



## Code of Business Conduct and Ethics

May 2021

| APPROVAL                    |                    |
|-----------------------------|--------------------|
| Approved By:                | Board of Directors |
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| Responsible Person/Contact: | General Counsel    |
| VERSION CONTROL             |                    |
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# CODE OF BUSINESS CONDUCT AND ETHICS

## PREAMBLE

EFH Holdings Inc. endeavours to meet the highest levels of ethical business conduct and integrity in all of its operations and activities. Directors, officers and employees of EFH Holdings Inc. and its affiliates are required at all times to observe the highest standard of business ethics and conduct their personal business affairs in such a manner as to avoid any possible conflict of interest with their duties and responsibilities as employees of EFH.

This Code of Business Conduct and Ethics (the “Code”) outlines EFH’s expectations for all persons associated with EFH. The Code also describes procedures and practices utilized by EFH to ensure ethical business conduct.

The Code is intended to compliment EFH’s other internal policies including the EFH’s Disclosure Policy and Insider Trading Policy.

### 1. Scope

This Code applies to all directors, officers, employees of EFH Holdings Inc. and its affiliated companies (collectively referred to as “EFH” or “the Company”). The Code applies to any EFH activity or business operation without regard to location. Agents, third party vendors and subcontractors of EFH are also required to operate in accordance with Code and must meet the requirements of this Code in all dealings with EFH.

This Code is not a substitute for legal or regulatory requirements, industry codes of conduct or professional ethical obligations but is intended to compliment those obligations of legal and ethical conduct.

The Code is an EFH Board of Directors approved policy. The Board of Directors review and approve the Code annually. The EFH General Counsel is responsible for the administration of the Code.

Annually EFH employees are required to review the Code and acknowledge in writing their agreement to abide by the Code and report breaches of the Code (Appendix 1).

Any employee in doubt about the application of the Code should discuss the matter with their Manager, Human Resources and/or the EFH General Counsel. Anyone aware of a contravention of the Code must also report the contravention as described in section 12 “Reporting” below.

### 2. Compliance with Laws

EFH’s commitment to integrity begins with complying with laws, rules and regulations where we do business. Employees are expected to have an understanding of laws, rules and regulations that apply to their specific roles. Employees are not permitted to engage in, and EFH will not tolerate, any activity that is illegal or achieves results through the violation of the law or through unethical business dealings. This includes any payments for an illegal act, indirect contributions, rebates and bribery. Reckless or deliberate avoidance of legal and regulatory is not acceptable.

Illegal activity or activity that deliberately or recklessly avoids legal and regulatory obligations may be subject to internal discipline, including where appropriate dismissal with cause. Illegal activity and/or activity that deliberately or recklessly avoids legal and regulatory obligations may be reported to appropriate authorities including the police, Ontario Securities Commission, governmental licencing authorities and professional disciplinary authorities.

Everyone is responsible for reporting unethical or illegal behavior. See the “Reporting” section below. If an employee is contemplating whether an action is permitted by law or Company policy, the employee should contact the Human Resources department.

### **3. Compliance with Company Policies**

EFH has documented policies and protocols to protect its interests, the interests of its employees, shareholders, and business partners and the general interests of the public.

Employees are expected to have a familiarity with, and an understanding of, Company policies. The Company is committed to communicating and educating employees on Company policies. Current Company policies are to be easily accessible to all employees. Changes or amendments to policies will be brought to the attention of employees. Employees are required to keep current and be familiar with how specific policies impact their personal conduct and business relationships.

Failure to comply with Company policies could lead to internal discipline, including possible dismissal. Breaches or potential breaches of Company policy can be reported as described in the “reporting” section below.

If an employee is uncertain about a Company policy or whether an action is permitted by a Company policy they can contact the head of their department or the Human Resources department.

### **4. Conflicts of Interest**

Directors, officers and employees of EFH must perform their duties conscientiously, honestly and in the best interests of EFH. Employees owe a duty of loyalty to the Company.

Employees shall not

- a) accept any other employment without the written consent of EFH;
- b) have a relationship or engage in any activity that might impair or which might be perceived to impair their independence of judgment or influence their decisions or actions concerning any business they conduct on behalf of EFH
- c) have any personal, financial or other interest which might impair or might be perceived to impair their independence of judgment or influence their decisions or actions concerning any business they might be involved with on behalf of EFH;
- d) knowingly or recklessly take any action or fail to take any action that might damage the interests or reputation of EFH;
- e) ignore actual or potential conflicts of interest.

Whatever the circumstances may be in a given situation, if an employee feels that a course which they have pursued, are pursuing or are contemplating pursuing, may place them in a conflict of interest, they should immediately make all the facts known to their Manager and/or Human Resources and/or the EFH General Counsel.

Without limiting the generality of the foregoing every employee shall:

- a) annually be required to disclose any financial or other interest which he or she, or any member of his or her family, may have in any business or professional firm or corporation which has engaged, or, may in the future engage in transactions with EFH (Appendix 1). Employees are not required to disclose financial or other interests in publically traded companies providing the interest is not required to be disclosed by securities laws; and
- b) avoid the acceptance by him or her or by any member of his or her family of any payments, gifts, entertainment or other favours, or promises thereof, of such value that might be regarded as placing such employee under actual or apparent or perceived obligation to a third party dealing or desiring to deal with the Company.

It is not the intent of this policy to preclude the acceptance by employees of EFH of an occasional meal, refreshments or entertainment that are provided in the normal course of business/work relationships, with other persons.

Employees must report in writing to their Manager and/or the CFO any financial and/or proprietary interest owned by them, or an immediate family member, in any insurer, reinsurer, brokerage, MGA, agency or any insurance-related vendor doing business anywhere in North America.

## **5. Fair Dealing**

EFH's commitment to integrity extends to respectful and fair dealing with customers, suppliers, security holders and employees. At all times EFH and its employees will treat its business partners, customers, employees and investment fairly and in keeping with market conduct legislation and the *Canadian Council Insurance Regulators Fair Treatment of Customers Guidelines*.

<https://www.ccir-ccra.org/Documents/View/3450>

## **6. Personal Investments**

Officers and employees must refrain from buying and selling for their own account, or the account of any member of their family, any security or other interest if:

- a) such purchase or sale might influence or create the impression of influencing his or her decisions or actions to be taken on behalf of EFH;
- b) such person is aware that the same security is currently being purchased or sold, or is being considered for purchase or sale by EFH unless prior approval is obtained from the Chief Financial Officer.
- c) such purchase or sale might reasonably be considered to have been made with the knowledge of material information which has not been generally disclosed to the public but which has been acquired by EFH by virtue of a special relationship.

Employees with knowledge of material, non-public information referred to in c) are not permitted to pass such information on to others.

All directors, officers and employees are required to comply with the Company's *Insider Trading Policy*, *Disclosure Policy* and all securities laws. Insiders (as defined in the *Insider Trading Policy*) must report all trading activity in securities of EFH Holdings Inc. on SEDI within five calendar days of the trade and must advise the Chief Financial Officer of such activity.

## **7. Political Activity**

EFH encourages the personal participation of its employees in the political process and EFH respects the employee's right to absolute privacy with regard to personal political activity and will not attempt to influence any such activity.

EFH funds, goods or services must not be used as contributions to political parties, and EFH facilities must not be made available to candidates or campaigns unless authorized by the Board of Directors.

## **8. Privacy and Confidential Information**

EFH is committed to protecting the personal information and privacy of all individuals in accordance with applicable privacy legislation and industry standards and guidelines. EFH's *Privacy Policy* is available on

its public website.

Directors, officers and employees of EFH are required to be familiar with and to comply at all times with the EFH Privacy Policy. EFH will provide training and education on privacy requirements and issues. EFH agents, subcontractors, third party vendors and business partners are required to take reasonable steps to ensure the protection of the personal information of EFH employees, insureds, and claimants.

All EFH directors, officers, employees, sub-contractors, third party vendors and business partners are required to take reasonable steps to maintain and protect the confidentiality of Company information and information of third parties obtained in the course of their relationship with EFH.

Any employee having any questions about the *Privacy Policy*, its interpretation or applicability should contact the EFH General Counsel. Any employee who is aware of any privacy breach or potential privacy breach must report the circumstances to the EFH General Counsel or the EFH Chief Financial Officer.

## **9. Ownership of Proprietary Matter**

All interests in (a) inventions and improvements (whether or not patentable); and (b) suggestions, proposals, writings, computer programs, software and the like, including interest in copyright made, conceived or invented by the employee either solely or jointly with others during the course of the employee's employment with EFH, shall be the sole and exclusive property of EFH. Excepted from this requirement is Proprietary Subject Matter, which is defined as that made, conceived or invented by the employee prior to employment with EFH which is embodied in a Canadian patent, trademark or copyright registration or application filed with the federal government prior to the employee's commencement of employment with EFH, or as otherwise agreed in writing.

All documents, written information, computer programs, EFH system data software and related materials and other items, including but not limited to: the Cash Procedures Manual, Claims Procedures Manual, Underwriting manuals, reports, records, and information relating to inventions or improvements, invented, prepared, kept or maintained (other than Proprietary Subject Matter) by an employee or to which, an employee has access while employed by the Company, shall be the sole and exclusive property of the Company and shall be delivered by the employee to the Company immediately upon termination of the employee's employment (whether such termination of employment is initiated by the employee or by the Company) or at any time as requested by the Company and the employee shall retain no copy or reproduction thereof without the consent in writing from the Company.

## **10. Use of Company Assets**

Inappropriate use of the Company assets is prohibited.

From time to time EFH may provide employees with equipment and devices (such as mobile phones, laptops, computer monitors, desks, etc) for the purposes of the employee carrying out their employment duties. Employees are required to take reasonable steps to protect the equipment and devices from damage or theft. At the end of their employment employees must return all EFH owned equipment. Loss or damage to equipment should immediately be reported to an employee's Manager.

## **11. Cash Handling Procedures**

All staff that are required to handle cash are required to abide by EFH cash handling procedures as set out in the office manual relating to Fiduciary Responsibilities and Cash Handling or as the same may be amended from time to time.

## 12. Reporting

### *Risk Event Reporting*

Directors, officers and employees are responsible for identifying and reporting incidents that may pose a risk to EFH. A risk is anything that could possibly cause damage, loss or injury to EFH and/or, its employees, assets, business partners and security holders. Types of risk include, but are not limited to, reputational, strategic, physical, financial, market, and technological. A risk event is an incident that poses a risk to EFH.

Risk events are to be reported when discovered. Some examples of risk events:

- fraud
- insider trading
- IT systems intrusion (i.e. malware, hacks, phishing) or failure
- systems providing discounts that are no longer offered in the underwriting manual
- distribution of erroneous information about EFH
- privacy breach
- not following underwriting rules/guidelines or claims handling processes
- flaws or issues in processes that may cause reputational, strategic, financial or market risk
- interest paid on late payments on a regular basis
- late reporting to regulators that may incur fines
- potential errors and omissions exposures
- mistreatment of customers, employees or business partners
- misuse of Company assets
- occupational safety hazards

Risk events can be reported a number of ways:

- a) report to Servicedesk – [servicedesk@icpei.ca](mailto:servicedesk@icpei.ca) Please include the word ‘risk’ in the subject line and include a short description of the risk event.
- b) report to Manager, Human Resources – contact to the Manager by either email or phone. This is the preferred reporting choice of issues relating to employees.
- c) report to senior officer (CEO, CFO) – contact the senior officer by either email or phone
- d) report to Whistleblower line (see contact details below) – use this to anonymously report possible serious risks such as criminal behavior, inside trading violations, occupational safety risks, misuse or appropriation of Company assets.

After a risk event report is received the CFO will determine the materiality of the risk and next steps in eliminating or mitigating the risk.

Risk event reporting can be done without fear of reprisal, so long as the report is made in good faith and is not vexatious or frivolous.

### *Customer Complaints*

ICPEI has a formal complaint process for addressing insurance related complaints. The compliant process and the contact details for the ICPEI Complaint Officer can be found at the ICPEI public website. [www.icpei.ca](http://www.icpei.ca)

### *Whistleblower Hotline*

As directed by the Audit and Risk Committee of the Board of Directors, EFH has set up a procedure for the handling of confidential and/or anonymous complaints relating to accounting, auditing or internal control issues.

An anonymous hotline is available to submit a complaint or concern. This communication is confidential and anonymous and should contain a sufficient amount of details so that the situation may be fully investigated.

The hotline is available by phone or via internet at:



Phone Number for reporting: 1-800-661-9675

e-web reporting: [www.efh.confidence.net](http://www.efh.confidence.net)

Concerns may be raised without reprisal, providing they are made in good faith, not vexatiously or frivolously and because it is believed there are reasonable grounds for raising concerns. The Audit Committee of the Board of Directors log all submissions, the dates submitted, action taken and final comments. The Committee members are bound to address every concern brought to their attention.

Individuals are assured that all information they provide will be treated in a confidential, discreet manner. Concerns will be properly investigated, on a case-by-case basis.

**Electronic versions of this Code of Business Conduct and Ethics will be posted on the EFH Holdings Inc. public website [www.efh.ca](http://www.efh.ca) and on the Insurance Company of Prince Edward Island public website [www.icpei.ca](http://www.icpei.ca)**

**This Code of Business Conduct and Ethics will be filed as required by regulators.**

**APPENDIX 1**

**STAFF CODE OF BUSINESS CONDUCT AND ETHICS STATEMENT**

**TERMS AND CONDITIONS OF EMPLOYMENT**

I \_\_\_\_\_ **(Print name)** have read, understood and hereby agree to abide by the EFH Code of Business Conduct and Ethics (the “Code”) during the period of my employment with EFH, and shall not knowingly place myself in a position of conflict of interest, either actual or perceived, or divulge any confidential or personal information to which I have access by reason of my employment.

I understand that there is an obligation on me to report illegal and/or unethical behavior. I understand that I can report risk events without fear of reprisal. I have read s. **12 Reporting** of the Code and I am aware of the different ways I can report risk events.

Further, I acknowledge that the Code is fundamental to the terms and conditions of my employment, that it will be reviewed annually and that the onus is on me to disclose any changes.

Pursuant to the terms of the Code, I hereby agree to disclose conflict(s) of interest:

**SIGNATURE**

\_\_\_\_\_  
Employee

\_\_\_\_\_  
Date

This Code Statement is to be maintained on the master personnel file.