

## Purpose

The purpose of this document is to communicate the Code of Conduct of 407 International Inc. and each of its affiliates (collectively, “**407 ETR**”). It has been developed to express 407 ETR’s commitment to ethical standards of business conduct and behaviour.

This Code of Conduct supersedes and replaces in its entirety all previous versions of the Code of Conduct. Notwithstanding the foregoing, all proper actions or matters properly taken or complied with under or pursuant to any prior Code of Conduct of 407 ETR are valid and effective without having regard to this Code of Conduct.

## Scope and Responsibilities

This Code of Conduct applies to the Directors on the Board of Directors of 407 International Inc. (the “**Board**”), and to officers, employees, and where the context so requires, contractors, consultants, suppliers, representatives and agents (collectively “**Personnel**”) of 407 ETR. All Personnel are responsible for ensuring they are familiar with the requirements and guidelines of 407 ETR’s Code of Conduct.

## Policy

### A) Introduction and General

The importance of this Code of Conduct cannot be overemphasized. This Code of Conduct is intended to assist the Directors and 407 ETR Personnel to understand their responsibilities to uphold the goals and values to which 407 ETR aspires, and to conduct business in accordance with applicable laws and regulations.

407 ETR is determined to behave as a responsible and ethical organization, and to be seen as such. Compliance with this Code of Conduct is a condition of continued service for each Director, and continued employment or engagement for each 407 ETR Personnel. A failure to observe the requirements of this Code of Conduct may breach the law and 407 ETR’s policies and procedures. Furthermore, a breach may involve, in the case of a Director, recommendation by the Chair of the Board of removal of the Director from the Board and, in the case of an employee, disciplinary action up to and including dismissal and, in the case of other personnel, termination of his or her engagement.

This Code of Conduct does not attempt to deal specifically with all aspects of the conduct required of Directors and 407 ETR Personnel. Situations may arise where it is difficult to determine with certainty the correct action to follow. In such event, employees should consult with their immediate superior or manager, and other personnel, with the Vice President, Human Resources, and Directors, with 407 ETR’s General Counsel, so the interests of both 407 ETR and of 407 ETR Personnel and Directors may be fully protected and properly served.

The Board will obtain reasonable assurance that processes to ensure standards of business conduct and ethical behaviour are effective through:

- review and approval of this Code of Conduct;
- review of Management reports on the effectiveness of and compliance with this Code of Conduct; and
- the granting of any waiver of the requirements of this Code of Conduct for the benefit of a Director, or an executive officer of 407 ETR, only by the Board, or the Corporate

Governance and Compensation Committee. 407 ETR will publicly disclose any such waiver granted to a Director or an executive officer, in accordance with applicable legislation.

The Board is also responsible for approving amendments to this Code of Conduct as recommended by the Corporate Governance and Compensation Committee.

The Corporate Governance and Compensation Committee are responsible for:

- monitoring compliance with this Code of Conduct;
- ensuring that this Code of Conduct is reviewed annually for continual relevance and effectiveness;
- ensuring that this Code of Conduct is kept current with applicable regulatory requirements and good practices in the circumstances of 407 ETR; and
- recommending to the Board any amendments to the Code of Conduct and obtaining the approval of the Board thereto.

This Code of Conduct should be read in conjunction with the following corporate policies of 407 ETR:

1. Workplace Violence Prevention Policy;
2. Workplace Harassment and Discrimination Policy; and
3. Whistle-Blowing Policy.

All of the above policies are specifically incorporated herein by reference, and together with this document, comprise 407 ETR's Code of Conduct.

## **B) Code of Business Conduct**

### **General**

In discharging the General Principles referred to in A above, Directors and 407 ETR Personnel will do the following:

- Recognize that the chief function of 407 ETR, at all times, is to serve the best interest of its stakeholders;
- Accept, as a personal duty, the responsibility to keep up to date on all applicable emerging issues;
- Conduct themselves with professional competence, fairness, impartiality, efficiency, effectiveness, and in a manner that reflects, at all times, positively on 407 ETR;
- As Directors, conduct themselves in their service on the Board courteously, and with integrity, truthfulness, honesty and fortitude in the best interests of 407 ETR, and in a manner that reflects positively on 407 ETR; as an employee, respect the structure and responsibilities of the Board, provide Directors with facts and advice as a basis for their policy-making decisions, and uphold and implement policies and procedures adopted by the Board; and as other personnel, conduct themselves courteously and with personal integrity, thoughtfulness, honesty, professional fortitude and excellence to inspire confidence and trust in them and their activities, and achieve the objectives of 407 ETR in a manner that reflects, at all times, positively on 407 ETR;
- Conduct their organizational and operational duties with positive leadership, exemplified by open integrity, excellence, communication, creativity, dedication, compassion and decisiveness;

- Comply with all applicable laws, rules and regulations, and 407 ETR's policies and procedures, including this Code of Conduct;
- Without limiting the preceding item, exercise whatever discretionary authority they have under the law to carry out 407 ETR's vision, mission and objectives and, in doing so, serve with respect, concern, courtesy and responsiveness;
- Avoid any interest or activity that is in conflict with the conduct of their official duties;
- Make only appropriate use of 407 ETR information and, in that regard, comply at all times with 407 ETR's Confidentiality and Intellectual Property Undertaking;
- Not engage in, or give the appearance of being engaged in, or condone, any illegal act or improper conduct, or instruct or encourage another to do so;
- Strive for personal and professional excellence, and encourage the professional development of others; and
- In addition to compliance with, and without limiting 407 ETR's Whistle-Blowing Policy, as soon as they become aware of, or suspect the existence of, a breach of any aspect of this Code of Conduct, as a Director, report such breach or suspected breach to the Chair of the Audit Committee, or to the Chair of the Board; or, as an employee, report such breach or suspected breach to his or her immediate superior or manager or to the Vice President, Human Resources, or to the President and Chief Executive Officer, or to the General Counsel; or, as other personnel, report such breach or suspected breach to the Vice President, Human Resources, or to the General Counsel. Any such report will be taken to be good-faith compliance with this Code of Conduct, and shall protect a person who, in good faith, makes, or assists someone to make, a report concerning a violation of this Code of Conduct. Reporting in good faith possible violations by others will not subject a person to reprisal; it is against the law to retaliate against someone for reporting suspected unethical or illegal conduct.

### **Specific Matters of Conduct**

In furtherance, but without limiting the foregoing, all Directors and 407 ETR Personnel shall:

- Avoid or appropriately manage any conflict of interest between their personal interests as a Director or employee or other personnel and their responsibility to serve the interests of 407 ETR and its stakeholders. A conflict may arise where a Director or 407 ETR Personnel has reason to act in a manner that is not in the best interests of the aforementioned entities. Often this is because the Director or 407 ETR Personnel, or a friend, a relative or someone with whom the Director or 407 ETR Personnel has a close personal relationship, stands to benefit from the action in some way. It is the Director's or 407 ETR Personnel's responsibility to identify and report any possible or actual conflicts of interest, as a Director, to the Chair of the Board or to the Chair of the Corporate Governance and Compensation Committee; or, as an employee, to his or her immediate superior or manager, or to the Vice President, Human Resources; or, as other personnel, to the Vice President, Human Resources. If there is any uncertainty whether some interest or intended activity falls within these guidelines, a Director, employee or other personnel should discuss such uncertainty with the persons identified above;

Specific examples of conflicts of interest referred to above and guidelines to manage them include the following:

- i. An employee shall not take supplementary employment, including self-employment, if it:

- interferes with the employee's ability to carry out his or her employment with 407 ETR;
- involves the use of 407 ETR's premises, equipment or supplies, or
- places the employee in a real or apparent conflict of interest with 407 ETR which would include an enterprise that seeks to supply goods or services to 407 ETR, or an enterprise that competes with 407 ETR directly or indirectly;
- ii. An employee may offer, receive or accept gifts and entertainment usually associated with accepted business practices for him or herself and members of his or her family only if:
  - they are infrequent;
  - they are not in cash or readily convertible to cash (such as securities, cheques or money orders);
  - they cannot be construed as an attempt to influence;
  - they do not contravene any law, nor do they compromise his or her integrity or that of 407 ETR (or, in circumstances where he or she is offering or giving the gift, the integrity of the recipient or their organization);
  - they legitimately serve a definite business purpose;
  - they are appropriate to the business responsibilities of the individuals involved; and
  - they are consistent with accepted business practice and within the limits of reciprocation as a normal business expense, and they would not affect his or her reputation or the reputation of 407 ETR, if the knowledge of the gift was to become public.
- Ensure that property, information and position are not misused for personal benefit or to compete with 407 ETR;
- Ensure that 407 ETR's assets are used only for authorized and legitimate business purposes; 407 ETR's resources, such as office supplies, photocopiers, fax machines, computer equipment and systems, are used for 407 ETR business purposes only; and use good judgement and behave responsibly in their use of 407 ETR's property;
- Maintain the confidentiality of information and privacy of personal information entrusted to 407 ETR by its Directors, employees, other personnel, customers and others with whom 407 ETR deals, except where disclosure is required by law or otherwise authorized, including, without limitation, complying with 407 ETR's *"Confidentiality and Intellectual Property Undertaking"*;
- Ensure high standards of disclosure and audit integrity in relation to 407 ETR's activities and financial performance and reporting, including ensuring that:
  - business records, expense reports, invoices, vouchers, payrolls, employee records and other reports are prepared with care and honesty and in a timely fashion;
  - all transactions are conducted at the level of authority required by 407 ETR's policies and procedures and in compliance with applicable rules and regulations;
  - no transaction, asset, liability or other financial information is concealed from Management or from 407 ETR's internal and external auditors;

- all efforts are made to resolve all issues and concerns raised in internal and external audit reports;
  - any known inaccuracies, misrepresentations or omissions are promptly corrected through credits, refunds or other mutually acceptable means, and, as necessary, disclosed to 407 ETR's stakeholders;
  - all documents signed are, to the best of the signatory's knowledge, accurate and truthful;
  - false or misleading activities, transactions, matters, entries and unrecorded bank accounts, for any purpose, whether regarding sales, purchases or other 407 ETR activity, are strictly prohibited;
  - no secret or unrecorded cash funds or other assets are established or maintained for any purpose;
  - inappropriate and unusual financial arrangements with a stakeholder or customer (such as over-invoicing or under-invoicing) are prohibited;
  - access to sensitive or confidential information is restricted to ensure that it is not accidentally or intentionally disclosed, modified, misused or destroyed;
  - use of 407 ETR funds or assets for any unlawful or improper purpose is strictly prohibited, and those responsible for the accounting and record-keeping functions are vigilant in ensuring enforcement of this prohibition; and
  - suspected breaches of 407 ETR accounting practices and record maintenance and internal controls that appear to be in violation are investigated.
- Ensure that dealings between 407 ETR and a contractor or vendor are conducted in a lawful and fair manner. All contractors and vendors should be treated fairly and purchasing discounts shall be based only upon the merits of the supplier's services or product;
  - Support any charitable, sponsorship and volunteer work of 407 ETR in the communities in which Highway 407 is located and 407 ETR operates; provided that before accepting a position or directorship with a charitable, civic or industry organization, written approval shall be obtained from an employee's immediate superior or manager to ensure that there is no conflict of interest and that such outside activities will not conflict with the employee's employment with 407 ETR;
  - Conduct all 407 ETR's business and activities in accordance with applicable laws and regulations, and in a way that enhances 407 ETR's reputation;
  - Ensure that legislative requirements relating to contributions to political parties or to candidates for political office shall be strictly adhered to; requests for contributions addressed to employees shall remain a personal decision;
  - In the case of an employee who is nominated as a candidate in respect of a federal or provincial election, or has filed nomination papers in respect of a municipal election, take an unpaid leave of absence beginning no later than the official commencement of the election period, or such earlier date following the employee's nomination, as determined by 407 ETR, in its sole discretion. If the employee is successful in the election, he or she must resign effective the day the unpaid leave began. If the employee is unsuccessful, he or she is entitled to return to work effective the day after the election;
  - In the case of an employee, speak publicly at a meeting, conference or seminar, or to the media on any topic that involves 407 ETR or the employee's work or expertise with 407 ETR only with the prior approval of the employee's immediate superior or

manager and, all times, in compliance with any disclosure policy and procedures of 407 ETR;

- Ensure that the Communications and Government Relations Department is the official contact with any member of the media seeking an interview, an opinion, a comment or a suggestion about any subject that is likely to affect the business of 407 ETR;
- Ensure that opinions or information sought by outside groups or organizations are channelled through the Public Relations Department or, in the case of investor relations or rating agencies, through the Chief Financial Officer, in each case for response and in accordance with any disclosure policy and procedures of 407 ETR. In the case of employees or other personnel who give opinions to such outside interests on matters not related to 407 ETR's affairs, they are reminded that their comments are strictly personal and they should therefore be cautious not to compromise 407 ETR;
- In the case of employees and other personnel, no matter what their position or involvement with 407 ETR, treat customers, contractors, vendors and each other with dignity and respect and for the best benefit of 407 ETR'
- Ensure that anyone who does business with 407 ETR is dealt with respectfully and has the right to honest, accurate and clear communication;
- Ensure that, in the interest of orderly and efficient operation of the business of 407 ETR, the soliciting and distributing of material to employees is restricted. Solicitation by employees of other employees or the distribution of material of any kind to them must have the prior approval of Management. Such facilities as internal mail and bulletin boards are for 407 ETR's business and sponsored activities and must be restricted to those activities, unless otherwise approved by Management. Distribution of 407 ETR's employee lists is on a 'need-to-know' basis; such lists are for 407 ETR use only and are not to be released outside 407 ETR;
- Ensure that the electronic mail system, internet, internet access and information technology accounts are 407 ETR-owned resources and are provided to users for professional purposes only. Every user must be acquainted and comply with 407 ETR's Information Systems Security and Use Policy, as well as the Ontario Ministry of Transportation's Information Security Policy;
- Ensure that any form of hostility, discrimination, harassment, or violence in the workplace is strictly prohibited and will not be tolerated. Directors and 407 ETR Personnel shall be familiar and comply with 407 ETR's Workplace Violence Prevention Policy, and Workplace Harassment and Discrimination Policy, and shall incorporate their principles into their daily interactions with employees, other personnel, contractors, vendors, and customers, as the case may be;
- Ensure that all environmental, health and safety rules are observed, and any conditions, which appear to be hazardous or unsafe, are reported to Management promptly, in furtherance of 407 ETR's commitment to providing a safe and healthy workplace; and
- in the case of 407 ETR Personnel, be responsible for ensuring that they are familiar with 407 ETR policies and procedures relevant to their employment or engagement, conduct and performance of their duties. Approved 407 ETR policies and procedures are available on 407 ETR's Intranet for 407 ETR Personnel to access and read when advised of any new or updated policy and/or procedures. 407 ETR Personnel are expected to maintain a working knowledge of all policies and procedures deemed essential to their duties.



All employees are required to provide annual attestation to this Code of Conduct, enforced through Human Resources; while all Directors are required to provide annual attestation to this Code of Conduct, including the policies and undertakings incorporated therein, through the Corporate Governance and Compensation Committee, to the Chair of the Board.

## **Exceptions**

Any waiver or exception to the Code of Conduct will be considered seriously and granted sparingly, recognizing that there are aspects of the Code of Conduct for which there can be no waiver or exception. Any material waiver or exception to the Code of Conduct, other than for an Executive Officer or Director, shall be approved in writing by the Vice President, Human Resources, after consultation with the President, the Chief Financial Officer, the Chief Internal Auditor, and the General Counsel (collectively, the “Code of Conduct Committee”), and shall be reported to the Corporate Governance & Compensation Committee at its next quarterly meeting, unless earlier consultation with, or notification to, the Chair of the Corporate Governance & Compensation Committee is appropriate, as determined by the Code of Conduct Committee.

## **Policy Maintenance**

Standard maintenance and review as per the process set out in the [Policy and Procedure Process Guide](#)

## **Policy Owner**

Vice President Human Resources

## **Related Policies**

[000 - Whistle Blowing Policy](#)

[001 - Workplace Harassment and Discrimination Policy](#)

[002 B - Ministry of Transportation – Information Security Policy](#)

[005 - Workplace Violence Prevention Policy](#)

[030 - Information Systems Security and Use Policy](#)

## **Related Procedures**

[005 A - Workplace Violence Prevention Procedures](#)

## **Related Forms**

[002 A - Receipt and Acknowledgement of 407 ETR Code of Conduct](#)

Confidentiality and Intellectual Property Undertaking

## **Related Scripts**

N/A

**Revision History**

Date	Version number	Modifications
November 11, 2003	1.0	Original policy as issued.
February 20, 2007	2.0	Review of 407 ETR Code of Conduct, changed to standard Policy format and minor wording edits.
January 31, 2008	3.0	Amends, Restates and Supersedes original policy
September 14, 2011	4.0	Amends, Restates and Supersedes original policy
April 12, 2013	5.0	Amends, Restates and Supersedes original policy, added "Exception Section" to define how waivers or exception to the Code of Conduct would be handled.
July 17, 2014	6.0	Annual review completed no material change to content. Replaced Company with 407 ETR, replaced Chairman with "Chair". Updated "Scope and Responsibilities" section with standard wording.
July 29, 2015	7.0	Annual review, removed reference to Confidentiality and Inventions and replaced with Confidentiality and Intellectual Property Undertaking document to support change to attestation process.
August 2, 2016	8.0	Annual review completed by HR and BPM, no material changes to the policy.
July 4, 2017	9.0	Annual review completed by HR and BPM, no material changes to the policy.



## Goals and Values

<b>407 ETR is committed to conducting all its business and activities consistent with the following goals and values</b>	
<b><i>Doing the Right Thing</i></b>	Concern for what is right should be the first consideration in all business decisions, including compliance with the law.
<b><i>Trust</i></b>	Our word is good. We keep our commitments to each other and to our stakeholders and customers.
<b><i>Honest</i></b>	What we say is true and forthcoming – not just technically correct. We are open and transparent in our communications with each other and about business performance.
<b><i>Judgement</i></b>	We think before we act and consider the consequences of our actions.
<b><i>Responsibility</i></b>	We accept the consequences of our actions. We admit our mistakes and quickly correct them. We do not retaliate against those who report violation of this Code of Conduct or other corporate policies.
<b><i>Integrity</i></b>	Integrity is the concept upon which all our actions are based and by which we are happy for our actions to be judged. We recognize that while all our actions must be lawful, mere lawfulness may not be an adequate test of integrity.
<b><i>Customer Commitment</i></b>	In all our dealings, we will always act fairly and honestly. We treat all those with whom we deal with professionalism, courtesy, and respect. It is essential that we honour, without reservation, our obligations to maintain the confidentiality of our customer's information.
<b><i>Strive for Profitability</i></b>	Profit is ultimately why we are in business. We seek to achieve consistently superior profitability and we take pride in that. Profitability is fundamental to our success. It funds our continued growth for the benefit of our customers, shareholders, and employees.
<b><i>Fulfillment for our people</i></b>	407 ETR recognizes that its most valuable assets are its people. This is the foundation stone of our belief that 407 ETR must be a fulfilling place to work, where all 407 ETR Personnel are treated as individuals, deserving the respect of their subordinates, peers, and superiors. 407 ETR seeks to recruit the best people without discrimination or bias, and advancement and remuneration are based solely on merit.
<b><i>Teamwork</i></b>	To better serve our customers, 407 ETR is organized into individual departments. Within these departments, there are individuals. At the same time, we recognize that we are one organization, with one profit and one reputation and that we must work together cooperatively, constructively and harmoniously.
<b><i>Highest Standards</i></b>	407 ETR recognizes that superior results are only achieved through the best work; providing superior value to our customers and others with whom we deal. Adherence to the highest prudential standards is a fundamental element of our work.

**Policy Authorization**

Approvers	Approval Date
Jose Tamariz President and Chief Executive Officer	April 12, 2013
Louis-M. St-Maurice Chief Financial Officer	April 10, 2013
Wayne Anthony V.P. Human Resources	April 02, 2013
Greg MacKenzie General Counsel	March 28, 2013

**Note.** Completion of the SharePoint workflow by the individuals above is evidence of approval of this document. Workflow approval for this document is available in SharePoint.