



# CODE OF CONDUCT & ETHICAL BEHAVIOUR

## 1. Introduction

RFA Capital Holdings Inc., RFA Bank of Canada, and its affiliated entities (collectively referred to as “RFA”, the “Corporation”, “we”, “us”, “our” throughout) are committed to conducting the Corporation’s business in accordance with all applicable federal, provincial and local laws, honestly in our business dealings, prudent use of our assets and resources, sound growth and achievement of business objectives and fair treatment of our employees. The Corporation is committed to achieving and maintaining the highest level of integrity and ethics in our dealings with our employees, customers, suppliers, shareholders and the public.

The purpose of this Code of Conduct and Ethical Behaviour (the “Code”) is to define the behaviour that the Corporation expects of its employees in order to safeguard the reputation enjoyed by the Corporation by establishing rules of conduct with respect to confidentiality, conflicts of interest and professional conduct.

This Code applies to all employees and officers of the Corporation and, insofar as the provisions of the Code are applicable to them, to the directors. The rules set out in this Code are to be applied at all times and in all places when carrying out Corporation duties, be they of a professional or social nature.

This Code reflects the general policies of the Corporation, and must be read in conjunction with other Corporation documents, policies, and procedures that address various topics that may or may not be set forth in this Code including, but not limited to, the Corporation’s Employee Handbook.

This Code does not create a contractual agreement or obligation of the Corporation to any individual and the Corporation may, unless otherwise specified by local laws or written contract, terminate the employment relationship or modify this Code at any time, with or without cause.

This Code should be read in conjunction with other Corporation documents, policies, and procedures that address various topics that may or may not be set forth in this Code including:

- Customer Service Guide regarding Complaints
- Employee Handbook
- Fraud Management Policy
- Privacy Code
- Anti-Money Laundering and Anti-Terrorist Financing Corporate Policy
- Securities Trading Policy
- Disclosure Policy
- Whistleblower Code



## **2. Compliance with Laws and Regulations**

At no time will we participate in any illegal activity or activity that may appear illegal and we will always comply with the legislation and regulations applicable to the Corporation.

### **2.1. Conflict with the Code**

In the event of a conflict between this Code and any other by-laws, permanent instructions, policies, procedures or other codes, or legislation governing the Corporation, we will comply with the rule that is most stringent.

### **2.2. Anti-Money Laundering and Anti-Terrorist Financing**

We will not allow, facilitate or participate in money laundering activities by accepting, transferring, converting or concealing money obtained from criminal activities or related to terrorist financing. We are familiar with, and will comply with, the policy on money laundering and the financing of terrorist activities.

Employees should see our [Anti-Money Laundering and Anti-Terrorist Financing Corporate Policy](#) and/or contact the Chief Anti-Money Laundering Officer for further information.

### **2.3. Privacy of Personal Information**

Confidential information about the Corporation and its customers or employees may not be disclosed to unauthorized third parties or other employees except on a need-to-know basis, in the course of legitimate business dealings. The Corporation is accountable for the protection and confidentiality of individual personal information that comes under its control. We abide by principles which govern the collection, use and disclosure of personal information.

Employees should see our [Privacy Code](#) on the Corporation's website and/or contact the Chief Privacy Officer for further information.

### **2.4. Competition**

We will comply with the legislative provisions applicable to competition. We will not collude with other financial institutions or businesses to establish the conditions of a transaction, product or service offered to a third party. These conditions include interest rates, prices, fees and types of services offered. Employees must represent the Corporation in a manner that is fair, truthful and free from any misrepresentation.

### **2.5. Customer Service and Complaint Handling**

The Corporation has a complaint handling procedure in place to handle customer service complaints promptly, fairly and transparently.

Employees may see the [Customer Service Guide regarding Complaints](#) on our website for further information.



## **2.6. Workplace Discrimination and Harassment**

The recognition and encouragement of the uniqueness of individual contribution within a team environment is the embodiment of RFA and its employment policies. Our philosophy is found in all aspects of employment such as recruitment, compensation, training, promotion, transfer and benefits. All employees at RFA will be treated as individuals according only to their abilities to meet job requirements, and without regard to factors such as race, sex, colour, national/ethnic/place of origin, sexual orientation, age, disability, marital status, religion/creed or any other factor that is legislatively protected. Any kind of discrimination or harassment based upon these factors is neither permitted nor condoned, and above all, will not be tolerated under any circumstances.

## **2.7. Securities Trading**

Employees are restricted from trading in RFA Group Inc.'s securities (RFA's parent corporation) when in possession of inside information that is confidential, "material" and not yet widely known. Employees are also prohibited from trading during certain quiet periods and from sharing non-public information for personal benefit (directly) or to "tip" others (indirectly) who might make an investment decision on the basis of the information shared. Employees must adhere to quiet periods and not misuse non-public information for personal gain. Short-selling of RFA Group Inc.'s stock is strictly prohibited.

Employee should see [Securities Trading Policy](#) for further information.

## **2.8. Fraud**

The Corporation has zero tolerance to any employee who is involved in fraudulent activity, including but not limited to misappropriation or unauthorized use of the Corporation assets including customer or internal non-public financial information or receipt or making of illegal payments, or knowingly submitting expense claims that are not in keeping with the Corporation's guidelines and policies. It is the responsibility of all employees to play a role in fraud prevention by being aware of internal and external fraud risks and observing the Corporation's policies and procedures at all times.

Employees should see the [Fraud Management Policy](#) for further information.

## **2.9. Financial Reporting, Audit, Disclosures and Corporation Records**

The Corporation's senior financial officers (e.g., Chief Financial Officer, controller, principal accounting officer and any person performing similar functions) as well as any person whose responsibilities include financial reporting duties ("Finance Personnel") have a heightened obligation to perform their duties in a diligent, honest and ethical manner. This duty of honesty extends to the full, fair, accurate, timely and understandable disclosure of information relating to the Corporation's financial condition and results of operation in its periodic reports and compliance with all applicable government rules and regulations. The primary responsibility for financial reporting, internal control, and compliance with laws, regulation, and ethics rests with Senior Management.

Finance Personnel and employees involved in the preparation of financial reports, accounting and all other records must accurately reflect the Corporation's business activities in accordance with our policies, procedures



and regulatory requirements. Falsification of personnel, business or other Corporation records is prohibited. Corporation records shall be maintained in accordance with our record retention policies.

Employees are required to cooperate with all internal and external (regulatory, enforcement agencies, litigation) investigations. Employees are expected to be honest in their dealings with internal and external auditors or with members of Senior Management responsible for making disclosure decisions.

Employees who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others, unless specifically asked to do so by an authorized spokesperson.

Employees should see the [\*Disclosure Policy\*](#) for further information.

### **2.10. Other Applicable Laws**

In the course of your dealings always keep in mind that you are subject to all relevant legislation and regulations related to our business. We are all personally responsible for being aware of and understanding the laws and regulatory requirements specific to our duties. Employee involvement in external investigations shall be coordinated through the Chief Compliance Officer.

## **3. Compliance with Policies and Procedures**

We ensure our policies support the Code and our corporate procedures are specifically designed to assist in complying with the laws and regulations that apply to the Corporation. Employees must understand and abide by the laws, policies and procedures affecting their jobs. Please speak to your supervisor for guidance if necessary.

### **3.1. Conflict of Interest**

Employees are expected to be independent in respect of their actions, decisions and judgments respecting all RFA business. In this regard, employees are expected not to have any relationships, activities, or personal financial interests that might possibly impair or affect their judgment or influence their decisions concerning RFA business. Some examples of obvious unacceptable conduct are noted below.

An employee of the Corporation shall not:

- Accept from persons having dealings with the Corporation gifts or favours that are offered in gratitude for services rendered or anticipated unless such gift or favour: (i) is not a cash gift; (ii) is consistent with customary practices; (iii) is nominal or reasonable in value; (iv) cannot be construed as a bribe, payoff or inducement; (v) does not violate laws, regulations or policies; and (vi) can be reciprocated in a similar manner.
- Engage in any business or transaction or have a financial or other personal interest which is incompatible with the discharge of the employee's official duties
- In particular, an employee cannot be in a position to benefit financially, outside of their normal remuneration, from a transaction in which they may be involved in the course of their duties. Disclosure must be made to your supervisor of any personal relationships that an employee may have with any



individual involved in a Corporation transaction

- Place himself/herself in a position to derive any direct or indirect benefit or interest from any Corporation contracts where the employee can influence decisions
- Engage in any outside employment, work or business undertaking that interferes with the performance of duties as a Corporation employee, including corporate directorship roles, unless the officer or employee has obtained prior approval from the Chief Executive Officer or President
- Engage in any outside employment, work or business undertaking in which he/she as an advantage derived from employment with the Corporation or from information derived from its suppliers, vendors or business partners
- Demand, accept, offer, or agree to accept from a person who has dealings with the Corporation, a direct or indirect commission, reward, advantage or benefit of any kind, whether to be received by the employee, by a member of the employee's family, or by a third party whom the employee wishes to benefit
- Benefit or cause friends, relatives or any other party to benefit from the use of information acquired during the course of the employee's official duties and which is not generally available to the public
- Accept casual or infrequent business entertainment in the form of lunches, dinners, etc. without the consent of your Manager and unless such a benefit is within the bounds of propriety and not such as to bring suspicion upon the employee's objectivity
- Use or permit the use of the Corporation's property for any kind for personal convenience or profit or for any activities not associated with the discharge of official duties

Employees must report to their supervisor or Senior Management any situation where any party (Corporation employee or otherwise) attempts to exert influence over the behavior of a Corporation employee for their own benefit or for the benefit of any third party. Supervisor or Senior Management will in turn report to the Chief Compliance Officer. Any uncertainties should be directed to your supervisor for clarification or guidance.

Employees should see the [Corporate Governance Policy](#) for further information.

## **3.2. Protecting Corporation Information**

### **3.2.1. Confidential Information**

At RFA, information is one of our most valuable assets and much of our business information is confidential information. Confidential information is broad in scope and includes information about our customers, suppliers and employees; as well as proprietary, intellectual and copyright information about the Corporation. We ask that employees maintain the confidentiality of information entrusted to them by the Corporation, except where disclosure is to persons who are authorized to receive such information.

We acknowledge that it may be difficult on occasion to discern whether certain information is in fact confidential. As a cautionary measure, when you are uncertain as to whether information is confidential, no disclosure should be made without first consulting your supervisor. This basic policy of caution and discretion in handling of confidential information extends to both external and internal disclosure. The destruction of any Corporation information must be handled according to the Corporation's record retention policies.



Employees should see the [Employee Handbook](#) for further information on the handling of material and confidential information.

### 3.2.2. Use of Information Systems and Social Media

The Corporation expects that communications and information received or transmitted through our information systems will have a primarily business purpose. We recognize that employees will occasionally use these electronic communication systems for personal matters. We expect that employees' personal use will be minimal and will not interfere with the conduct of our business.

Employees are responsible for the content of online personal social media accounts, personal websites and/or blogs. Employees who make false claims, expressly stated or implied to be factual, that may harm the reputation of the Corporation, an individual, business, product, group, government or nation through such social media, could be subject to civil or criminal actions. In addition, employees may face Corporation imposed discipline, up to and including termination of employment for cause.

Employees should see the [Employee Handbook](#) regarding the use the Corporation's information systems and specific guidelines surrounding online social community pages, personal websites and blogs.

### 3.3. Professional Conduct and Personal Integrity

Employees are expected to act in a professional manner and with personal integrity in all dealings with colleagues, business partners, clients, customers, stakeholders and the public.

Employees should see the [Employee Handbook](#) for further information.

#### 3.3.1. Criminal Record

If you are charged with, and/or found guilty of a criminal offence, you must inform the Human Resources Department. There may be employment consequences if you are charged or found guilty of an offence, including termination of employment.

#### 3.3.2. Substance Abuse

Employees are expected to perform their related work in a safe manner, free of the influence of alcohol, illegal drugs or controlled substances. The use of illegal drugs in the workplace will not be tolerated.

### 3.4. Health & Safety

The health and safety of all employees is of the utmost concern to RFA. It is our policy to provide safe and healthy working conditions, as well as proper first aid facilities. It is not only the Corporation's responsibility to ensure workplace health and safety but also the responsibility of all employees.

It is in the best interest of all parties to consider health and safety in every activity. Commitment to health and safety must form an integral part of this organization. The Corporation is committed to protecting employees from injury and illness by establishing safe work practices in compliance with occupational health and safety legislation.



Employees should see the *Employee Handbook* for further information.

#### **4. Reporting**

If an employee becomes aware of any wrongful acts or fraudulent offences or knows of any circumstances, events, deeds or actions that could be detrimental to the Corporation's interests or its reputation for integrity, or if an employee is aware of any other breach of this Code, the employee is obliged to report such breaches directly to their supervisor or Human Resources, who will then report such breaches to the Chief Compliance Officer. The employee may also choose to report such breaches in the manner set out in the Whistleblower Code.

#### **5. Code Compliance**

The Compliance Function has ownership of the Code. Independent monitoring of the Code and certification of compliance is the responsibility of the Chief Compliance Officer.

All material instances of non-compliance with the Code must be reported to the President, Chief Executive Officer and/or the Board of Directors on a timely basis by the Chief Compliance Officer.

Contravention of any provision of the Code or other corporate policies may result in disciplinary action, up to and including termination of employment for cause, in addition to possible civil, criminal and regulatory action. Such contravention may also negatively affect individual performance assessment and compensation. Employees are encouraged to see their supervisor or Human Resources regarding any questions they may have regarding the Code.

#### **6. Acknowledgment**

The Corporation expects every employee to submit a signed acknowledgement form, affirming the knowledge and understanding of, and compliance with, the Code of Conduct and Ethical Behaviour on no less than an annual basis, and to disclose any transactions where it might appear to an outsider that any of these policies have not been observed.