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## CODE OF CONDUCT AND CONFLICT OF INTEREST GUIDELINES FOR DIRECTORS

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### 1. INTRODUCTION

Each director of Morguard Corporation (the "**Corporation**") has certain fiduciary and statutory duties, including the obligation to act honestly and in good faith with a view to the best interests of the Corporation. This Code of Conduct and Conflict of Interest Guidelines for Directors (the "**Code of Conduct**") outlines a framework of guiding principles for directors. As with any statement of policy, the exercise of judgment is required in determining applicability of this Code of Conduct to each individual situation.

### 2. CONFLICTS OF INTEREST

- A. Directors shall avoid situations that may result in a conflict or perceived conflict between their personal interests and the interest of the Corporation and situations where their actions as directors are influenced or perceived to be influenced by their personal interests.
- B. In general, a conflict of interest exists for directors who use their position at the Corporation to benefit themselves or others, including friends or fades.
- C. Full disclosure enables directors to resolve unclear situations and gives an opportunity to dispose of conflicting interests before any difficulty arises.

### 3. COMPLIANCE WITH LAW

- A. Each director must at all times comply fully with applicable law and should avoid any situation which could be perceived as improper, unethical or indicate a casual attitude towards compliance with the law.
- B. The directors are expected to be sufficiently familiar with any legislation that applies to their directorship and shall recognize potential liabilities, seeking legal advice where appropriate.

### 4. OUTSIDE BUSINESS INTERESTS

- A. No director may hold a significant financial interest, either directly or through a relative or associate, or hold or accept a position as an officer or director in an organization in a relationship with the Corporation, where by virtue of his or her position in the Corporation, the director could in any way benefit the other organization by influencing the purchasing, selling or other decisions of the Corporation, unless that interest has been fully disclosed in writing to the Board.
- B. A "significant financial interest" in this context is any interest substantial enough that decisions of the Corporation could result in gain for the director.

## 5. DISCLOSURE POLICY

Each director must comply with the Corporation's Disclosure Policy.

## 6. ENTERTAINMENT, GIFTS AND FAVOURS

- A. Directors may not offer or solicit gifts or favours in order to secure preferential treatment for themselves or the Corporation.
- B. Gifts and entertainment may only be accepted or offered by a director in normal exchanges common to established business relationships. An exchange of such gifts shall create no sense of obligation.

## 7. NON-PROFIT AND PROFESSIONAL ASSOCIATION

- A. The Corporation supports its directors who contribute to their communities through involvement with charitable, community service and professional organizations. If directors use the Corporation's resources for such activities they should only do so with the prior consent of the Chair of the board of directors (the "**Board**") of the Corporation.
- B. A director should ensure that he or she is seen as speaking for the organization as an individual and not as the Corporation's director or spokesperson.

## 8. USE OF THE CORPORATION'S PROPERTY

Directors should not make use of the Corporation's property or resources for their own personal benefit or purposes.

## 9. POLITICAL PARTICIPATION

Directors engaging in the political process must take care to separate their personal activities from their association with the Corporation.

## 10. DISCLOSURE

- A. Each individual being considered for nomination as a director of the Corporation must disclose to the Corporate Governance and Nomination Committee all interests and relationships of which the director is aware of at the time of consideration which will or may give rise to a conflict of interest. If such an interest or relationship should arise while the individual is a director, the individual shall make immediate disclosure of all relevant facts to the General Counsel or the Board Chair.

- B. If the Board is making decisions that may provide a benefit to a director's private interests, the director shall withdraw from the deliberations altogether.
- C. Disclosure may cure a conflict of interest or allow the Corporation to appropriately avoid a potential conflict. However, a conflict may be so severe as to only be resolved by the director's resignation from one or both of the conflicting positions. Each director agrees that if the Board determines a potential conflict cannot be cured, the director will resign from the Board.

## 11. RESPONSIBILITY

- A. Each director must adhere to the standards described in this Code of Conduct.
- B. Any director who knows or suspects a breach of this Code of Conduct must report it to the Board Chair.
- C. Each director shall annually review, sign and deliver to the Board Chair a copy of this Code of Conduct.

## 12. VIOLATION OF THIS CODE

- A. If the Board determines that a director has breached this Code of Conduct, the Board may sanction the director, including asking for the director's resignation.
- B. Each director agrees that when the Board determines that the director has violated this Code of Conduct and request the director's resignation, the director shall resign as a member of the Board.

## 13. CLARIFICATION

A director should seek clarification of the Code of Conduct, where necessary, from the General Counsel or the Board Chair.

*I ACKNOWLEDGE that I have read and considered the Code of Conduct and Conflict of Interest Guidelines for Directors of Morguard Corporation and agree to conduct myself in accordance with the Code of Conduct and Conflict of Interest Guidelines for Directors.*

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Name

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Signature

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Date