

1. EMPLOYEE RELATIONS

1.1 Employee Code of Conduct

INITIATION DATE: July 11, 2019	REVISION DATE: July 9, 2020
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This code of conduct applies to all employees of LAPP Corporation (“LAPP Corporation”) and has been approved as a policy by the LAPP Corporation Board of Directors.

Purpose

The Corporation is established under and has duties and responsibilities specified in Schedule 1 to the *Joint Governance of Public Sector Pension Plans Act (Alberta)* (“Joint Governance Act”). It is the duty of employees of LAPP Corporation to act honestly, in good faith and in the best interests of LAPP Corporation in the exercise of their powers and the discharge of their responsibilities. In order to assist employees of LAPP Corporation to meet these duties, this Code of Conduct has been adopted and will be reviewed from time to time to provide guidance to employees in the identification, resolution, and review of situations involving conflicts of interest between their duties as employees of LAPP Corporation and their personal or private interests.

Conflicts between private interests of employees and their duty to LAPP Corporation and responsibilities under the Joint Governance Act not specifically addressed in this Code of Conduct shall be dealt with according to the principles and intent of this Code of Conduct and in compliance with the applicable provisions of the *Conflicts of Interest Act (Alberta)*.

LAPP Corporation values adherence to the highest principles of fairness, honesty and integrity in the conduct of its business. It is vital that employees maintain the highest standards of conduct in all their activities. To maintain high standards means that not only improper conduct, but even the appearance of impropriety must be avoided.

Application and Administration

This Code of Conduct applies to all employees of LAPP Corporation, including the President and Chief Executive Officer (“CEO”). Certain provisions of this Code of Conduct apply only to the CEO, as specifically indicated herein. This Code of Conduct is in addition to any statute governing or applicable to employees of LAPP Corporation. Conflicts between the private interests of employees and their responsibilities as employees of LAPP Corporation not specifically addressed in this Code of Conduct must be dealt with according to the principles and intent of this Code of Conduct. This Code of Conduct is administered by the CEO in relation to all other employees and is administered by the Board Chair in relation to the CEO. Where the Code of Conduct

refers to an obligation of or prohibition against an employee, with a reporting requirement to the CEO, the same applies to the CEO, reporting to the Board Chair.

Definitions

The following terms used in this Code of Conduct shall have the meanings set out below:

“Board” means the LAPP Corporation Board of Directors.

“CEO” means the President and Chief Executive Officer of LAPP Corporation.

“Chair” means the Chair of the Board, as designated or appointed from time to time in accordance with the Joint Governance Act and the policies of the Board and the by-laws of the Corporation.

“COIA” means the *Conflicts of Interest Act* (Alberta), including all regulations made thereunder, as amended from time to time.

“employee” means an employee of LAPP Corporation.

“Joint Governance Act” means the *Joint Governance of Public Sector Pension Plans Act* (Alberta), as amended from time to time.

“Ethics Commissioner” means the officer of the Alberta Legislature appointed to carry out the duties and functions prescribed under the COIA.

“LAPP” or “Plan” means the Local Authorities Pension Plan.

“LAPP Corporation” means LAPP Corporation.

A “person directly associated” with an employee includes:

- (a) the employee’s spouse or adult interdependent partner;
- (b) a corporation having share capital and carrying on business or activities for profit or gain and the employee is a director or senior officer of the corporation;
- (c) a private corporation carrying on business or activities for profit or gain and the employee owns or is the beneficial owner of shares of the corporation;
- (d) a partnership
 - (i) of which the employee is a partner, or
 - (ii) of which one of the partners is a corporation directly associated with the employee by reason of clause (b) or (c); or
- (e) a person or group of persons acting with the express or implied consent of the employee.

“private interest” does not include:

- (a) an interest in a matter
 - (i) that is of general application,

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- (ii) that affects an individual as one of a broad class of the public, or
 - (iii) that concerns the remuneration and benefits of an individual;
 - (b) an interest that is trivial;
 - (c) an interest of an individual relating to publicly-traded securities held in that individual's blind trust or in an investment arrangement, each as approved by the Ethics Commissioner in accordance with the COIA.

"publicly-traded securities" means:

- (a) securities of a corporation that are listed or posted for trading on a recognized stock exchange, or
- (b) securities of a corporation that has more than 15 shareholders and any of whose issued securities were part of a distribution to the public.

"securities" means:

- (a) shares of any class or series of shares of a corporation, or
- (b) bonds, debentures, notes or other evidence of indebtedness or guarantees of a corporation, whether secured or unsecured,

but does not include shares or units in a mutual fund.

CONFLICT OF INTEREST

Standards of Conduct

Employees are required to conduct themselves impartially in carrying out their duties in all circumstances. Employees must not act in their own self-interest or in furtherance of their private interests by virtue of their position or through the carrying out of their duties as employees.

Employees are in a conflict of interest situation if their private interests conflict with their duty to act honestly and in the best interests of LAPP Corporation. Without limiting the generality of the foregoing, an employee is in a conflict of interest situation if:

- (a) the employee takes part in a decision in the course of carrying out the employee's office, powers or duties knowing that the decision might further a private interest of the employee or a person directly associated with the employee;
- (b) the employee uses the employee's office or powers to influence or seek to influence a decision to be made by or on behalf of LAPP Corporation to further a private interest of the employee or a person directly associated with the employee;
- (c) the employee uses or communicates information not available to the general public that was gained by the employee in the course of carrying out the employee's office, powers or duties to further or seek to further a private interest of the employee or a person directly associated with the employee;

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- (d) the employee or, to the knowledge of the employee, a person directly associated with the employee, obtains or accepts a fee, gift or other benefit, all of a material nature, that is connected directly or indirectly with the performance of the employee's office, powers or duties [see also "Specific Restrictions", clause (a), below]; or
 - (e) the employee, or a person directly associated with the employee, receives a preference from LAPP Corporation on entering into a contract or receives a contract not available to the public.

Disclosure Of and Addressing Conflicts Of Interest

Employees are at all times under a positive obligation to appropriately and adequately disclose any real or apparent conflicts of interest to which they may be subject between their duties as employees and their private interests, whether such conflicts of interest are currently existing or may potentially arise in future. Further, employees also have a responsibility to avoid real and perceived conflicts of interest and to take all steps necessary to remove themselves from any conflict. Disclosure, while necessary and important, does not itself remove a conflict of interest.

As a general rule, employees must disqualify themselves from any matter involving an entity in which they, their spouse, or their adult or minor child has a financial interest or with which they have a relationship that may bring, or be perceived to bring, their impartiality into question.

When a matter arises which could possibly benefit an employee or a person directly associated with an employee, the employee in question must advise the CEO in order to enable the CEO to determine whether the situation is material. Further, if an employee believes there may be a conflict of interest, the employee may ask the CEO for guidance. Any decision made by the CEO in this regard is binding.

Specific Restrictions

In addition to the general standards of conduct and disclosure obligations above, the following specific restrictions apply to all employees:

- (a) **Gifts:** In order to avoid a conflict of interest or the appearance of a conflict of interest, employees must not accept gifts, fees or other benefits that are connected directly or indirectly with the performance of their duties as employees of LAPP Corporation from any individual, organization or corporation, other than:
 - (i) the normal exchange of hospitality between persons doing business together;
 - (ii) tokens exchanged as part of protocol; or

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- (iii) the normal presentation of gifts to persons participating in public functions, awards, speeches, lectures, presentations, seminars or similar events.

Any such permissible gifts shall not exceed a maximum value of \$100 per instance, while events attended or hospitality shall not exceed a value of \$500 per instance and, in aggregate, permissible gifts and hospitality shall not exceed a maximum value of \$500 from any single source within any year. Gifts must not include cash, cheques, gift cards or gift certificates.

(b) **Concurrent Employment or Appointment to Other Offices:**

Employees must avoid conflicts of interest or the appearance of conflicts of interest arising due to an employee's involvement in an appointment, business, undertaking or employment other than their service as an employee of LAPP Corporation. Employees may participate in such external activities if such activities do not:

- (i) cause an actual or perceived conflict of interest;
- (ii) involve the use of LAPP Corporation property, information technology, materials, supplies or personnel;
- (iii) interfere through telephone calls, or in other ways, with regular duties;
- (iv) in any way appear to be an official act or to represent a LAPP Corporation opinion or policy; or
- (v) directly or indirectly involve any business or undertaking in competition with or adverse in interest to the Plan or LAPP Corporation

Employees may teach courses at institutions during working hours provided that:

- acceptable arrangements can be made with the CEO for the employee to perform all regular duties, and
- course preparation and marking is done on the employee's own time, and
- no other conflict arises, and
- he or she first agrees that any fees received are to be paid to LAPP Corporation

Prior to accepting any employment or appointment, an employee must notify the CEO in writing of his or her intention to do so. The CEO will determine whether such employment or appointment contravenes this provision and will so advise the employee in writing.

Employees must not accept any additional compensation for duties performed in the course of their LAPP Corporation employment.

Further, employees must not allow the performance of their duties to be influenced by offers of future employment or the anticipation of offers of employment. Employees considering a new offer of appointment or reemployment must be aware of and manage any potential conflicts of interest between their position as an employee of LAPP Corporation and future circumstances, and must remove themselves from any decisions affecting their appointment or employment.

- (c) **Restrictions on Political Activity:** Employees may participate in political activities, including holding membership in a political party, supporting a candidate for elected office or seeking and holding elected office, provided that:
- (i) they must not use their position with LAPP Corporation to seek contributions for a political party or activity from entities doing business with LAPP Corporation;
 - (ii) any political activity must be clearly separated from activities related to the business of LAPP Corporation, must not be done while carrying out the employee's duties for LAPP Corporation and must not make use of LAPP Corporation facilities, equipment or resources in support of such activities;
 - (iii) if an employee is planning to seek an elected federal, provincial or municipal council (not including school board) office, they must disclose their intention in writing as soon as possible to the CEO for guidance relating to their duties with LAPP Corporation;
 - (iv) employees who run as candidates in a federal, provincial or municipal council (not including school board) election must take a leave of absence without pay commencing on the day after the writ for the election is issued or on the day that their candidacy is publicly announced, whichever is later. The restriction on soliciting contributions does not apply to such employees once the leave of absence starts;
 - (v) employees who are elected to federal, provincial or municipal council (not including school board) office must resign their employment effective the day of the applicable election; and
 - (vi) employees who seek election and are not elected are entitled to return to the same or similar employment effective the day after the election.
- (d) **Restrictions on Dealings with Family Members and Persons Directly Associated with Employees:** Employees exercise certain decision-

making authority over others (for example, supervising other employees) and make decisions regarding certain contractual arrangements (for example, retaining service providers). In such circumstances, employees must disqualify themselves from such decision-making activities involving others if a relationship between them could, or could be perceived, to bring their impartiality into question.

In the staff hiring and selection process, LAPP Corporation employees making the hiring decision must disqualify themselves where applicants include family members or close personal friends if the continued participation of such employees could, or could be perceived, to bring their impartiality into question. This requirement also applies to recruiting casual, hourly staff or employees hired through special employment programs. In limited circumstances, LAPP Corporation may permit relatives of an employee to work in the same office, provided that the CEO ensures all steps are taken as necessary to ensure that there is no opportunity to exercise favouritism and no conflict of interest exists for the employees involved. An employee may not supervise a relative. The disclosure obligations referenced above apply to these situations.

- (e) **Requirement to Comply with Applicable Laws:** Employees shall at all times act in full compliance with both the letter and spirit of all applicable laws. Employees should not only comply fully with the law but should also avoid any situation which could be perceived as improper or indicate a casual attitude towards compliance. Employees are expected to be sufficiently familiar with any legislation that applies to their work to recognize potential liabilities and to know when to seek legal advice.
- (f) **Requirement for Disclosure of Criminal Charges:** If an employee is charged with an offence under the *Criminal Code of Canada* or the *Controlled Drug and Substances Act* (Canada) or any other federal statute, the employee shall immediately report such charge to the CEO. In the event that an employee makes such a report, the CEO will forthwith determine if the employee has: (1) created a real or perceived conflict of interest that impacts the interests of LAPP Corporation; and/or (2) seriously compromised the employee's ability to continue to perform his or her role as an employee of LAPP Corporation.
- (g) **Use of Corporate Assets and Information:** Employees must not use LAPP Corporation premises, assets, equipment or other resources for purposes not related to LAPP Corporation business, except in limited circumstances where such use involves minimal additional expense to LAPP Corporation, does not interfere with the normal operations of LAPP Corporation, does not support a personal business interest and otherwise complies with this Code of Conduct and this Handbook. LAPP

Corporation retains for itself all proprietary rights in and to all new intellectual property arising out of the services an employee provided while employed at LAPP Corporation, and any product or technology developed by employees in the course of their employment with LAPP Corporation is the property of LAPP Corporation. An employee may not sell, trade, market or distribute any such product or technology unless otherwise authorized by the CEO. Employees must also respect the proprietary knowledge and intellectual property rights of LAPP Corporation, suppliers of goods or services to LAPP Corporation and others, including respecting copyright and license agreements. Employees must not use or disclose to others confidential information obtained while engaged in their role as a LAPP Corporation employee.

- (h) **Post-employment Restrictions:** Following the end of an employee's employment with LAPP Corporation, the former employee must not disclose confidential information of LAPP Corporation, including information pertaining to LAPP Corporation processes or information received by LAPP Corporation relating to the Plan, of which he or she became aware while an employee of LAPP Corporation, and he or she must not use contacts with former Board or LAPP Corporation staff colleagues to gain an unfair advantage for his or her current circumstance. This confidentiality obligation does not apply to confidential information that is or becomes public through no fault of an employee or is disclosed for purposes of and pursuant to any applicable "whistleblower" legislation. To avoid conflicts of interest, or the perception of conflicts of interest, former employees must not appear as representatives before the Board in any administrative review appeal hearing or provide advice to others appearing before the Board for such purpose, for 12 months after the end of their employment.

Provisions Applicable to the CEO Only

- (a) **Decisions Must Not Further Private Interests:** The CEO:
- (i) must not take part in a decision in the course of carrying out his or her office or powers knowing that the decision might further a private interest of the CEO, a person directly associated with the CEO or the CEO's minor or adult child;
 - (ii) must not use his or her office or powers to influence or seek to influence a decision to be made by or on behalf of the Crown or a public agency to further a private interest of the CEO, a person directly associated with CEO, or the CEO's minor child or to improperly further any other person's private interest;
 - (iii) must not use or communicate information not available to the general public that was gained by the CEO in the course of carrying out his or

her office or powers to further or seek to further a private interest of the CEO or any other person's private interest; and

(iv) must appropriately and adequately disclose a real or apparent conflict of interest.

(b) **Restrictions on Concurrent Employment:** The CEO must not be involved in any appointment, business, undertaking or employment, including self-employment, other than the role of CEO. Notwithstanding the foregoing, the CEO may apply to the Ethics Commissioner for approval to engage in an appointment, business, undertaking or employment, including self-employment, other than the role of CEO, and the Ethics Commissioner may provide such approval in writing, on such conditions as the Ethics Commissioner considers to be appropriate, if the Ethics Commissioner is satisfied that such outside appointment, business, undertaking or employment will not constitute a real or apparent conflict of interest.

(c) **Restrictions on Holdings:** The CEO must not, after the relevant period referred to below, own or have a beneficial interest in publicly-traded securities. The relevant period for purposes of this provision is

- (i) 60 days after a person becomes the CEO, or any longer period that the Ethics Commissioner directs; or
- (ii) with respect to a CEO who acquires ownership of a beneficial interest in publicly-traded securities by gift or inheritance, 60 days after receiving the gift or inheritance or any longer period that the Ethics Commissioner directs.

The foregoing restrictions do not apply if:

- (A) the publicly-traded securities are held in a blind trust or in an investment arrangement approved by the Ethics Commissioner in accordance with the COIA;
- (B) prior to the expiration of the relevant period referred to above, the CEO applies to the Ethics Commissioner for approval to retain ownership of or a beneficial interest in the publicly-traded securities and either obtains such approval or, if such approval is refused, takes any steps that the Ethics Commissioner directs with respect to the disposition of the ownership or beneficial interest; or
- (C) after the expiration of the relevant period referred to above, the CEO acquires ownership of or a beneficial interest in publicly-traded securities with the prior approval of the Ethics Commissioner.

(d) **Disclosure Statements and Returns:** The CEO must:

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- (i) file with the Ethics Commissioner a disclosure statement, in the form and manner determined by the Ethics Commissioner, within 60 days after becoming CEO and in each subsequent year at the time specified by the Ethics Commissioner. The CEO must also, within 30 days after the occurrence of any material changes to the information contained in a current disclosure statement, file with the Ethics Commissioner an amending disclosure statement in the form provided by the Ethics Commissioner setting out the changes; and
 - (ii) file with the Ethics Commissioner a return relating to persons directly associated with the CEO, in a form and manner determined by the Ethics Commissioner, within 60 days after becoming CEO, within 30 days after the occurrence of any material change in the information contained in a current return and within 30 days after the day he or she ceases to be CEO.
 - (e) **Post-employment Restrictions:** A former CEO must not:
 - (i) for a period of 12 months from the last day that the former CEO held any position so designated, lobby as defined in the *Lobbyists Act* (Alberta) any public office holder as defined in that act;
 - (ii) for a period of 12 months from the last day that the former CEO held any position so designated, act on a commercial basis or make representations on his or her own behalf or on behalf of any other person in connection with any ongoing matter in connection with which the former CEO, while CEO, directly acted for or advised a department or public agency involved in the matter;
 - (iii) for a period of 12 months from the last day the former CEO had a direct and significant official dealing with a department or public agency, make representations with respect to a contract with or benefit from that department or public agency;
 - (iv) for a period of 12 months from the last day the former CEO had a direct and significant official dealing with a department or public agency, solicit or accept on his or her own behalf a contract or benefit from that department or public agency; or
 - (v) for a period of 12 months from the last day the former CEO had a direct and significant official dealing with an individual, organization, board of directors or equivalent body of an organization, accept employment with that individual or organization or an appointment to the board of directors or equivalent body.

Nothing in this provision restricts a CEO or former CEO from being appointed to the board of directors or a governing body of another public agency, nor from accepting employment with a department of the public service or a public agency in accordance with Part 1 of the *Public Service Act* (Alberta).

Annual Review and Disclosure

Employees are required to annually submit a certificate (in the form set out in Appendix 1 to this Code of Conduct) to the CEO. The certificate must be submitted following the end of each year and within the first 30 days of the following year. Each employee shall confirm in writing that:

- (a) the employee has received a copy of this Code of Conduct and has read and understood it; and
- (b) the employee has adhered to this Code of Conduct and/or has reported any known breaches to the CEO.

Information contained in the certificate will be kept confidential and will not be used for any purpose other than to detect actual or potential violations of the Code of Conduct.

Where actual violations or potential violations of the Code of Conduct are indicated in an employee's certificate, an investigation will be conducted as contemplated under the heading "Investigating Complaints and Responding to Breaches", below.

Investigating Complaints and Responding to Breaches

If any person believes that an employee has breached a provision of this Code of Conduct, such person is encouraged to bring the concern to the attention of the employee in question, and the CEO. Employees have a responsibility to report situations of real or perceived conflicts of interest of other LAPP Corporation employees, by reporting to the CEO. The Board and the CEO will support, and no action will be taken against, LAPP Corporation employees who, acting in good faith and not maliciously or without reasonable grounds, bring forward a concern, even if the concern is later determined to be unfounded. Questions or issues related to this Code of Conduct may be referred to the CEO.

Where actual or potential violations of this Code of Conduct are indicated in an employee's annual certificate, or an individual makes a formal written complaint to the CEO, an investigation will be conducted by the CEO. The employee alleged to have breached this Code of Conduct will be given notice of the details of the allegations in writing. Employees will be encouraged to and are expected to participate in rectifying and resolving any compliance problems.

The privacy of all parties involved in any investigation shall be respected and maintained to the extent possible, but not so as to restrict the ability of the CEO to fully, properly and fairly carry out the investigation. If disclosure of the identity of the person making a complaint is necessary in order to provide procedural fairness to the employee who is the subject of the complaint, the person will be provided an opportunity to withdraw the complaint prior to their identity being disclosed. Complaints made anonymously will be considered and investigated, recognizing that the ability of the

CEO to conduct the investigation may be limited by the amount of information available in the complaint.

The CEO will provide all parties involved with the opportunity to be heard (through written submissions and/or in-person interviews), so as to enable the CEO to fully ascertain all information relevant to the matter in issue. The employee alleged to have breached this Code of Conduct will be given an opportunity to respond in full to those allegations.

Any decision regarding an employee's purported breach of this Code of Conduct will be delivered to such employee in writing with reasons. The solution of actual or potential problems may take the form of action to eliminate the violation, action to avoid the potential violation, or other appropriate action. Where an employee's annual certificate disclosure includes real or potential conflicts due to outside business interests or financial holdings, appropriate resolution of the issue may include, without limitation, a requirement that such business or financial interests be placed in a blind trust or otherwise disposed of, with notice to the CEO.

Employees whose activities violate this Code of Conduct, or who willfully fail to report violations and potential violations in their annual certificate, or who make false reports in their certificates, or who fail to participate in resolving any actual or potential compliance problems, may be subject to appropriate penalties and consequences, including disciplinary action consistent with the severity of the infraction, including dismissal.

The employee who is the subject of any such determination may request in writing that the decision of the CEO be referred to external legal counsel for review, or that the matter be referred to the Ethics Commissioner for an opinion on the proper resolution of the matter.

Copies of all written complaints, findings and notices of manner of resolution of the matter at issue will be maintained in the corporate records of LAPP Corporation under the care of the CEO.

Specific Situations

Subject to the specific provisions of this Code of Conduct set out above, the following examples illustrate how the obligations and prohibitions set out in this Code of Conduct apply in specific situations. In the event of a conflict between the following examples and the Code of Conduct, the Code of Conduct prevails.

1. You are offered or encouraged to give money, a gift, loan or other favour in connection with your LAPP Corporation activities.

An employee should not give or accept any gift, loan, or other favour unless the circumstances are such that its receipt would not reasonably be seen by others to influence the judgment or actions of the recipient with respect to transactions with or by

LAPP Corporation and such receipt would not reasonably be interpreted by others so as to discredit LAPP Corporation. An employee should return any gift received which may be viewed as going beyond this guideline. Cash gifts are never acceptable.

Gifts of insubstantial value (see the dollar limits in section “Specific Restrictions”, clause (a)) which cannot be reasonably interpreted by others as offering an improper inducement to the recipient are not prohibited. It is permissible to accept favours which constitute generally accepted good business practices or social courtesies which have no special significance attached if reasonable in nature, frequency and cost. If reasonable in nature, frequency and cost, the following are some examples:

- attendance at a reception hosted by another organization, for the purpose of networking or education;
- attendance at a breakfast, lunch or dinner, hosted by another organization, for the purpose of networking or education;
- attendance at an arts, sports or other event hosted by another organization, for the purpose of networking.

2. You are in a position to approve an application or contract for yourself, a member of your family or a friend.

Inform your supervisor and ask that the matter be handled by someone else.

3. You hear about a business opportunity while on the job.

An employee may not appropriate to his or her own benefit, without the prior approval of the CEO, any business venture or opportunity which the employee discovers or develops in the course of LAPP Corporation employment and which is related to any business in which LAPP Corporation is engaged or may intend to engage. For example, an employee may not, without such prior approval, invest in real estate property which the employee knows the Plan is considering acquiring.

4. You have a substantial interest in another business enterprise.

An employee (or any family member, to the employee’s knowledge) shall not participate in any transaction involving LAPP Corporation and another business organization in which the employee has a private interest without the prior approval of the CEO.

5. You are in a position to know confidential information about LAPP Corporation’s investments or other transactions in the marketplace.

An employee may not trade for his or her own account in the securities of a business on the basis of material information which is gained in the course of employment and which has not been made known to the general public. In this connection, material non-public information is any information about another corporation or the market for its securities

that has not been made public and that a reasonable person would consider important in deciding whether or not to buy or sell securities of that corporation.

Employees who know or have reason to believe that LAPP Corporation is purchasing, selling or actively negotiating with respect to a particular security or their investment in a business may not purchase or sell for their own account, directly or indirectly, the securities of that business. Similarly, employees are prohibited from communicating to any other person, other than in the necessary course of business, their knowledge concerning LAPP Corporation's intentions or activities with respect to securities or other investment in a business.

6. You are considering supplementary employment.

An employee's employment loyalty is to LAPP Corporation. It is recognized that employees may have supplementary employment. Employment with another business enterprise could create a conflict of interest with the employee's responsibilities to LAPP Corporation or be detrimental to LAPP Corporation. This is particularly true where the other business enterprise has business transactions with LAPP Corporation, is engaged in a business transaction with LAPP Corporation or is engaged in a business similar to the business of LAPP Corporation. Therefore, before undertaking supplementary employment, an employee must obtain the approval of the CEO, which will not be unreasonably withheld.

Employees must not take supplementary employment, including self-employment, should such employment:

- cause an actual or apparent conflict of interest, or
- be performed in such a way as to appear to be an official act, or to represent the opinion or policy of LAPP Corporation, or
- unduly interfere through telephone calls, or otherwise, with regular duties, or
- involve the use of LAPP Corporation premises, equipment, or supplies, unless such use is authorized by the CEO.

See also section "Specific Restrictions", clause (b) of this Code of Conduct.

7. You are asked to become a director or equivalent of another business, union or professional association.

Before undertaking to act as a director, officer, trustee or partner of any other business enterprise, union or professional association, an employee must obtain the approval of the CEO. See also section "Specific Restrictions", clause (b) of this Code of Conduct.

8. You are considering accepting a civic or political position.

LAPP Corporation recognizes that its employees may wish to participate on their own time, on an entirely voluntary basis, in civic and political affairs. No employee shall hold any civic or political position which would interfere with the performance of the employee's duties at LAPP Corporation. Before undertaking any such position an employee must notify the CEO of his or her intention to accept a civic or political position. Care must be exercised by the employee to make it clear that he or she is acting in an individual capacity and not as an employee or agent of LAPP Corporation. See also section "Specific Restrictions", clause (c) of this Code of Conduct.

9. You are questioned about your job in connection with an investigation of LAPP Corporation operations.

From time to time, authorized inspections of LAPP Corporation operations are conducted. These may include audits by outside bodies such as the Canada Revenue Agency or LAPP Corporation auditors. Your supervisor will advise you in advance of any such authorized inspections. If you are asked for information about your areas of responsibility or to make books and records available in connection with any authorized inspection, employees should refer the matter, prior to any disclosure, for prior approval to the CEO. Requests by outside inspection teams to copy or remove books and records must be specifically authorized by the CEO.

10. You are asked by a person outside of LAPP Corporation about information which you have acquired in connection with your job.

Information which is received in the course of employment or which is available from LAPP Corporation records (unless generally available to the public) is to be treated confidentially. Such information must not be disclosed to outsiders, unless LAPP Corporation duties require such disclosure, LAPP Corporation's Disclosure Policy allows the disclosure, it is being disclosed for purposes of and pursuant to any applicable "whistleblower" legislation, or the CEO has given prior approval in accordance with any applicable laws and regulations.

The responsibility for maintaining the confidentiality of information or documents includes the responsibility for ensuring that such information or documents are not directly or indirectly made available to unauthorized persons.

11. You are involved with development of, use of, or access to computer software.

Standard contractual provisions in agreements by which LAPP Corporation obtains computer software usually restrict the use of such software and prohibit its duplication for any purpose other than to serve as a replacement for the original. This

misappropriation or unauthorized use, disclosure or duplication of software developed by LAPP Corporation or acquired from a third party is prohibited.

12. You are writing an article or book about your work.

An employee who is writing an article or book about LAPP Corporation or their work at LAPP Corporation must obtain advance clearance from the CEO.

13. You are contacted by media for a comment in connection with your work.

When an employee is contacted or asked for a comment by the press or other media concerning an area of his or her responsibilities at LAPP Corporation, such requests must be referred to the CEO (or his or her designate).

14. You are in direct contact with stakeholders.

All LAPP Corporation employees share an obligation to:

- treat stakeholders fairly;
- be responsive to stakeholders' needs;
- be prompt and accurate in all transactions with stakeholders;
- constantly improve knowledge of LAPP and the industry so that communications are courteous and helpful and stakeholder inquiries are handled appropriately.

15. You are working with LAPP Corporation employees.

All LAPP Corporation employees are required to:

- act fairly towards co-workers;
- be respectful of co-workers;
- act professionally.

ADDITIONAL GUIDANCE ON RELATED MATTERS

Additional guidance for employees in respect of the matters listed below is provided in the existing LAPP Corporation policies and agreements identified:

- Restrictions and/or requirements regarding media relations and public statements*** – see CEO Terms of Reference and Disclosure Policy;
- Requirement of Confidentiality*** – see CEO Terms of Reference, Disclosure Policy, each individual employee's contract of employment;
- Restrictions and/or requirements to prevent workplace violence and /or harassment*** – see Violence and Harassment Prevention Plan;

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- (d) ***Requirement to devote sufficient time and attention to official duties and obligations for informed and balanced decision making*** – see CEO Terms of Reference, each individual employee’s contract of employment.

COMING INTO FORCE

This Code of Conduct will be in force and be implemented, in accordance with its terms, on the date which is 30 days following the date upon which this Code of Conduct is made public after receipt of approval from the Ethics Commissioner.

PERIODIC REVIEW OF CODE OF CONDUCT

This Code of Conduct will be reviewed annually by the Human Resources and Compensation Committee of the Board as part of its annual review of LAPP Corporation’s employment policies. Any changes recommended will be brought to the full Board for final approval, subject to the provisions set out below.

AMENDMENT OR REPLACEMENT OF CODE OF CONDUCT

Any amendment or replacement of this Code of Conduct must first be submitted to the Ethics Commissioner, including setting out the period of notice from the date on which the amendment or replacement is made public until the date on or before which the amendment or replacement will be implemented. If the Ethics Commissioner is satisfied that such amendment or replacement meets the requirements of the COIA, the amendment or replacement may then be made available to the public and implemented on or before the expiration of the stated notice period.