code of Conduct. The Board of Directors' Corporate Governance and Compensation Committee will review the Code annually.

The Committee reports to the HomeEquity Bank Board on the review of the Code and recommends for approval any material changes to it that the Committee determines appropriate.