

**EDC'S CODE
OF CONDUCT**

Introduction

Export Development Canada (“EDC”) has always been dedicated to the principles of ethical and legal business conduct. As a result of the growing emphasis being placed on ethical corporate conduct, together with the increasing complexity of legal requirements, EDC believes it is appropriate to redistribute to all EDC officers and employees (permanent and contingent) (collectively “employees”) and make applicable to all future employees, this revised written code of conduct (the “Code”) which replaces the current Standards of Conduct Policy (PER-001). It is likely that the policies and procedures set forth in this document will be revised from time to time due to the changing legal, regulatory and market environments. Employees will be notified of such revisions.

Purpose and Objective

This Code sets forth certain policies and procedures governing employee ethics, conflicts of interest, confidential information, insider trading and related matters. The Code is intended to protect: (i) EDC’s reputation for integrity, (ii) EDC’s and its customers’ business interests, and (iii) EDC and its employees from legal liability.

Application

Every employee is expected to be familiar with and to adhere to the Code and each and every requirement of the Code as a condition of his/her employment, which requirements shall be of general application without exception. In addition, each employee shall be required upon commencement of employment and annually thereafter to sign an acknowledgment and agreement confirming his/her understanding of and compliance with the Code.

Every director of EDC is expected to be familiar with the Code and each and every requirement of the Code. In addition, given that directors are not full-time employees of EDC, each director is expected to adhere to the requirements of Section II-B (excluding those provisions relating to outside employment and directorships, as well as the requirement for approval relating to shareholdings of 10 per cent or more), and Sections II-F, III and IV of the Code, as well as to the spirit of the other provisions of the Code. In the case of directors, confidential disclosures required to be made under the Code shall be made to the Board of Directors. Further, each director shall be required upon appointment and annually thereafter to sign an acknowledgment and agreement confirming his/her understanding of and compliance with the Code, as applicable. Each such acknowledgment and agreement shall be tabled at the first meeting of the Board of Directors following its receipt by the Secretary of EDC.

In several instances under the Code, it is incumbent upon employees to assess whether or not certain requirements of the Code would impact on situations with which employees may be confronted. If in these situations (or otherwise generally) employees have questions as to the interpretation or applicability of any policy or procedure in the Code, employees should, before the intended action is taken, seek clarification from their Team Leader (who may consult the next levels of management) or the President, as stipulated in the Code, or in any other instance the General Counsel, Legal Services. In any instance under the Code where a determination must be made by an employee, a Team Leader or the President, such determination shall be made considering the matter as an independent third party, acting reasonably.

Any violation of the policies and procedures set forth in the Code may subject the employee involved to disciplinary action, up to and including dismissal, as well as possible criminal prosecution or civil liability.

I. Ethical Standards

Compliance with high ethical standards, as well as with the legal and regulatory obligations to which EDC is subject in all countries in which it does business, is fundamental to the preservation of EDC's reputation for integrity.

EDC's reputation must be protected continuously by conducting all of EDC's business in a fair and honest way, and by complying with not only the letter, but also the spirit, of the law.

EDC's reputation as a responsible corporate citizen has been built by its employees and rests in the hands of its employees. Every employee must avoid any conflict or even the perception of a conflict between his or her personal, social, financial or political interests and the advancement of EDC's business interests or the interests of its customers. In addition, employees should always act on behalf of EDC in ways that enhance rather than harm EDC's reputation for integrity.

II. Conflicts of Interest

A. General rule

Employees are expected to adhere to the highest codes of conduct with respect to conflicts of interest, outside activities, the acceptance of gifts and hospitality, and in all dealings with both EDC's customers and the public.

B. Particular guidelines

To ensure that an employee's personal interests do not conflict, or appear to conflict, with the interests of EDC or its customers,

(i) employees shall:

- perform their duties and arrange their private affairs in such a manner that the public's confidence and trust in the integrity, objectivity and impartiality of EDC and its employees are conserved and enhanced;
- act in a manner that will bear the closest public scrutiny, and recognize that this obligation is not fully discharged by simply adhering to the relevant provisions of legislation of general application, such as the Criminal Code and the Financial Administration Act;
- on appointment and thereafter, arrange their private affairs in such a manner as to prevent, and take such additional action as may be necessary to prevent, real, apparent or potential conflicts of interest from arising, and if such a conflict does arise between the private interests of an employee and the duties and responsibilities of that individual as an employee, the conflict shall be resolved in favour of the interests of EDC; and
- comply with the standards of conduct set forth in the Code through avoidance, discontinuance, divestment or by otherwise acting upon such directions as the President may give following an employee's confidential disclosure (as discussed below); and

(ii) employees shall not:

- accept a directorship or accept a position as an officer or partner in an entity unless (i) this has been approved by the President; or (ii) such entity is a charitable or non-profit organization and, in the case of (ii), such directorship or position will not:
 - (a) constitute a real, apparent or potential conflict of interest for such employee, or
 - (b) result in a decrease in performance or a decline in the quality of work produced at EDC by such employee, or
 - (c) affect such employee's capacity to perform his/her duties and responsibilities objectively and impartially;
- accept outside employment unless approved in accordance with the procedures outlined in Section II-C(1) below;
- own ten per cent (10%) or more of any entity without reporting such investment to, and securing the approval of, the President prior to establishing such ownership or commencing employment with EDC;
- solicit or accept cash, gifts or other benefits which do not meet the test set forth in Section II-D below from a client, supplier, individual or organization that has an actual or potential business relationship with EDC;
- step out of their official roles to assist private entities or persons in dealings with EDC where this would result in preferential treatment to any such entity or person;
- directly or indirectly use, or allow the use of, EDC property of any kind, including property

leased to EDC, for anything other than officially approved activities, or misappropriate the property of EDC for the employee's own use, the use of another or for an improper or illegal purpose, or sell, convey or dispose of any record, voucher, money or thing of value belonging to EDC without EDC's authorization; or

- act, after they leave EDC's employment, in such a manner as to take improper advantage of their previous position.

C. Disclosure and approvals

On commencing employment with EDC, and thereafter as may be necessary as a result of a change in an employee's outside employment or other activities, assets or liabilities, every employee shall make a confidential disclosure to the President [or to the employee's Team Leader in the case of confidential disclosures provided for in Section II-C(1)]. Such disclosure will specify all his/her outside employment or other activities, assets and direct or contingent liabilities, which would or might give rise to a real, apparent or potential conflict of interest with the employee's duties and responsibilities.

1. Outside employment and other activities

Outside employment

On commencing employment with EDC, and thereafter as may be necessary as a result of a change in circumstances, every employee shall make a confidential disclosure to his/her Team Leader respecting all outside employment activities.

An employee shall not commence participation in outside employment or other business activities unless he/she receives the approval of his/her Team Leader.

In considering a request for such approval, the Team Leader shall assess whether participation in such outside employment or other business activity:

- (a) may constitute or constitutes a real, apparent or potential conflict of interest; or
- (b) results or may result in a decrease in performance or a decline in the quality of work produced at EDC by the employee; or
- (c) affects or may affect that employee's capacity to perform his/her duties and responsibilities objectively and impartially.

In addition, an employee must discontinue or modify his/her participation in outside employment or other business activity if at any time the Team Leader determines that continued participation in such outside employment or other business activity:

- (a) constitutes a real, apparent or potential conflict of interest; or
- (b) results in a decrease in performance or a decline in the quality of work produced at EDC by the employee; or
- (c) affects that employee's capacity to perform his/her duties and responsibilities objectively and impartially.

For the purposes of any Canadian statute requiring the consent of the President in order to allow an employee to accept remuneration for outside employment or other business activities as is permitted hereunder, this provision (including the Team Leader's approval) will be considered as being the required consent of the President.

Other activities

An employee shall discontinue, curtail or modify participation in other outside activities where the employee determines, or where, following a confidential disclosure, the Team Leader determines, that such participation in outside activities:

- may constitute or constitutes a real, apparent or potential conflict of interest; or
- results or may result in a decrease in performance or a decline in the quality of work produced at EDC by the employee; or
- affects or may affect that employee's capacity to perform his/her duties and responsibilities objectively and impartially.

2. Employee assets and liabilities

An employee shall divest assets and terminate liabilities where the employee determines or where, following a confidential disclosure, the President determines, that such assets or liabilities constitute a real, apparent or potential conflict of interest.

Assets are usually divested either by selling them in an arm's length transaction or by making them subject to a trust arrangement, provided the trust arrangement is approved by the President. An employee shall not sell or transfer assets to family members or other persons for the purpose of circumventing the conflict-of-interest compliance procedures set out in this Code. With the approval of the President, EDC may reimburse an employee for trust costs incurred for the purposes of complying with these requirements.

In deciding upon the direction to be given the employee, the President shall take into account all relevant factors, including:

- (a) the specific duties and responsibilities of the employee;
- (b) the level of direction to which the employee is subject in the performance of his/her duties and responsibilities and the decision-making authority the employee has; and
- (c) the value and type of assets and liabilities involved.

In relation to confidential disclosures, assets for the private use of employees and their families and assets that are not of a commercial character do not fall within the scope of this Code and need not be disclosed. Such assets include:

- ▶ residences, recreational property and farms used or intended for use by employees or their families; household goods and personal effects; works of art, antiques and collectibles; automobiles and other personal means of transportation; Registered Retirement Savings Plans that are not self-administered; investments in open-ended mutual funds; guaranteed investment certificates and similar financial instruments; cash and deposits; Canada savings bonds and other similar investments in securities of fixed value issued or guaranteed by any level of government in Canada or agencies of those governments; annuities and life insurance policies; pension rights; and money owed by a previous employer, client or partnership.

The following are examples of assets and liabilities which must be disclosed unconditionally:

- (i) loans received from, or loans granted to, persons doing business with EDC or persons having an interest in a person doing business with EDC (other than loans received from financial institutions in order to acquire assets of the type noted above);

- (ii) interests in partnerships, proprietorships, joint ventures, private companies and family businesses doing business with EDC; and
- (iii) direct and contingent liabilities in respect of any of the assets described above.

The following are examples of assets and liabilities the disclosure of which is discretionary. These must be disclosed if the employee determines such assets and liabilities could be affected particularly or significantly by EDC's activities or could give rise to a real, apparent or potential conflict between the private interests and the duties and responsibilities of the employee:

- (i) publicly traded securities of corporations and foreign governments and self-administered Registered Retirement Savings Plans composed of such securities;
- (ii) interests in partnerships, proprietorships, joint ventures, private companies and family businesses that own or control shares of public companies;
- (iii) farms under commercial operation;
- (iv) real property that is not an asset as described above;
- (v) commodities and futures held or traded for speculative purposes; and
- (vi) direct and contingent liabilities in respect of any of the assets described above.

Officers and directors of EDC are reminded that, in addition to their obligation to comply with the requirements of this Code, Section 115 of the Financial Administration Act imposes a fiduciary duty of good faith on officers and directors and Sections 116 and 117 of such Act envisage the

disclosure by officers and directors of any real, apparent or potential conflict of interest with EDC.

D. Gifts, hospitality and other benefits

Acceptance by an employee of offers of incidental gifts, hospitality or other benefits (i) arising out of activities associated with the performance of his/her duties and responsibilities at EDC, or (ii) not arising out of activities associated with the performance of his/her duties and responsibilities at EDC but that are offered by persons, groups or organizations having dealings with EDC or with the government of Canada, is permitted only if such gifts, hospitality or other benefits:

- (a) (i) are of a nominal value and within the bounds of propriety, or a normal expression of courtesy, or within the normal standards of hospitality, or offered generally to the public as part of a promotional plan;
 - (ii) are not such as to bring suspicion on the employee's objectivity and impartiality;
 - (iii) would not compromise the integrity of EDC; and
 - (iv) would not influence the employee in his/her judgment or performance of his/her duties and responsibilities at EDC; or
- (b) are authorized by the employee's Team Leader.

In addition, the solicitation of any such gifts, hospitality or other benefits is not permitted.

Employees should note that prohibited gifts and benefits include: cash, goods or services, reduced prices, work performed gratuitously, preferred treatment of any kind in a business enterprise,

and loans of money, material or equipment on a preferential basis.

Acceptance by employees of hospitality in the form of receptions, business luncheons or dinners for the purpose of broadening business contacts or facilitating the discussion of matters of importance to EDC is not prohibited, where such hospitality is clearly within the bounds of propriety and not liable to cast doubt on the employees' objectivity.

Where it is not possible to decline unauthorized gifts, hospitality or other benefits, or where such action is likely to be construed as discourteous, employees shall immediately report the matter to their Team Leader. The Team Leader may require that a gift of this nature be retained by EDC or be disposed of for charitable purposes.

For the purposes of any Canadian statute requiring the consent of the President in order to allow an employee to accept such gifts, hospitality or other benefits as are permitted hereunder, this provision (including the Team Leader's approval) will be considered as being the required consent of the President.

E. Fees or honorariums

Whenever employees attend industry or trade association or other business meetings or conferences they must pay their own expenses and claim reimbursement according to EDC policy (see ADM-001 Business Travel and ADM-013 Business Promotion). Where EDC pays the traveling expenses of an employee who undertakes, in his/her official capacity, to address a meeting (or participate in similar functions) of a group or organization, and the employee receives a fee or honorarium for such services from the group or organization involved, the employee must report it to EDC and return the fee or honorarium to the group or organization. If it is not possible to

decline or return such fee or honorarium, or if such action is likely to be construed as being discourteous, the employee must remit the fee or honorarium to EDC.

Employees should not hesitate to advise third parties that, in relation to the performance of their duties and responsibilities and with respect to activities related to their employment, EDC has strict policies and procedures regarding the acceptance of gifts, hospitality and other benefits.

F. Dealings with customers and the public in general

An employee shall not accord preferential treatment in relation to any official matter involving EDC to family members or friends or to organizations in which the employee, family members or friends have an interest.

An employee shall take care to avoid being placed, or the appearance of being placed, under an obligation to any person or organization that might profit or appear to profit from special consideration on the part of the employee.

G. Extortion and bribery prohibitions

Basic criminal statutes of virtually all countries prohibit extortion and bribery. Under no circumstances shall employees, directly, or indirectly, offer or give a bribe.

H. Money laundering

Money laundering is the process by which criminals or their agents attempt to conceal the true origin and ownership of the proceeds of their unlawful activities. Money laundering is a serious offense in many jurisdictions and criminalizes virtually any financial dealing – including the deposit, withdrawal, transfer or exchange of funds

or monetary instruments, by, through or to a financial institution – involving the proceeds of a broad range of unlawful activities, when such financial dealing is aimed at (i) promoting or furthering criminal activity, (ii) violating the tax laws, (iii) disguising some aspect of the proceeds, or (iv) avoiding currency reporting requirements. Laws have been adopted in many jurisdictions in order to deter “launderers” from using legitimate intermediaries such as banks as a conduit for illegal activities and to impose monitoring, reporting and record-keeping requirements on such conduit organizations. In Canada, there are several pieces of legislation dealing with money laundering, including the Criminal Code and the Proceeds of Crime (Money Laundering) Act. Consequently, if EDC knowingly deals with funds that were obtained as a result of one of many unlawful activities, committed either inside or outside of Canada, it may be exposed to criminal liability.

Employees who have any questions regarding the possible application of these Acts should consult with Legal Services.

III. Confidential Information

A. Confidential information

Confidential information, whether relating to EDC or third parties, should never be communicated to anyone other than employees, and under certain circumstances, EDC’s shareholder or its “representatives,” including outside lawyers, consultants and other external advisors, except with the consent of the party that is the subject of such information. In addition, such information should be communicated within EDC and to its representatives only if the recipient has a legitimate “need to know” such information. Full consideration should be given to this fact in advance of any communication. Various types of confidential information and additional

specific policies and procedures regarding such confidential information are set forth below.

1. Third-party information

It is essential that confidential information relating to third parties provided to EDC is handled with integrity and discretion. Therefore, the treatment of third party confidential information must be a constant concern.

It is impossible to provide an exhaustive list of the kinds of third-party information that may be confidential. The following are some examples of third-party information that may be confidential if not already generally known to the public:

- Financial reports or confidential projections;
- Information about a customer's borrowings;
- Information about a customer's current or proposed transactions, business plans, acquisition targets, customers, suppliers, creditors or investors;
- Transaction-specific information;
- EDC's assessment of the creditworthiness of a customer or any other internal analyses of customers or their businesses (whether or not based on confidential information);
- Significant contracts or orders of customers; and
- Personal information concerning customers, directors, officers and employees.

Information about or received from EDC's customers or other third parties should be presumed to be confidential unless the contrary is clear.

2. EDC information

EDC and its employees must also be careful to protect the confidentiality of certain information relating to EDC and its employees. The following are some examples of EDC information that should be treated in a confidential manner:

EDC-related:

- Strategic plans and activities;
- Details of recommendations to the Board of Directors;
- EDC's capital markets activities;
- EDC's non-transaction-specific pricing and premium strategies; and
- Details of recommendations to Ministers in respect of Canada Account matters.

Employee-related:

- Information contained in an employee's personnel file, which may include but is not limited to: salary data, performance evaluations, disciplinary actions, etc.

Every Team Leader who retains any such employee-related information or other employee-related information must ensure that such information is treated confidentially and a copy of such information is contained in the relevant employee's personnel file.

3. Government sensitive information

As a Canadian Crown corporation and agent of the Crown, EDC is exposed to and receives Canadian government sensitive information of differing government of Canada security classifications. It is

essential that all employees treat such information in accordance with the general policies and procedures set forth below. Disclosure and dissemination of such government sensitive information is also subject to certain policies of the government of Canada. Employees who are exposed to and receive government sensitive information should also refer to Section III-B(2)(i) of this Code: Additional rules, government sensitive information.

The following are some examples of government of Canada sensitive information:

- Cabinet and Treasury Board Papers;
- Ministerial Authorizations and related background papers;
- Orders in Council (prior to public disclosure); and
- information concerning federal-provincial affairs, international affairs and the economic interests of Canada whose disclosure would result in injury to the national interest.

B. Rules for disclosure, use and communication of confidential information

1. Basic rules

The following are basic rules regarding the disclosure, use and communication of confidential information:

- Except with the consent of the party that is the subject of the information, confidential information must never be communicated to anyone other than employees and, under certain circumstances, representatives of EDC, in each such case only if the recipient has a legitimate need to know in connection with his or her duties.

- When confidential information is legitimately communicated to someone, he or she should: (i) be clearly informed that the information is confidential, and (ii) be given instructions about the limitations on further dissemination and use of the information.
- If information is the subject of a confidentiality agreement, care must be exercised to be sure the terms of the agreement are followed. No confidentiality agreement should be entered into unless (i) it has been reviewed by Legal Services (and Legal Services shall retain a copy of all such agreements), or (ii) it is a standard form of confidentiality agreement previously approved by Legal Services (and the team entering into such agreement shall retain a copy). All EDC files that are governed by a confidentiality agreement should contain a copy of the agreement, and the file, as well as all significant internal communications, should be clearly marked to identify that the subject matter of such file or communication is governed by a confidentiality agreement.
- Documents containing confidential information must be strictly controlled at all times and not be displayed in elevators or left in conference rooms, on desks or in other locations where they may be seen by outsiders or by employees who do not have a legitimate need to know. Unnecessary copying of confidential documents should be avoided. Drawers, desks and/or offices containing confidential information should be locked when unattended and, in any event, at the end of the work day.
- Care should be exercised in discussing confidential matters in elevators, on public transportation, in restaurants or other places where outsiders may be present or where other parties, including employees, could obtain confidential information they should not have.

When asked informally (for example, by friends or at social gatherings) about matters that could involve confidential information, employees should decline to comment (see Section III-C(3) “Public statements” below regarding inquiries by journalists).

- Care should be exercised with respect to all professionals, consultants, contingent staff, messengers and cleaning staff to ensure that confidential information is not available to people who may not be completely familiar with EDC’s policies and procedures concerning confidential information, or who should not be entrusted with such information.
- Confidential information should not be discussed when using a cellular phone and caution should be exercised when checking voice mail messages via cellular phone.
- Care should be taken concerning the use of computers. Employees must use a password-protected screen saver when leaving their computers unattended and must log off their computers at the end of each day. In addition, other than when using a laptop computer, employees should not store confidential information on their computer’s hard drive. When using a laptop computer, care must be exercised to ensure that confidential information stored on such computer’s hard drive is protected. Employees should be aware of EDC’s Security Policy (PER-008) which provides additional details regarding the use of laptop computers and computers in general. Employees should also be aware of EDC’s Internet/E-mail Policy (ADM-015) which provides additional guidelines regarding the use of computers.
- When employees commence employment with or leave EDC or transfer from one part of EDC to another, precautionary action should be

taken, such as surrender of departmental files, information and materials, to protect against disclosure or misuse of any confidential information.

- Employees should also be aware of EDC’s Security Policy (PER-008) which provides additional guidelines regarding these matters.

2. Additional rules

(i) Government sensitive information

Disclosure and dissemination of Canadian government sensitive information is also subject to the policies of the government of Canada. EDC has set forth certain of these government policies in EDC’s Security Policy (PER-008). The Security Policy describes several security classifications applicable to various information and imposes differing procedures for handling such information depending on the applicable classification. All employees who are exposed to and receive government sensitive information should make themselves aware of the terms of the Security Policy. Any questions relating to the Security Policy should be referred to the Senior Vice-President, Human Resources.

(ii) Privacy Act requirements

EDC is subject to the Privacy Act, which protects the privacy of individuals by regulating the collection, use and disposal of personal information held by a government institution (such as EDC) and provides individuals with a right to access their own information. EDC has established a Privacy Act Policy (PER-115) and Procedure (PER-115-001) which establish the authority and framework for the implementation of fair information practices within EDC in accordance with the Privacy Act. All employees should make themselves aware of the terms of the Privacy Act Policy and

Procedure. All questions concerning the applicability of the Privacy Act should be addressed to the Privacy Coordinator (Secretariat).

(iii) Security of Information Act requirements

Employees who are exposed to and receive government sensitive information should also be aware of the provisions of the Security of Information Act. This Act provides, among other things, offences for certain activities, including the handling or communication of documentation or information which is prejudicial to the safety or interests of Canada. All questions concerning the applicability of the Security of Information Act should be addressed to Legal Services.

C. Inquiries and public statements

1. Generally

Employees should not disclose confidential information to any outside party unless the affected party has consented specifically to the disclosure. In certain circumstances, this general rule is subject to possible exceptions for disclosure to EDC's shareholder and applicable legal authorities, as well as in certain litigation situations. However, no such disclosure should be made without first seeking advice from the General Counsel, Legal Services.

2. Regulatory and legal inquiries

Employees must notify the General Counsel, Legal Services immediately if an inquiry is received from a regulatory authority (whether verbally or in writing) or requests for information, whether in person or otherwise, are made by authorized representatives of such authorities. Also, the General Counsel, Legal Services should be notified immediately if EDC or an employee is served with a legal action, subpoena or other formal notice to appear

in court or take legal action for reasons related to his/her employment at EDC.

3. Public statements

All contact with the media or other public statements by employees must be cleared in advance with the Corporate Communications Team. Any public statement made by an employee – even one that does not release any previously undisclosed information – could subject EDC to reputational damage and potential liability. Moreover, when EDC or its employees disclose any information to the public, EDC must be sure that it is accurate and that it is handled according to policy, including obtaining the prior consent of a third party where required.

IV. Insider Trading, Tipping and Rumours

Insider trading and tipping

1. Who is an insider?

Employees and EDC representatives who have access to material, non-public information (see examples below) relating to a company that has issued securities (an “issuer”) should consider themselves “insiders” of that issuer. Financiers, accountants, underwriters, lawyers or printers who receive confidential information from a client will ordinarily be considered insiders of that client as well. Even if an employee does not receive such information directly from the issuer, he/she may be treated as an insider if the employee should have known that the information came from an insider or one who had a duty not to disclose it.

Insiders who possess material, non-public information about an issuer of securities, and other persons who have received such information from

insiders, must never use such information for personal gain, or for the advantage of others associated with them, such as friends and relatives, and are, by law, specifically subject to restrictions on trading based on such information. Insiders may not trade or recommend securities affected by the material, non-public information, or pass (tip) the information to others. These prohibitions remain in effect until such information has been fully disclosed to the public. Employees shall observe any limitations on trading in the securities of an issuer which the President may issue in circumstances where the President believes that trading which is not conducted in accordance with such limitations would result in damage to EDC or its reputation.

2. Materiality

Generally, information is material if it would affect the price of a security of the entity which is the subject of such information if such information was generally known, or there is a substantial likelihood that a reasonable investor would consider such information important in making an investment decision to buy, hold or sell such a security. Examples of material information may include:

- Significant changes in previously disclosed financial information;
- Information or estimates about earnings or sales;
- Increases or declines in orders, or information about major contracts;
- Liquidity problems, payment or covenant defaults or actions by creditors, customers or suppliers relating to the issuer's credit standing;

- A proposal or agreement for a merger, acquisition or divestiture, or for the sale or purchase of significant assets;
- A proposal or agreement concerning a financial restructuring or an extraordinary borrowing;
- A proposal to issue or redeem securities or other development regarding a pending issuance or redemption of securities;
- An increase or decrease in dividends;
- Declarations of stock splits or stock dividends;
- An expansion or contraction of operations;
- Introduction of a significant new product, service or business line;
- The development of a new product or, for example, in the case of an oil and gas or mining company, information about mineral deposits or discoveries;
- The institution of, or a development in, major litigation or a significant regulatory matter;
- Executive management developments; and
- Information about future government actions.

This list is merely indicative of the types of information that could be considered material. Moreover, any given item of information must be considered in light of all the relevant circumstances in order to make a determination as to materiality. Except in obvious cases, all non-public information should be presumed to be material. When in doubt, employees should ask the General Counsel, Legal Services before any action is taken.

3. General rule

As a general rule, insiders who possess material, non-public information about an issuer of securities, and employees who receive such information from insiders: (i) must never use such material non-public information for personal gain or for the advantage of others associated with them, such as friends or relatives, and (ii) will be subject to the “abstain or disclose” concept provided in securities laws. This concept stipulates that the insider may be required to:

- refrain from passing such information on to others and from trading in or recommending the purchase or sale of the issuer’s securities; or
- disclose such information to the investing public.

Although securities laws generally provide that proper public disclosure of material, non-public information will free the party who possesses the information to trade in the affected securities, when employees come into possession of such material, non-public information, they will likely not be permitted to disclose it because of EDC’s confidentiality policy. Consequently, employees in possession of material, non-public information will usually simply be barred from trading in or recommending the related securities.

EDC’s activities as a lender, underwriter, insurer and equity investor will frequently result in EDC obtaining material, non-public information about other companies. It is the responsibility of every employee to determine whether they are in possession of material, non-public information regarding an issuer. Securities laws impose significant penalties on individuals who breach such laws (including prison sentences in some cases). Therefore, care should be exercised by every employee to

avoid violations of the legal and ethical constraints regarding insider trading or tipping with respect to any company’s securities.

The prohibition against insider trading applies to employees and all persons connected with EDC, including consultants. It is the obligation of the responsible employees to ensure that consultants and contingent staff understand the prohibitions against insider trading and tipping.

4. Additional rules

- Relationship managers and others with substantial dealings with customers should take particular care to ensure they comply with the guidelines contained in Section IV.
- Employees are strongly discouraged from (i) engaging in short-term speculative trading, or (ii) early purchases in underwritings of new issues of either equity or corporate debt securities involving entities with whom EDC has a business relationship.
- Employees of specific teams should take particular care to ensure they comply with the guidelines contained in this Section when trading in the securities of any issuer whose principal business activities fall under the industry segment for which that team is responsible.

Securities laws prohibit the circulation of rumours for the purpose of affecting the market. In addition, under certain circumstances, rumours about a company that may be experiencing financial difficulties can cause significant damage to that company and rumours as to a company’s insolvency or the possibility of a bankruptcy filing can become self-fulfilling. Therefore, employees should be particularly cautious with respect to rumours of this kind.

V. Other Standards of Conduct

A. Truthfulness

Employees are expected to make all reasonable efforts to avoid errors in, or misunderstandings of, statements made by EDC or its representatives even when omissions or misunderstandings might be to EDC's short-term advantage. Particular care must be taken not to make promises or commitments which EDC does not intend to, or cannot, keep. EDC expects all employees to use only fair and honest negotiating methods and scrupulously avoid any practice that may adversely affect EDC's reputation for integrity and honesty.

B. Criminal offences

It is EDC's policy that employees must notify their Team Leader immediately if they are arrested, indicted or convicted of an offence under the Criminal Code, the Food and Drugs Act or any other provincial or federal Act which pertains to that employee's ability and/or suitability to perform his/her duties or responsibilities, or may reasonably affect the reputation or other legitimate business interest of EDC.

All employees are reminded that under Section 121(1)(c) of the Criminal Code, it is an offence to demand, accept or offer, or agree to accept from a person who has dealings with EDC or the government of Canada, a commission, reward, advantage or benefit of any kind, directly or indirectly, without the consent in writing of the President. This includes the acceptance of remuneration for employment from a person who has dealings with EDC or the government of Canada. This Code describes circumstances where, in this regard, the consent of the President is required and where for such purpose the President's consent is deemed to have been given.

C. Substance abuse

The care, diligence and creative energy that individuals employed by EDC are expected to provide requires that all employees exercise reasonable care in matters concerning their health and well-being.

A safe and productive workplace requires an environment free from the effects of illegal or illicit use of drugs and alcohol. Employees have an obligation to EDC and their fellow employees to report at their regularly scheduled times fit for their duties. Therefore, any use, sale, distribution, possession, manufacture, transportation or promotion of illegal drugs or drug paraphernalia, or any sale or transfer of prescription drugs on EDC's premises or while conducting EDC business or activities, is strictly prohibited. In addition, it is strictly prohibited for employees to be impaired by the consumption of alcohol while on EDC's premises or while conducting EDC business or activities. Further, employees are not permitted to consume alcohol while on EDC premises or while conducting EDC business or activities except in connection with business or corporate functions.

D. Harassment and discrimination in the workplace

It is EDC's policy to provide a workplace that is free from, and every employee has the right to freedom from, harassment (including sexual, physical or verbal harassment) and/or discrimination in the workplace. Harassment and/or discrimination imposed on an employee of EDC, whether by another employee, a customer, or a supplier, is not acceptable and will not be tolerated. Employees should be aware of EDC's *Mutual Respect Policy* (HR 006).

E. Punctuality and absenteeism

Each employee is expected to attend work regularly and punctually at the hours established by his/her Team Leader. In the event circumstances arise which prevent an employee from reporting to work as scheduled, the employee's Team Leader is to be notified promptly.

No employee shall absent himself/herself from work without prior authorization, except for unforeseen circumstances that cause the employee to be unable to attend work. Where a leave of absence has been granted, such leave must not be used for any purposes other than that for which it was granted. Employees should be aware of EDC's *Leave Policy* (HR 014).

F. Health and safety

EDC is vitally interested in the health and safety of its employees and EDC and its employees will make every effort to provide a safe, healthy work environment. Every employee must protect his/her own health and safety by working in compliance with the law and with safe work practices and procedures established by EDC. Employees should be aware of EDC's *Health & Safety Policy* (SEC 001)

G. Political activity

It is the policy of EDC that the participation of its employees in political activity shall not jeopardize their impartiality as employees of a Canadian Crown corporation nor interfere with their capacity to perform their duties as employees of EDC. Employees should be aware of EDC's *Political Activity Policy* (HR-012).

H. Copyrighted work

Copyrighted work (including computer software) is work which the owner thereof has the sole right to produce or reproduce in whole or substantial part, in any material form whatsoever, or to authorize such act. Copyrighted works are not to be copied. Employees should be aware of EDC's *Copyrighted Works Policy* (GEN-008).

I. Personal relationships

EDC will not permit persons in relationships which create or appear to create a conflict of interest to remain in such a conflict or potential conflict. This includes, but is not limited to, blood relatives, those in a legal or common law marriage and those in a personal or business relationship. Accordingly, EDC reserves the right, in its discretion, to move one or both of the individuals in such a conflict or potential conflict to a comparable position within the organization. Similarly, EDC will not hire or move an individual into a position which creates such a conflict or potential conflict of interest. In addition, employees with management responsibilities who have personal relationships with a staff member must ensure the relationship is and remains outside of their immediate team or line of control.

VI. Reporting and Failure to Comply

A. Reporting of violations

Employees should report to their Team Leader or Human Resources any violation of this Code of which they become aware. In any case where such a report has been made, the report will be treated confidentially to the extent possible and consistent with EDC's responsibility to address the issue raised. No person will be subject to retaliation for reporting in good faith a violation of this Code.

B. Failure to comply

Employees who fail to comply with any provision of this Code may be subject to disciplinary action, including the possibility of termination of employment. It is also important to understand that a violation of certain provisions of this Code may also be a violation of law and may subject the individual employee involved and/or EDC to criminal prosecution or civil liability.

VII. More Information

Any questions concerning the policies or procedures contained in the Code should be addressed to the General Counsel, Legal Services.