



**Davis + Henderson**

# **CODE OF BUSINESS CONDUCT AND ETHICS**

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## **Introduction**

Davis + Henderson's Code of Business Conduct and Ethics (the "Code"), documents and promotes conduct in accordance with the highest standards of personal and professional integrity. The Code applies equally to all employees in their work related activities at Davis + Henderson.

It is your responsibility to ensure you understand and follow the Code and to familiarize yourself with any of the Company's more detailed policies and procedures in the Employee Handbook or Policy and Procedures Manual that may directly affect you or your work.

If, at any time, you are uncertain about the proper course of action, you should discuss your concerns with your manager, department VP or Human Resources.

## **Compliance with the Code**

Every director, officer and employee is provided with a copy of, or online access to, the Code. Each individual is required to confirm receipt and understanding of the Code with signature acknowledgement that is retained in their personnel file.

Board Directors, officers and senior management are required to acknowledge code compliance on an annual basis.

Any significant reported code violations will be reported annually to the Board of Directors.

## **Consequences of Non-Compliance to the Code**

If you fail to comply with the Code, or any applicable law or regulation, you may be subject to disciplinary action that may include termination.

Disciplinary action may be taken against any employee who authorizes, directs, approves or participates in violations of the Code.

Disciplinary measures will depend on the circumstances of the violation and will be applied in a manner consistent with Davis + Henderson company policies. Consideration will be given to whether or not a violation was intentional, as well as to the level of good faith shown by an employee in reporting the violation or in cooperating with any resulting investigation or plan of remediation.

If you believe that you have violated the Code or any applicable law or regulation, you should report the violation so that the Company can take appropriate action. In many cases, a prompt report of a violation can substantially reduce the adverse consequences of a violation for all involved – third parties, the Company and you.

## **Protecting People Who Report**

Those who, in good faith, report breaches of the Code will be protected by Davis + Henderson. No one at Davis + Henderson will be permitted to retaliate against any Davis + Henderson employee for reporting code violations.

## 1. Compliance with the Law

***Every Davis + Henderson employee will abide by the law and respect its intent in the best interests of our employees, customers and unitholders.***

### **Laws, Rules and Regulations**

We have designed all of our policies and practices to ensure compliance with the law. Adherence to the procedures outlined in this Code of Business Conduct and Ethics will assist employees in following the law and is generally the best way to ensure that our legal responsibilities are fulfilled.

If employees want more information or clarification of the laws and regulations that apply to their function, they should contact their manager or the Human Resources Department.

#### ***Employee's responsibilities:***

- *You are not to take any action that violates any applicable law, rule or regulation. To avoid or minimize legal difficulties, seek any necessary advice at the onset of your business dealings.*

### **Inside Information**

Davis + Henderson handles a variety of confidential information concerning our company, customers, suppliers, or other companies whose securities are publicly traded on a stock exchange. This knowledge is referred to as "inside information" when two specific conditions are met:

- the information has not been generally disclosed to the public
- the information is "material"

In this situation, "material" refers to information that an investor could consider important in deciding whether or not to buy or sell that Company's stock or securities. Examples might include knowledge of a potential merger or acquisition, a valuable natural resource or scientific/technological discovery, the financial stability of the company, etc.

Possession of inside information is legal – the misuse of it is illegal. Those who have access to inside information should clearly recognize the distinction.

"Tipping" is the act of the passing of inside information to another person who has no right or need to have it, and it is illegal.

All employees – regardless of their role, level, department or area – are to scrupulously avoid using, sharing or disclosing non-public information about Davis + Henderson, its suppliers or customers (both current and prospective), except in the legitimate course of doing business.

Guidelines and rules have been established to limit the potential for the misuse of inside information and to offer protection to employees and Davis + Henderson. If in doubt, employees should seek guidance from their manager.

#### ***Employee's responsibilities:***

- *You are to assume that any information you have about the company or our customers is confidential and should not be discussed with anyone without a "need to know".*
- *You are not to trade in stock or securities, or recommend or advise others to do so, on the basis of inside information you have acquired through your job. It is unethical and usually illegal.*
- *Before investing in Davis + Henderson units, you should ensure familiarity with the "Insider Trading and Confidentiality Policy" all employees are required to read, understand and sign prior to commencement of employment.*

- *It is very important that you avoid actions that could give rise to even the appearance of unfair or improper action. If you have any doubts, do not trade until you have sought further guidance from the Chief Financial Officer.*

## **Copyright**

Most printed, broadcast, recorded material or software is protected by copyright laws. The prior approval of the copyright holder may be required before making copies of such material.

### ***Employee's responsibilities:***

- *You are required to follow the specific terms of the licensing agreement issued by the publisher of any computer program used in the course of business or on a computer owned by Davis + Henderson.*
- *Care is to be exercised when making copies and you are to respect any prior approval requests by the copyright holder.*
- *Under no circumstances, are you to:*
  - *install or use any software not licensed for use by Davis + Henderson on any company-owned computer.*
  - *copy software programs licensed to Davis + Henderson for use by others, except as permitted by the copyright or licensing agreement. The use of any copies is to strictly comply with the licensing agreement and Davis + Henderson guidelines.*

## **Workplace Safety**

Safety and health in the workplace is everyone's responsibility. Supervisors and managers are accountable for the health and safety of employees under their direction.

### ***Employee's responsibilities:***

- *You are responsible for working within the safe working practices and procedures to ensure your own safety as well as that of your colleagues.*
- *You are required to report actual or potential safety hazards to your supervisor or manager.*
- *You are not to possess or use illegal drugs on company premises under any circumstances, nor are you to be under the influence of alcohol, illegal drugs or misuse prescription drugs. You are not to encourage, persuade, or coerce a fellow employee to engage in illegal drug use, sell or transfer prescription medication, or in any way contribute to such use on company premises.*
- *You are not to threaten, intimidate or endanger anyone associated with Davis + Henderson, either verbally or through your actions.*
- *You are not to have a weapon of any kind in your possession while on company premises. This includes handguns, rifles, knives, explosives, or any other dangerous implement or material. Davis + Henderson may require any person in possession of such an item to leave the property immediately.*

## **2. Confidentiality**

***Davis + Henderson believes that customers and employees have a right to privacy and the security of their personal information and will respect and preserve this right.***

### **Customer Privacy**

Davis + Henderson handles a variety of confidential customer information. Employees handling this information have a responsibility to deal with it appropriately and follow established security and privacy procedures.

**Employee's responsibilities:**

- *You are to comply with the "Privacy – Accessing Personal Information" policy at all times and respect the confidentiality of customer information.*

**Employee Privacy**

Davis + Henderson is committed to the privacy of its employees' personal information. The Company will not disclose personal employee information to any third party external to the administration of the employment relationship, unless our employees have been provided prior notification. Under some circumstances however, certain personal information, must be disclosed to third parties upon request by law and may be disclosed without the knowledge and consent of the subject employee.

**Employee's responsibilities:**

- *Any inquiries you may receive about an employee or requests for employee information, including those concerning former employees, should be directed to Human Resources.*

**Protection of Proprietary Information**

We believe that the "know-how" of our business is an asset of Davis + Henderson. All employees of Davis + Henderson have been asked to sign a Non Disclosure Agreement prior to commencement of employment. The purpose of the Non Disclosure Agreement is to ensure that all employees agree that all information acquired while working at Davis + Henderson concerning the business and operation of the company will be kept confidential and protected from unauthorized disclosure both during and after employment with Davis + Henderson.

Customer lists and information (i.e. computer/electronic files, paper records, etc.) are the property of the company.

**Employee's responsibilities:**

- *You are not to disclose any restricted, confidential or internal information about Davis + Henderson without the proper authorization. Requests for this type of information are to be forwarded to your Manager.*
- *You are not to remove any proprietary information from company premises without permission from your manager.*
- *You are not to give testimony about Davis + Henderson or general industry policies or business practices in a court of law in matters not involving Davis + Henderson as a party without prior authorization from your manager.*
- *Should you leave the service of Davis + Henderson, you are obligated to continue safeguarding the privacy of both customers and employees, and to protect the confidentiality of the company's business indefinitely. Specific customer information – including names, lists, profiles, data, etc. – is not to be used in subsequent employment situations. Any customer or proprietary information you have in your possession is to be returned to the organization when you leave.*

**Information Shared with Third Parties**

In the course of regular business activities, Davis + Henderson frequently enters into contracts with a variety of outside parties including vendors, suppliers, service providers, etc., often resulting in the exchange of information.

**Employee's responsibilities:**

- *You are to share restricted, confidential or internal information about Davis + Henderson only with third parties who have undertaken in writing to keep the information confidential in accordance with Davis + Henderson's requirements and then you may share only that information which is needed to satisfy the conditions of the contract and only with those who need to know. Similarly, you are not to share any confidential information about an outside party (vendor, supplier, service provider, etc.) except to satisfy the obligations outlined in the contract with those who need to know.*

**Solicitation**

Employees should be able to enjoy a work environment where others do not unduly solicit them on issues unrelated to their legitimate work.

**Employee's responsibilities:**

- *You are not to solicit employees for non-company-related business on company premises without first receiving approval from your manager.*

**3. Fairness**

***At Davis + Henderson, we are committed to fair dealings, honesty and integrity in the conduct of our business. We take our responsibility to our security holders, customers, suppliers, competitors and employees very seriously.***

**Equal Opportunity**

Davis + Henderson is committed to promoting equal opportunity in all dealings with security holders, customers, suppliers, competitors and employees.

Davis + Henderson abides by the non-discrimination or human rights legislature in the various jurisdictions where we operate. These laws often prohibit discrimination on various grounds, with some examples being race, colour, religion/creed, age, gender, marital status, sexual orientation, or disability.

**Employee's responsibilities:**

- *You are not to engage in discriminatory practices that are contrary to the principles established for Davis + Henderson.*

**Free Competition**

Davis + Henderson is committed to free competition and does not support any agreements, actions or concerted practices that restrict or impede fair competition.

**Employee's responsibilities:**

- *You are to avoid any collusive, anti-competitive discussions and/or agreements with competitors.*
- *You are to use only fair and honest sales and negotiating methods. At the same time, you are to avoid any sales practices that could be misconstrued as an attempt to impose undue pressure on or coerce a customer into obtaining a product or service from Davis + Henderson as a condition of closing a sale.*

**4. Corporate Responsibility**

***It is our duty as a corporate citizen to add value to society while earning a profit for our unitholders. Davis + Henderson takes responsibility for the effects of its actions, both social and economic.***

## **Political Contributions**

Davis + Henderson will make only those contributions permitted by law to a political party, candidate, or campaign and only as an expression of responsible citizenship – not to “purchase” favours or to gain improper advantage. Contributions to political parties, riding associations, and candidates are not included in the corporate philanthropy program.

### ***Employee’s responsibilities:***

- *You are not to make political contributions in the name of Davis + Henderson unless you are specifically and explicitly mandated by the company to do so.*
- *Should you choose to become involved in political activity, you do so on your own behalf and not as a representative of Davis + Henderson. You are not, in any way, to use your affiliation with Davis + Henderson in a marketing fashion.*

## **Social Responsibility**

Davis + Henderson focuses its proactive Social Responsibility efforts into three major pillars that both serve to improve our communities through what really matters, and just as importantly, support the values and beliefs of our customers. They are Education and Youth; Health and Wellness; and Arts and Culture.

### ***Employee’s responsibilities:***

- *You are encouraged to support community and /or charitable organizations. See Human Resources to learn more about Davis + Henderson’s policies (i.e. Employee-directed donations).*

## **Environmental Responsibility**

Davis + Henderson is committed to environmentally sound principles and practices as outlined in our Environmental Policy. We are committed to managing our business to promote these aims.

### ***Employee’s responsibilities:***

- *You need to manage all aspects of your work to ensure environmental laws and recognized standards are met or exceeded.*

## **5. Honouring Our Trust in You**

### **Misappropriation**

Davis + Henderson is obliged to safeguard the assets of its customers and of the business at all times, and to protect them from all forms of misuse.

### ***Employee’s responsibilities:***

- *You must not, under any circumstances, misappropriate funds, property or other assets, or knowingly assist another individual to do so. Similarly, you are not to convert any assets that do not belong to you, or use them for the benefit of yourself or anyone other than the rightful owners. You are not to knowingly assist another in this pursuit.*

## **Electronic Mail / Internet Use**

Internet access and e-mail are provided to employees as a tool to support their business needs. All computer equipment as well as the files and data stored on that equipment – including Internet access and any e-mail messages – remain the property of the company. Davis + Henderson reserves the right to monitor logs detailing their employees' Internet usage, electronic mail and computer files at any time.

### ***Employee's responsibilities:***

- *If you have Internet access on your computer, you are required to follow standard Davis + Henderson protocols governing ID's, passwords and security, and are responsible and accountable for any and all activities related to their use. Any observed or suspected security incidents or lapses are to be reported as expeditiously as possible to the Technology Services department.*
- *You are not to participate in Internet chat rooms or newsgroups relating to Davis + Henderson or Davis + Henderson's publicly offered units.*
- *You are not to access or download obscene or offensive material of any type including images of a sexual or racial nature.*
- *You are not to violate copyright, trademark or patent laws, or any other legal right (please refer also to "Copyright" in the section entitled "Compliance with the Law").*

## **Reporting of Irregularities and Dishonesty**

Employees also share responsibility for ensuring that honesty and integrity prevail within the workplace, and for protecting the rights and assets of customers and the reputation of Davis + Henderson.

You will be protected from any adverse repercussions arising from reporting irregularities.

### ***Employee's responsibilities:***

- *If you become aware of any dishonest or illegal activities, of any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest, of the falsification of records or returns by another employee, of any breach of this Code of Business Conduct and Ethics, or of any other serious infraction that has occurred either inside or outside the company, you are to promptly report the facts to your manager, senior management or to Human Resources. In addition to any other reporting requirements, breaches and waivers of the provisions of this Code of Business Conduct and Ethics involving executive officers or concerns regarding accounting, internal controls or auditing matters can be reported to the Chair of the Audit Committee, Davis + Henderson Income Fund, P.O. Box 47577, 939 Lawrence Ave. E., Don Mills, ON M3C 3S7*

## **Compliance with Instructions**

Employees of Davis + Henderson are expected to perform the work they have been assigned, and as requested, consistent with the authorities they have been granted and with the applicable policies, procedures or standards.

### ***Employee's responsibilities:***

- *You are expected to work within the boundaries of what you have been authorized to perform such as production and service provision, delegated authorities, policy requirements, etc.*
- *You are expected to comply promptly with all instructions received from a supervisor, unless the instruction specifically violates a Davis + Henderson principle or rule, or could result in a health or safety risk.*

## 6. OBJECTIVITY

***The judgments we make as employees will be independent of personal interests arising from other business dealings or obligations created by social relationships or personal favours.***

### **Payments, Gifts, Entertainment**

Employees are encouraged to consider the motive behind business gifts and entertainment and are to ensure that the practice is done only in the spirit of business courtesy and relationship management and in no way creates an environment where one party feels a sense of obligation to the other party. As a guide, a modest value of approximately \$100.00 CDN should be applied in assessing what is acceptable to give or to accept.

The value of business entertainment may generally exceed the guidelines above, since some commonly accepted business invitations include, for example, event tickets (i.e. sports, arts, etc.). Therefore, in the case of business entertainment only, the entertainment must still be considered moderate, must in no way create a sense of obligation, and is to be of a style or value commonly accepted for business occasions. If in doubt, as to what is considered acceptable, seek guidance from your manager prior to accepting or extending an invitation.

The same considerations apply for payments, gifts or entertainment provided to employees as well as to those personally associated with employees, including friends or relatives, where the motive could be perceived as attempting to influence the employee.

#### ***Employee's responsibilities:***

- *You are not to be involved in any act that could be interpreted as seeking, receiving or dispensing a bribe, kickback or questionable payment. It is unethical and generally illegal.*
- *You may supply or accept modest gifts, favours, entertainment or services provided they:*
  - *do not consist of cash, bonds, or negotiable securities*
  - *are unlikely to be interpreted as a bribe or other improper payment*
  - *conform with generally accepted ethical and legal standards as well as public disclosure requirements*
  - *will not embarrass Davis + Henderson or the recipient*

### **Conflicts of Interest**

Employees are expected to behave in a fashion which avoids the impression of a conflict of interest. Employees are encouraged to familiarize themselves with the types of situations that could give rise to a perception of a conflict of interest and to handle themselves accordingly.

#### ***Employee's responsibilities:***

- *Your primary business loyalty is to Davis + Henderson. You are to avoid any situation that could result in a conflict of interest or in the perception of one.*
- *If you are in any way involved in a transaction or agreement undertaken by Davis + Henderson in which you, or a party related to you, has a material interest in the business, you must immediately disclose that to your supervisor or other senior individual.*
- *Any decision made by you in the course of your work is to be:*
  - *made in an objective manner*
  - *based solely on the best interests of Davis + Henderson*
  - *unaffected by any consideration of personal gain for you or for anyone personally associated with you including friends and relatives*

- You may accept other employment while employed at Davis + Henderson providing it:
  - is legal
  - is not with a competitor
  - will not result in a conflict of interest
  - will not interfere with your work performance at Davis + Henderson

## **Directorships**

Employees who are invited to sit on the boards of external organizations or to accept other appointments may do so, providing they have pre-approval from their manager and Human Resources.

### **Employee's responsibilities:**

- Before accepting a directorship or similar appointment you are to have the prior approval of your employer.

## **7. INTEGRITY**

***As representatives of Davis + Henderson, we are committed to honesty and integrity in the conduct of our business.***

### **Telling the Truth**

Employees should evaluate all communications for which they are responsible to ensure information is true and does not mislead the public, either directly or indirectly.

### **Employee's responsibilities:**

- You are to tell the truth in all communications, making every reasonable effort to provide full, fair, accurate, timely, and understandable disclosure in reports, documents and communications, and to avoid errors, omissions, or misunderstandings in statements issued on behalf of Davis + Henderson.
- If you are aware of a significant error or omission, or misunderstanding in a statement issued on behalf of Davis + Henderson, you must bring this to the attention of the appropriate person(s).

### **Integrity of Records**

The records of Davis + Henderson are to be maintained with integrity and are to accurately reflect all business dealings.

### **Employee's responsibilities:**

- You are to ensure that all transactions, documents, agreements and dealings are recorded and maintained in an accurate and timely manner, and that such records are managed in accordance with records management policies.

### **Employee Character**

Davis + Henderson serves the customers of its financial institution customers and requires employees whose integrity is beyond reproach.

### **Employee's responsibilities:**

- You are to avoid any conduct or association which could bring your honesty, integrity or trustworthiness into question, or which could be detrimental to Davis + Henderson's security or to its reputation within the community.

## **8. Individual Responsibility**

***As responsible women and men, we treat each other with respect. Our working relationships are based on candour, openness and our commitment to empower others rather than to exploit them.***

### **Harassment**

Employees have a right to work in an environment that is free from harassment. As a result, as an employer we will take every reasonable measure to ensure that no employee is subjected to such abuse.

Harassment involves conduct that interferes with a climate of understanding and a mutual respect for the dignity and worth of each person. It undermines the integrity of the employment relationship, erodes morale and interferes with the productivity of its victims and their co-workers. Examples of harassment include, but are not limited to:

- verbal abuse or threats
-