

 <b>FORTIS TCI</b>	<b>Control No.:</b> HR-POL-9-001.3
	<b>Effective Date:</b> May 11, 2018
	<b>Approved by:</b> 

## **CODE OF BUSINESS CONDUCT AND ETHICS POLICY**

### **1. POLICY STATEMENT**

- 1.1 The vision of Fortis TCI is "Leading Today. Investing in Tomorrow".
- 1.2 In pursuing this vision, we are committed to the highest standards of ethical business practice and conduct and in the promotion of honest, ethical and lawful conduct of all employees, officers, contractors, suppliers, agents and representatives of Fortis TCI Limited and its subsidiary, Turks and Caicos Utilities (TCU) Limited. We make this commitment to our stakeholders, employees, customers, partners, and to the communities we serve.

### **2. OBJECTIVE**

- 2.1 The objective of this policy is to meet the commitment in 1.2 by conducting ourselves in accordance with the values and principles embodied in this Code of Business Conduct and Ethics.
- 2.2 Since the actions of every employee and officer affect the reputation of Fortis TCI and TCU, all such persons are expected at all times to:
  - 2.2.1 Not engage in any activity which could give rise, or could be perceived to give rise to, a conflict between an employee's personal interests and the interests of Fortis TCI and TCU.
  - 2.2.2 Conduct business with integrity, honesty, courtesy, respect and fairness in our dealings with customers, business partners, potential business partners, suppliers, competitors, government officials, regulators, the general public and other stakeholders.
  - 2.2.3 Provide full, true and plain reporting and disclosure of the financial results and operating activities of the Company;
  - 2.2.4 Comply with applicable laws, governmental and regulatory rules and regulations of the Turks and Caicos Islands, Canada and the United States of America.
  - 2.2.5 Ensure that contractors and suppliers are aware of the Company's Code of Business Conduct and Ethics and provide appropriate assurances in contractual documents on their willingness to commit.

### **3. DEFINITIONS:**

- 3.1 "Conflict of Interest" - means any situation or activity where a person's personal or private interests (including the interests of family members) affects, or can reasonably be perceived to affect, the discharge of such person's obligations to the Company.
- 3.2 "Confidential Information" – any Company, employee, supplier or customer information that has been obtained or created within a trusted relationship and that would not ordinarily or explicitly be disclosed. Any information that has not been publicly disclosed should be treated as confidential. If you are in doubt as to the confidential nature of information, refer to the Department Manager or Divisions Head.

- 3.3 “Customer” – any person or firm that is an actual or potential purchaser of services, materials or equipment from the Company.
- 3.4 “Immediate Family” – a child, step-child, spouse, common-law spouse, parent, step-parent, siblings, or any other relative living in the household.
- 3.5 “Interest” – participation by an employee or family member as an employee, officer, director, significant owner, partner, or proprietor in any vendor to the Company. Interest also includes gifts, commissions, payments or loans greater than nominal value either to or from a vendor as well as product or service discounts from a vendor not widely offered to all employees.
- 3.6 “Nominal Value” – items of usefulness but of immaterial monetary value individually and collectively. Examples include inexpensive meals, event tickets, promotional gifts and published reward programs such as airline miles.

#### **4. APPLICATION:**

- 4.1 The Code applies to all employees, officer, contractors, suppliers, contractors and consultants and other agents and representatives of the Company.
- 4.2 The code cannot anticipate every situation or action that could confront a party subject to the Code, and therefore whenever there is doubt about the correct ethical or legal choice to be made, fully disclose the circumstances, seek guidance from their Senior Vice President, Vice President, the CEO or Internal Audit about the right thing to do and continue asking until guidance is secured.
- 4.3 Waivers of the Code may be granted from time to time in limited circumstances in accordance with section 15 Waivers and Amendments herein.

#### **5. CONFLICTS OF INTEREST**

- 5.1 The Company expects all employees and officers to honor their duty of good faith and fidelity, and to perform their duties in a manner which seeks to ensure the interests of the Company are not in conflict with their own personal interests including their interest in third party for profit or non-profit organizations. The Company further expects all employees and offices to exercise good judgment and high ethical standards in their activities on behalf of Fortis TCI and TCU, as well as in their private activities. Fortis TCI and TCU expects that no employee, officer or director will:
  - 5.1.1 Take advantage of any business opportunity discovered through his or her position or through the use of Fortis TCI and TCU’s property or information;
  - 5.1.2 Use his or her position or Fortis TCI and TCU’s property for personal gain;
  - 5.1.3 Participate in activities that compete with Fortis TCI and TCU or that interfere or appear to interfere with their duties and responsibilities to Fortis TCI and TCU.
  - 5.1.4 Take any steps or action which involve or create the appearance of a conflict of interest.
- 5.2 While it is not possible to describe or anticipate all situations that may give rise to a conflict of interest, such situations impacting upon the objective and effective performance of responsibilities to the Company may arise when an employee, officer, director, or member of his or her family:
  - 5.2.1 Solicits or accepts, directly or indirectly, any kind of gift or other personal, unearned benefits as a result of his or her position with the Company (other than non-monetary items of nominal intrinsic value) from any person with which the Company has a current or potential business relationship;

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- 5.2.2 Has a financial interest in any person with which the Company has a current or imminent business relationship (excluding interests that are less than 1% of the outstanding securities of a publicly traded entity);
  - 5.2.3 Has a consulting or employment relationship in any capacity with any person with which the Company has a current or potential business relationship; or
  - 5.2.4 Acquires, directly or indirectly, real property, leaseholds, patents or other property rights, or competes with the Company for the acquisition thereof, in which the Company has or is likely to have an interest.
  - 5.2.5 A Vendor in which an employee, or a member of an employee's Immediate Family, has an Interest, may be a supplier of services, materials or equipment to the Company provided the Vendor is selected by means of a competitive bidding process (whenever possible) and the employee is not in a position to affect the outcome.
- 5.3 The Code does not prohibit business or social exchanges that occur in the ordinary course of business relations. Fortis TCI and TCU recognizes the importance of good business relations and encourages networking with suppliers and customers, provided that the extent of such activities cannot reasonably be perceived to negatively impinge upon the fulfillment of a person's duty to the Company. Reasonable business entertainment, gifts, or favours which are appropriate in the circumstances or otherwise permissible under applicable law will not be considered a breach of the Code, as long as such items are consistent with conventional business practice, not intended as an inducement, not contrary to applicable law and will not embarrass the Company if publicly disclosed. In circumstances where doubt arises as to the propriety of accepting a gift, direction from senior management should be sought as to the gift's acceptance and disposition.
- 5.4 Employees and officers shall not engage, on Company time, in any activity for personal financial gain or in other outside activities without prior approval of the President and CEO.
- 5.5 Employees and officers shall declare to the President and CEO any appointment as Director or Officer of a for profit enterprise or government agency which pose a conflict of interest with the Company in respect of contributions or supply of services. Serving on a board of directors of a not-for-profit organization does not require prior approval, provided such appointment does not pose a conflict of interest with the Corporation in respect of contributions or supply of services.
- 5.6 Actual or potential conflicts of interest involving an employee or his/her immediate family shall be reported in writing to the President and CEO, who shall consult with the legal department, or the proper business practices committee to determine whether a conflict of interest actually exists and to recommend measures to be taken to neutralize the adverse effect of the conflict of interest reported.

## **6. PROTECTION OF CORPORATE ASSETS**

- 6.1 Every employee and officer has a personal responsibility to protect the assets of the Company, including, without limitation, tangible assets, (such as equipment and facilities) and intangible assets (corporate opportunities, intellectual property, trade secrets and business information) from misuse or misappropriation. No employee shall obtain, use or divert Fortis TCI and TCU property for personal use or benefit or use the Corporation's name or purchasing power to obtain personal benefits. All assets of Fortis must be used lawfully in furtherance of corporate objectives.

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## **7. CONFIDENTIAL INFORMATION**

- 7.1 No employee or officer shall disclose any confidential or proprietary information about the Company, or any person or organization with which FTCI and TCU has a current or potential business relationship, to any person, either during or after service with the Company, except as authorized by Management in the course of business or as may be required by law. Employees shall return all proprietary and confidential information in their possession forthwith upon the termination of their employment with Fortis TCI and TCU.
- 7.2 Employees must disclose any invention, improvement, concept, trademark or design prepared or developed in connection with their employment with Fortis TCI and TCU is the exclusive owner of such property.
- 7.3 Employees shall comply with the Corporation's Disclosure Policy and any applicable privacy policy.

## **8. FAIR DEALING**

- 8.1 Every employee and officer must comply with applicable laws and regulations.
- 8.2 Every employee must deal fairly with competitors and each person or organization with which the Company has a current or potential business relationship. No employee or officer should take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

## **9. FINANCIAL REPORTING**

- 9.1 Compliance with generally accepted accounting principles and internal controls is expected at all times and all Fortis TCI and TCU books of account, records and other documents must accurately account for and report all assets, liabilities and transactions. For example, no employee shall:
- 9.1.1 cause the Fortis TCI and TCU books or records to be incorrect or misleading in any way;
  - 9.1.2 participate in creating a record intended to conceal any improper transaction;
  - 9.1.3 delay the prompt or correct recording of disbursements of funds;
  - 9.1.4 hinder or fail to cooperate to ensure full disclosure with internal or external auditors, the CFO or other officers of Fortis TCI and TCU to ensure that all issues relating to internal and external audit reports are resolved;
  - 9.1.5 conceal knowledge of any untruthful, misleading or inaccurate statement or record, whether intentionally or unintentionally made; or
  - 9.1.6 conceal or fail to bring to the attention of appropriate supervisors transactions that do not seem to serve a legitimate commercial purpose.
- 9.2 Any inquiry that an employee receives from financial analysts and others associated with the financial and investment communities shall be directed to the Director of Financial Services or the CFO.
- 9.3 Employees must report any violation of this Code, including any potential or suspected violations of accounting standards or securities laws and regulations in accordance with the Company's Policy on Reporting Allegations of Suspected Improper Conduct and Wrongdoing, CEO/CFO Certification Policy and Disclosure Policy.
- 9.4 Employees are protected from any form of punishment when they report concerns honestly. See Section 14 of this Code for more details.

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## **10. COMMUNICATION DEVICES**

- 10.1 The Corporation's communication resources (phone systems, computers, faxes and mobile devices):
- 10.1.1 are to be used for business purposes, with incidental personal use permitted provided such use does not negatively impact productivity, compromise system capacity or contravene applicable law or any Fortis TCI policy; and
  - 10.1.2 are not to be used for improper or illegal activities such as the communication of defamatory, pornographic, obscene or demeaning material, hate literature, inappropriate blogging, gambling, copyright infringement, harassment or obtaining illegal software or files.
  - 10.1.3 the Corporation's communication resources are owned by Fortis TCI and TCU and are monitored and audited for improper usage, security purposes and network management. When using these resources to transmit or receive confidential, sensitive or proprietary information, appropriate security precautions should be taken.
  - 10.1.4 employees are required to comply with related IT Code of Ethics Policy, & IT Computer Use Policy.

## **11. PAYMENTS TO AGENTS, CONSULTANTS AND GOVERNMENT OFFICIALS**

- 11.1 All commissions, fees or other payments to agents or consultants acting on behalf of Fortis TCI and TCU shall be made in accordance with sound business practices and be reflective of the reasonable value of the services performed.
- 11.2 No payments, gifts or favours may be made to any person in a position of trust or responsibility with the intent to induce them to violate their duties or to obtain favourable treatment for Fortis TCI and TCU or any of its employees.
- 11.3 Payments, gifts of substantial value or lavish entertainment provided to government officials or personnel are prohibited.
- 11.4 Neither Fortis TCI and TCU nor its employees shall knowingly aid or abet any person or entity to circumvent laws, evade income taxes or defraud the interests of Fortis TCI and TCU shareholders or creditors.

## **12. EMPLOYEE RELATIONS, HEALTH, SAFETY, ENVIRONMENT & HUMAN RIGHTS**

- 12.1 Fortis TCI and TCU are committed to ensuring its employees are treated fairly, compensated appropriately, and hired and promoted without discrimination by reason of race, nationality, ethnic origin, color, religion, age, gender, marital status, family status, sexual orientation, political belief or disability.
- 12.2 Fortis TCI and TCU shall establish and maintain safe working conditions and conduct its operations in an environmentally responsible manner in accordance with applicable environmental laws, regulations and standards.

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**13. COMPLIANCE AND ENFORCEMENT**

13.1 Strict adherence to this Code and all other Fortis TCI policies applicable to employees is mandatory. Failure to comply may result in disciplinary action up to and including termination. In interpreting this Code, the spirit as well as the literal meaning, of the language shall be observed. Employees should seek guidance from senior management if they have any questions regarding the interpretation or application of this Code.

**14. REPORTING VIOLATIONS**

14.1 Any violations of this Code or other Fortis TCI policies shall be reported promptly and in accordance with the Policy on Reporting Allegations of Suspected Improper Conduct and Wrongdoing. Reports, discussions or inquiries will be kept in strict confidence to the extent appropriate or permitted by policy or law. Requests to remain anonymous will be respected in accordance with applicable laws. No retaliatory action will be taken against an employee or contractor for providing good faith information, either internally or to a government authority, or for participating in any proceeding concerning alleged violations of any laws or policies.

**15. WAIVERS AND AMENDMENTS**

15.1 Waivers of this Code may be granted from time to time in limited circumstances where the employee seeking waiver makes written application to the CEO. Waiver requests for Executive Officers of the Company, including the CEO, must be submitted to the Board of Directors for approval. Any such waivers will be publicly disclosed in accordance with applicable laws, rules and regulations.

15.2 Fortis TCI may, in its sole discretion and without prior notice, amend or modify any provisions of this Code. Employees will be fully informed of any material revisions to the Code and a copy of the latest Code will be available on Fortis TCI's intranet and website at [www.fortistci.com](http://www.fortistci.com).

**16. POLICY REVIEW**

The Board of Directors shall review the provisions of this periodically.

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### Version History and Control Record

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Author: Ruth Forbes

Date of next review: [Date 1 year from last approval/ action date]

Version Number	Action	Action Date	Approval Authority
1	Creation of a new procedures	June 29, 2009	President & CEO
2	Policy format change / reconciliation with the EthicsPoint reporting system, incorporation of financial reporting and other policies section, and elaboration of conflict of interest provisions including declaration of any appointment as Director or Officer of for profit enterprise or government agency.	April 27, 2015	President & CEO
3	Updated section 9.3 and added section 15	May 11, 2018	President & CEO

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