	<b>HUMAN RESOURCES POLICY MANUAL</b>	<b>DOC #</b>	HR-PO-32
	<i>CODE OF CONDUCT</i>	<b>ISSUED</b>	Sept 1,07
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## 1.0 POLICY

1.01 Regulations for the acceptable conduct and behaviour of employees are necessary for the orderly operation of any business, for the benefit and protection of the rights and safety of employees and the company's assets. Obeying the law, both in letter and spirit, is one of the foundations on which the **IPAC operating divisions** ethical policies are built. The **IPAC operating divisions** are committed to conducting its business with honesty and integrity and in compliance with all applicable laws, rules and regulations. Employees are expected to govern their conduct and behaviour in a manner consistent with the guidelines set out herein.

## 2.0 PURPOSE

2.01 The purpose of this policy is to provide guidelines, which may be changed from time to time; to promote understanding of what is considered acceptable and unacceptable conduct; and to encourage consistency throughout the **IPAC operating divisions**. This policy is not intended to be exclusive. Further guidance on **IPAC's** standards in specific areas, will be provided through related corporate policies contained in the Human Resources Policy Manual.

## 3.0 SCOPE

3.01 This Statement of Policy and Procedure applies to employees, owner operators and subcontractors hereafter referred to as employees.


## 4.0 RESPONSIBILITY

4.01 Each employee is responsible for observing rules of conduct that are normally accepted as standard in a business enterprise.

4.02 Managers and Supervisors should be a role model for these standards by visibly demonstrating support and by counseling employees promptly when their conduct or behaviour is inconsistent with the intent of this policy.

4.03 Failure by any employee to comply with this or any **IPAC** policy will subject employees, including supervisors who ignore prohibited conduct, or have knowledge of the conduct and fail to correct it, to disciplinary action up to and including separation from employment with the company.

4.04 When in doubt as to the correct action to take, ask the following question:

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*"Would I feel comfortable in explaining this action to my family or close friends or seeing my action reported on the front page of the local newspaper?"* The company is best served when each employee's answer to this question is an unqualified, "YES."

- 4.05 **IPAC** company employees who have questions regarding business conduct or possible violations, should contact the Human Resources Manager.


## **5.0 COMPONENTS OF THE CODE OF CONDUCT POLICY**

### **5.01 Conflicts of Interest**

- (a) A conflict of interest exists when an individual's private interest improperly interferes or conflicts (or appears to conflict) with the interest of the company.
- (b) A conflict of interest may arise when a company employee takes actions or has interests that may make it difficult to perform his or her company work objectively and effectively.
- (c) Conflicts of interest may also arise when a company employee or a member of his or her immediate family receives from any person or entity improper personal benefits as a result of the company employee's position with the company.
- (d) Loans to, or guarantees of obligations of, company employees or their family members also create conflicts of interest.
- (e) Conflicts of interest are generally prohibited as a matter of company policy, unless they have been approved by the company.
- (f) All IPAC company employees must notify the Human Resources Manager of any actual or potential conflict of interest to receive guidance on how best to resolve the conflict.

### **5.02 Gifts and Improper Payments**

- (a) The purpose of business entertainment and gifts in a commercial setting is to create and maintain good will and sound working relationships. Company employees and members of their immediate families are required to use reasonable judgment with respect to receiving gifts from customers or vendors while the company employee is in a position to influence decision(s) of the company that might affect or appear to affect the outside concern.
- (b) No gift or entertainment should ever be offered, given, provided or accepted by any company employee or immediate family member of a company employee unless it: (i) is consistent with customary business practices; (ii) is not excessive in value; (iii) cannot be construed as a bribe or payoff; and (iv) does not violate any laws or regulations.
- (c) All gifts and entertainment from customers or vendors, other than those of \$250.00 or less, must be disclosed to the Human Resources Manager. The company will keep written records of such disclosures filed with the Human Resources Manager. Such

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reporting, reviewing and record keeping system should serve to prevent an unintended breach of trust.

### 5.03 Confidential Information

- (a) In carrying out the **IPAC operating division's** business, employees often learn confidential or proprietary information about the company, its customers, prospective customers or other third parties including company employees. Company employees must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated.
- (b) Confidential or proprietary information includes, any non public information concerning the company, including **IPAC operating divisions**, financial performance, pricing information, results or prospects, and any non public information provided by a third party with the expectation that the information will be kept confidential and used solely for the business for which it was conveyed.

### 5.04 Protection and Proper Use of Company Assets


- (a) All **IPAC** company employees should protect the company's assets and ensure their efficient use.
- (b) Company assets should be used for legitimate company business purposes only, although minor incidental personal or charitable use is acceptable with prior approval from a manager / supervisor. For example, we support and encourage the use of e-mail and internet services for conducting company business, but have formal standards and policies in order to protect the company from potential abuse and associated risk.
- (c) Any suspected incident or fraud or theft should be reported immediately to an appropriate supervisor or the Human Resources Manager for further investigation.

### 5.05 Corporate Opportunities

- (a) Company employees owe a duty to the company to advance the IPAC group of companies legitimate business interest when the opportunity to do so arises.
- (b) Company employees are prohibited from taking for themselves (or directing to a third party) a business opportunity that is discovered through the use of **IPAC** company property, information or position, unless the company has already been offered the opportunity and refused it.
- (c) Company employees are prohibited from using company property, information or position for personal gain or competing with the company, directly or indirectly.

### 5.06 Political Involvement

- (a) The **IPAC operating divisions** observe strict neutrality with regard to political parties and candidates. Neither the **IPAC operating division's** name, nor any resources controlled by any of the **IPAC operating divisions**, shall be used to promote the interests of political parties or candidates.

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#### 5.07 **Competition and Fair Dealing**

- (a) The **IPAC operating divisions** have a history of succeeding through honest business competition. We seek competitive advantages through superior performance, not through unethical or illegal business practices.
- (b) Each company employee should endeavor to respect the rights of and deal fairly with the **IPAC operating division's** customers, vendors, competitors and employees.
- (c) No company employee should undertake unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any unfair dealing practice.

#### 5.08 **Fraud**

- (a) In general, fraud is an act committed which, through deceit, falsehood or other such behaviour, either deprives the company of its assets, property or other resources (this includes theft), or causes the company to act to its own detriment or prejudice.
- (b) Fraud may include acts committed with the intent to deceive, involving either misappropriation of company assets, property or other resources or misrepresentations of financial or other information to conceal such misappropriation, by such means as:
  - I. manipulation, falsification or alteration of records or documents,
  - II. suppression of information, transactions or documents,
  - III. recording of transactions without substance, or
  - IV. misapplication of accounting principles
- (c) All **IPAC** employees shall work in accordance with both the IPAC group of company's controls established to prevent fraudulent misconduct and all applicable laws, regulations and government guidelines. Employees are encouraged to report, in writing, any knowledge or suspicion of fraud to their manager, supervisor or the **IPAC** Human Resources Manager.

#### 5.09 **Protection for Persons Reporting Questionable Behaviour**

- (a) Our commitment to promoting the highest ethical standards includes a responsibility to foster an environment that allows IPAC company employees to report violations *without the fear of retaliation or retribution*.
- (b) You will not be disciplined, lose your job, or be retaliated against in any other way for asking questions or voicing concerns about any IPAC group of companies legal or ethical obligations, as long as you are acting in good faith.
- (c) "Good faith" does not mean that you have to be right – but it does mean that you believe that you are providing truthful information. The important thing is that you bring your question or concern to the company's attention through the available channels including the Human Resources Manager.
- (d) Anyone who files an intentionally false report is in violation of this code of conduct policy and is subject to discipline under this policy.



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- (e) **IPAC** company employees must never be discouraged from using any available channel within the organization. Even simple questioning of a person reporting a violation can lead to unintentional retaliation, as it may make that person feel that he or she did something wrong by choosing one method over another.
- (f) Any person reporting a violation under this code of conduct policy must be able to choose whichever method they are most comfortable with to communicate their concern to the company.
- (g) Any **IPAC** company employee who retaliates against another company employee for reporting known or suspected violations of our legal or ethical obligations will be in violation of the code of conduct policy and subject to disciplinary action, up to including dismissal. Retaliation may also be a violation of the law, and as such, could subject both the individual offender and the company to legal liability.
- (h) Additional questions about retaliation should be addressed to the **IPAC Service Corp Human Resources Manager**.