

**From:** [abrophy@nalcenergy.com](mailto:abrophy@nalcenergy.com)  
**To:** [wchamberlain@nalcenergy.com](mailto:wchamberlain@nalcenergy.com)  
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[Code of Business Conduct & Ethics June 23, 2011 updated Sept. 2011.doc](#)

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Code of Business Conduct & Ethics June 23, 2011 updated Sept. 2011.doc



**Audrey Brophy**  
**Executive Assistant**  
**Executive Leadership**  
**Nalcor Energy**  
t. 709 737-1295 f. 709-737-  
**1782**  
e.  
[abrophy@nalcenergy.com](mailto:abrophy@nalcenergy.com)  
w. [nalcenergy.com](http://nalcenergy.com)



## Code of Business Conduct And Ethics

P &amp; P No.

Page 1 of 10

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### **POLICY:**

The Nalcor Energy companies (“Company”) are committed to ensuring the highest possible standards of business conduct and ethics in our relationships with all parties with whom we conduct business on either a commercial or non-commercial basis. All employees, officers, directors, and contractors, suppliers, agents and representatives, to the extent practical, of the Company are expected to conduct themselves in a professional manner at all times, and to avoid any business practices or conflicts of interest which have the potential to be in conflict with the Company’s core values, impair the reputation of the Company, and/or expose the Company to unnecessary financial or other liabilities.

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### **SCOPE:**

This Code of Business Conduct and Ethics (“Code”) applies to all employees of the Company, and as the context may allow and to the extent possible, to any contractors, suppliers, agents and representatives, or their employees, who conduct business with, or on behalf of the Company. The term “employee” is considered to include officers and directors of the Company, unless the context requires otherwise.

Where any conflict exists between this Code and any provision of a Company policy, the provisions of this Code shall apply.

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### **PURPOSE:**

The purpose of this Code is to:

- a) outline and reinforce the Company’s commitment to professional and ethical business practices;
  - b) outline the Company’s standards and expectations in areas of business practice and conduct; and
  - c) provide general guidance on avoidance of potential conflicts of interest and unethical business practices and conduct.
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## Code of Business Conduct And Ethics

P &amp; P No.

Page 2 of 10

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### **GUIDING PRINCIPLES:**

This Code is based on the following guiding principles:

- a) *The commercial, reputational and other interests of the Company and its shareholder(s) and the projects we undertake must always take precedence over personal interests and those of third parties* – employees, officers and directors are expected to avoid any act or conduct, intentional or otherwise, which may advance the private interests of a third party in preference to those of the Company and its shareholder(s). Similarly, employees, officers and directors must avoid any act or conduct which has the potential to advance their own interests in preference to those of the Company or third parties.
- b) *Any conflict of interest, whether real or perceived, and regardless of its materiality, has the potential to impair the Company's credibility and commercial interests* – employees, officers and directors must perform their duties and responsibilities in a conscientious manner and shall not put themselves in a position where their private interests and those of the Company might be or be perceived to be in conflict.
- c) *All parties with whom we conduct business have the right to expect the highest standards of respect, professionalism and business ethics in their dealings with us* – customers, suppliers, partners, competitors, shareholder representatives, and regulators are among the external stakeholders with whom we regularly conduct business, and who require our ongoing commitment to these standards.
- d) *We are guided by our organizational values in the things we do and the decisions we make* – strategies, plans and decisions in which the Company is involved should take into account the standards and principles conveyed by our organizational values.

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### **STANDARDS OF BUSINESS CONDUCT**

#### **Compliance with Laws**

Employees shall comply with all applicable laws and regulations of the Provinces and countries in which the Company operates. Employees shall not engage in, or give the appearance of being engaged in, any illegal or improper conduct that is in noncompliance with this Code and shall not condone any illegal act or instruct another person to do so. Employees shall be sufficiently familiar with the laws that apply to their work to recognize potential noncompliance and when to seek legal advice.

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## Code of Business Conduct And Ethics

P &amp; P No.

Page 3 of 10

---

### Safety and Health

The Company is committed to being a safety leader and ensuring that effective policies and procedures are implemented and all applicable laws and standards are complied with to protect the health, safety and well being of our employees, contractors, customers, visitors and the public.

Where work is being undertaken by or on behalf of the Company, the safety and health of the Company's representatives, customers, visitors and the public is the Company's first and most important priority. Consistent with the Company's Internal Responsibility System, all employees have a responsibility to work safely at all times and to actively contribute towards a working environment in which nobody gets hurt, and a safety culture where employees are committed to achieving zero injuries on a sustained basis.

In their dealings with both other Company personnel and external parties, employees are expected to observe and actively promote the Company's safety credo:

1. I always follow safety requirements and best practices.
2. I always take the time to complete my work safety.
3. I always take action when I see unsafe acts or conditions.

References: The following corporate policies and programs provide additional requirements and guidelines that shall apply to all Nalcor Energy companies and their respective employees, officers and directors:

General Policy Statement – Health and Safety  
Safety and Health Program  
Internal Responsibility System

### Environmental Protection

The Company is committed to being an environmental leader. The Company's *Environmental Policy and Guiding Principles* commit the Company to help sustain a diverse and healthy environment for now and in the future, by maintaining a high standard of environmental responsibility and performance through the implementation of a comprehensive environmental management system. All employees should be aware of this policy and Company's specific commitments to meeting and exceeding environmental laws and regulations; the prevention of pollution; and continually improving its environmental performance.

Employees have a legal and personal responsibility to act in an environmentally responsible manner and to report any environmentally inappropriate activities or behaviour to their supervisors. This obligation is particularly important as it relates to: 1) compliance by the Company and employees with applicable laws and standards, and 2) the requirement to take all reasonable actions for the prevention of pollution of air, water and soil, and to minimize the risk to the environment.

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## Code of Business Conduct And Ethics

P &amp; P No.

Page 4 of 10

Reference: The following corporate policy and guiding principles provide additional requirements and guidelines that shall apply to all Nalcor Energy companies and their respective employees, officers and directors:

### Environmental Policy and Guiding Principles

#### **Respect and Dignity**

Employees must be treated fairly in a work environment that is respectful of others, supportive of the dignity and self-esteem of each individual, and free of harassment. It is crucial that all employees, regardless of role or position in the organization, conduct themselves in a respectful manner both in the workplace and in their dealings with external parties.

*Harassment* - Any behaviour that is directed at a person that is known, or should reasonably be known, to be unwelcome and/or offensive will not be tolerated. This includes threats, unwelcome remarks, derogatory comments or innuendos which humiliate, insult or intimidate a person, personal or sexual harassment, abuse of authority, or any other conduct which denies a person their dignity and respect in any other way.

*Discrimination* - All employees deserve and expect a workplace which is free of discrimination based on an individual's race, religion, religious creed, political opinion, color or ethnic, national or social origin, sex, sexual orientation, marital or family status, physical or mental disability, or age. These basic protections are outlined in the Newfoundland and Labrador Human Rights Code and the Canadian Charter of Rights and Freedoms. The Company expects the same standards to be applied by employees, contractors or any other parties representing the Company's interests both in the workplace and in their dealings with external parties.

*Personal dignity and mutual respect* – The Company is committed to a work environment where a diversity of views, opinions and backgrounds is valued and encouraged, and is seen as a key factor in the Company's vitality and success. Any behaviour which denies individuals their dignity and respect in any way will not be tolerated.

*Offensive material* - The posting or use by employees of offensive, sexist, sexually explicit, racist or other discriminatory material in the work environment is not acceptable and will not be tolerated. The work environment includes:

- The work area
- Company equipment and property, including its e-mail and intranet/internet systems
- Any other location that could potentially offend other persons

References: The following corporate policies provide additional requirements and guidelines that shall apply to all Nalcor Energy companies and their respective employees, officers and directors:

Corporate policy EMR 14

Respectful Workplace



## Code of Business Conduct And Ethics

P &amp; P No.

Page 5 of 10

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Corporate policy COR 16  
Corporate policy COR 17

Internet Access  
Electronic Mail System Usage

### Protection of Corporate Assets

The Company has a corporate system of internal controls and policies and procedures that are designed to prevent fraud, misappropriation and other irregularities.

Employees have a duty and responsibility to protect the assets of the Company against loss, damage, unauthorized use, theft and disposal. Company assets include tangible assets such as facilities, equipment, supplies, vehicles and property, and intangible assets such as intellectual property, trade secrets, and customer, business and confidential data and information.

Unless produced for external consumption, all Company information including records, data, project specifications and plans, and processes, policies and procedures are proprietary corporate information and shall not be shared without proper authorization.

Where it may be necessary or advisable to share confidential information with external parties, an appropriate Non-Disclosure Agreement shall be signed by the party to whom the information is to be disclosed. All Company information and documentation shall be returned upon cessation of employment or engagement with the Company.

Reference: The following corporate policy provides additional requirements and guidelines that shall apply to all Nalcor Energy companies and their respective employees, officers and directors:

Corporate policy EMR-18

Dishonest or Fraudulent Activities

### Privacy and Confidentiality

It is essential to protect the privacy and confidentiality of personal, business, employee, customer, and contractor information. Confidential information is controlled on a need-to-know basis and shall not be released to external parties unless required by law or authorized by the employee, contractor or customer. Employees shall ensure that any such information in their possession is kept confidential and is secured in an appropriate manner.

Employees using or accessing Company electronic databases or mail systems shall comply with all corporate policies and procedures regarding the storage, use and transmission of such information.

### Financial Information

The Company is committed to ensuring that financial information, data and records are accurate, reliable, factual, and complete and will be retained in accordance with the requirements of the laws and appropriate standards. The Company shall fully and fairly

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## Code of Business Conduct And Ethics

P &amp; P No.

Page 6 of 10

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disclose its financial position in compliance with generally accepted accounting principles and all applicable laws and shall make full, accurate and plain disclosure in any report provided to regulatory authorities.

### **Security and Emergency Measures**

The Company is committed to protecting life and property through the development and implementation of corporate security and emergency measures policies and processes. Employees and visitors are required to wear and display appropriate security identification at any corporate facilities that have implemented such security measures.

### **Intellectual Property**

Employees may in the performance of their duties and responsibilities produce or develop an innovative product that is either tangible or intangible (“intellectual property”). If the intellectual property is produced within the scope of employment or a contract it will be the property of the Company, and the Company shall have the exclusive use of same unless otherwise authorized by the Company.

### **Competitors**

Employees who gather information about competitors must do so by legal means. Employees shall not either directly or indirectly solicit proprietary or confidential information about competitors, nor may employees solicit proprietary or confidential information from colleagues who once worked for a competitor.

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## **CONFLICT OF INTEREST**

### **General Prohibition**

Any company of the Nalcor Energy companies that is an agent of the province of Newfoundland and Labrador (“Province”) is governed by the Conflict of Interest Act (“Act”). If a Nalcor Energy company, subsidiary or affiliate is not an agent of the Province, it shall comply with the spirit and intent of the Act. Employees shall not engage in any activity that adversely affects the performance of their duties as an employee, officer or director of the Company, or is likely to do so; that places the employee, officer or director in a position of conflict of interest or is likely to do so; or in which the employee, officer or director has an advantage as a result of his/her employment or association with the Company.

### **Avoidance**

Guidelines for avoiding a potential conflict of interest include the following:

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## Code of Business Conduct And Ethics

P &amp; P No.

Page 7 of 10

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- a) An employee shall not participate in any way in making a decision, in his/her capacity as an employee, where the employee knows or ought to reasonably know that in making the decision, there is an opportunity to improperly benefit the employee or his/her family, directly or indirectly.
  - b) An employee shall not use his/her position to attempt to influence a decision made by another individual in order to acquire a direct or indirect benefit for that employee or a member of his/her family.
  - c) An employee is not permitted to use or share information that is acquired in his/her capacity as an employee and which is not available to the general public, to directly or indirectly benefit themselves, a family member or any other person. The use or sharing of information with a third party will only be permitted if the information is not confidential or commercially sensitive and is approved by the employee's immediate supervisor.
  - d) Other than compensation received from the Company, an employee shall not, directly or indirectly, accept a fee, gift or personal benefit that is in any way connected with the performance of his/her duties as an employee of the Company, except where a gift or personal benefit is given to the employee as a matter of business custom. Gifts of cash are not acceptable under any condition.
  - e) An employee shall not permit plans for, or offers of, future employment to influence his/her duties as an employee of the Company
  - f) "Insider trading" refers to the buying and selling of securities on the basis of insider knowledge, meaning knowledge that is not available to the public. Any employee who violates provincial or Canadian laws on insider trading will be subject to both legal penalties and termination of employment or termination as a member of the Board of Directors.
  - g) Price-fixing, bid rigging, kickbacks and any other similar activities related to competitions for work conducted for and on behalf of Company are not acceptable. Any employee who engages in such activities will be subject to immediate termination and all applicable legal recourse.
  - h) Subject to the general prohibition indicated above, an employee is not permitted to directly or indirectly enter into a contract with the Company, except under the following circumstances:
    - i. the contract existed before the individual became an employee of the Company;
    - ii. the contract was awarded by public tender;
    - iii. the contract is one which was made in an emergency;
    - iv. the contract is for goods and services which could not have been provided by any other person; or,
    - v. the employee involved is an employee of CF(L)Co and the circumstances fall under the provisions of Site Administration Regulation No. 5.6.
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## Code of Business Conduct And Ethics

P &amp; P No.

Page 8 of 10

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### Entertainment, Gifts and Favors

Subject to other provisions in this section, invitations, gifts and benefits may only be accepted as a gesture of appreciation, hospitality or civility; they must be a routine form of exchange in connection with business relations and of nominal value; and they must not grant or appear to grant preferential treatment to, or secure preferential treatment from, a potential or actual client.

Business meals and entertainment should be of a frequency consistent with accepted business practice, not extravagant in nature, and accepted for the express purpose of furthering normal business relations. Whether providing or receiving a business meal or entertainment, ~~it must be approved by the employee's immediate supervisor~~ the employee must subsequently inform his/her immediate Supervisor of the receipt or provision of the meal or entertainment.

It is not acceptable under any circumstance to accept a gift, entertainment or other favour during an RFP or contractor selection process, where an external party has an association with a bid or proposal to the Company.

#### Nominal Value

The value of any gift, entertainment, meal or other favor which is accepted by an employee must not exceed \$150 CDN.

Any offer of a gift, entertainment, meal or other benefit that is above this nominal value must be disclosed by the employee to his/her immediate supervisor, or for directors to the Chair of the Board of Directors. The appropriate Manager or Vice-President, or the Chair as the case may be, may approve the acceptance of any such offer where local custom or other exceptional circumstances justify it as an appropriate gesture of appreciation, hospitality, or civility in the context of furthering business relationships. When reviewing such an offer, alternatives such as donating the gift to a charitable organization or sharing the benefit with the department rather than individually should be considered.

#### Judgement

Even within the above parameters, employees are expected to exercise good judgement in evaluating a donor's reason(s) for offering a gift; the effect a gift may have on their actions; and how others may perceive the gift. If there are any questions or doubts about whether a gift, entertainment or other benefit should be accepted, it should be politely refused.

### Outside Business Interests

Any outside business interest of an employee or contractor employee must not interfere with the business of the Company.

An employee shall not work for an outside business during Company business hours or use any of the Company's real property, intellectual property, equipment or supplies for outside business purposes.

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## Code of Business Conduct And Ethics

P & P No.  
Page 9 of 10

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An employee shall not promote or advertise outside business interests to other employees during work hours, and customers or partners associated with an employee outside business interests are not permitted to contact employees at the Company's workplace.

A company or partnership in which an employee has an interest may not enter into a contract with the Company unless, subject to the general prohibition above:

- a) the shareholding or interest of the employee is 10% or less; or,
- b) the chief executive officer of the Company (the "CEO") is of the opinion that the employee is not in a position to influence the awarding of the contract, and that his/her performance of it will not interfere with the employee's public duties; or,
- c) the CEO is of the opinion that the employee's shareholding or interest in the company is such that it will not interfere with the employee's duties as an employee of Company; or,
- d) the CEO is satisfied that the shareholding or interest has been placed in a trust which will prevent the employee from exercising authority or control over the affairs of the corporation or partnership.

### **Disclosure**

Any employee who has reasonable grounds to believe that he/she is or could be in a potential conflict of interest shall disclose the nature of this conflict or potential conflict to his/her Manager or Vice-President, and then immediately remove him/herself from that conflict or potential conflict situation.

Reference: The following corporate policies and regulations provide additional requirements and guidelines that shall apply to all Nalcor Energy companies and their respective employees, officers and directors:

Corporate policy EMR 8

Conflict of Interest

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## **RESPONSIBILITIES**

### **Employees, Officers, Directors**

The responsibilities of employees, officers and directors include the following:

- a) Ensuring they are familiar with this Code of Business Conduct and Ethics, and conducting their business for and on behalf of the Company in full compliance with the standards and requirements outlined herein and in all relevant Company policies;
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## Code of Business Conduct And Ethics

P &amp; P No.

Page 10 of 10

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- b) Ensuring that all external parties with whom they interact on either a commercial or non-commercial basis are aware of the Company's standards and requirements as they relate to conflicts of interest and conducting business in a professional and ethical manner at all times;
  - c) Immediately disclosing any actual or potential conflict of interest involving either themselves or others in relation to business conducted on behalf of or with the Company.

### **Supervisors and Managers**

The responsibilities of supervisors and managers include the following:

- a) Ensuring that all employees they directly supervise are provided with a copy of this Code of Business Conduct and Ethics and are informed and made aware of its provisions and requirements;
- b) Providing guidance and advice to their employees on any questions, concerns or potential issues they may raise in relation to the application of this Code in their areas; and,
- c) Immediately addressing any potential or actual non-compliance with the provisions of this Code, and taking whatever actions are necessary and appropriate in the circumstances to avoid, stop or minimize any non-compliance by employees or external parties with whom the Company is conducting business.

### **Vice-Presidents and Business Unit Leads**

Divisional and Business Unit Leads are responsible for ensuring that this Code contains any standards and requirements which are uniquely related to their respective divisions or business units. Any variations or supplementary provisions which are intended to apply to one or more specific areas of the Company's operations shall be submitted to General Counsel & Corporate Secretary for approval by the Company and shall then be itemized and appended to this Code as a separate Schedule.

### **Department of Human Resources**

The Department of Human Resources is generally responsible for the development and maintenance of this Code, and ensuring that appropriate and adequate processes are in place to ensure employee awareness and to monitor compliance.

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