

***CORPORATE CODE OF CONDUCT***

Approved by the Board of Directors

**STATEMENT OF PRINCIPLE**

British Columbia Railway Company (the "Company") is committed to fulfilling its shareholder's mandate while providing efficient and integrated services on a commercial basis. All company actions and decisions will be predicated upon the principles of honesty, integrity and fairness when dealing with employees, customers, suppliers, the general public and others.

**Business Practice**

**Doing What Is Fair and Honest**

Honesty and fairness are part of our corporate values and form the foundation for our corporate actions. It is everyone's responsibility to maintain the highest standards of honesty, integrity and fairness when conducting Company business.

**Complying With the Law**

We must all comply with the letter and the spirit of the laws of British Columbia and Canada, and those of other jurisdictions where we do business.

**Treating All People Equally and With Respect**

We will treat all people equally and with respect regardless of race, religion, colour, ancestry, place of origin, marital status, family status, physical or mental disability, sex or sexual orientation, age, political belief, and criminal or summary conviction unrelated to employment.

**Conducting Ourselves Appropriately**

As employees, we represent our Company to customers, suppliers, and the public. Therefore, conducting ourselves appropriately is an important part of doing things right and doing the right things.

**Obligations to Our Company**

Our primary duty in our work is to protect and promote the best interests of our Company. When acting on behalf of our Company, we must act only in its best interests and only within the limits of the authority given to us.

**Community Involvement**

Employees are encouraged to be involved in the community, as long as the activities do not conflict with the interests of our Company and as long as job responsibilities receive our full business attention and commitment.

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**INTEGRITY, IMPARTIALITY AND ACCOUNTABILITY**

**Conflict of Interest**

We must distinguish between personal interests and those of our Company to avoid conflict between the two. At all times, we should avoid situations where our personal interests or those of our family, business associates, or friends could be or could be perceived to be in conflict with our Company's interests.

**Conflict of Interest Principles**

**Use of Position**

We must not take advantage of our position to obtain or provide inappropriate benefits for ourselves, family members, business associates or friends. Benefits will be deemed to be inappropriate if it could be perceived that they are obtained or provided through favouritism or conflict of interest.

**Relationships With Others**

We should not place ourselves in situations where we are or appear to be under the obligation or influence of anyone who is or may be doing business with our Company including customers, suppliers, contractors, competitors or other employees.

**Business Relationship With Our Company**

We must not, directly or indirectly, provide business products or services to our Company, or enter into any business contract with our Company, outside of our regular employment. Any exceptions must first be contractually documented as to the full extent of our interest and must be granted prior written approval by the Executive and/or Board of our company.

**Conflict of Interest Disclosure**

Employees who have reason to believe they or others are not following this Code of Conduct or those who need guidance or clarification of these guidelines must contact their immediate supervisor or any member of the Executive, who shall confidentially deal with the matter. Matters which cannot promptly be resolved by these persons should be reported to the Ethics Advisor.

Employees who have any financial interest in a supplier, customer, competitor or contractor of our company or who are associated with any business enterprise as a consultant, contractor, agent, employee, officer, director, partner, or sole proprietor must disclose their activities to the Ethics Advisor.

### **Future Employment Restrictions**

After your employment with the Company ends, you must not disclose confidential information that you obtained through your employment.

Executives (CEO and CFO) that have had substantial involvement with an outside entity within the last year of their employment, must not accept an offer of employment or a contract to provide services to that outside entity for one year following the end of employment with the Company, unless approved in advance by the BC Public Service Agency.

### **Offering or Accepting Gifts and Benefits**

Offering or accepting gifts or benefits from customers, suppliers, and others may present a conflict of interest. Some gifts or benefits are acceptable, others are not. Employees should consider the circumstances, timing and nature of the gift when deciding whether it is appropriate. Generally, it is inappropriate to offer or accept gifts or benefits other than:

- The normal exchange of hospitality between persons doing business together, or,
- Token gifts (maximum value of \$100) exchanged as part of protocol, or,
- The normal presentation of gifts to persons participating in public or Company functions.

### **Outside Interests/Impartiality**

#### **Political Contributions**

To remain impartial, our Company does not use Company funds, goods, or services as contributions to political parties, candidates, campaigns or referenda.

#### **Other Employment and Business**

Employees who are also self-employed, work for another employer, or are involved in other businesses must ensure that these activities do not interfere with job duties or conflict with our Company's interests.

### **Personal Conduct**

#### **Hiring of Employee's Relatives**

For permanent positions, if an employee's relative is chosen as one of the final candidates, a third party with no knowledge of the family relationship will conduct an independent review of candidates, to avoid favouritism or conflict of interest or the appearance of favouritism or conflict of interest in hiring. The above practice also applies to internal promotion applications.

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Our Company also may hire people for summer or casual employment and will utilize a third party to conduct an independent review of candidates to ensure equality of opportunity between candidates who are relatives of employees and candidates who are not.

A relative of an employee should not report directly or indirectly to the related employee unless appropriate safeguards are put in place to avoid favouritism or conflict of interest or the appearance of favouritism or conflict of interest.

**Use of Corporate Property**

Our Company's property, including premises, equipment, materials, software and data, is not an employee's personal property. It is only to be used for Company purposes. We must exercise all reasonable care to protect Company property against loss or damage. We must not use or allow others to use Company property for personal benefit.

**PROTECTION OF PRIVACY**

**Maintaining Confidentiality**

All Company information which is not generally available to the public is confidential. We must maintain the confidentiality of any information we receive and must not release it to anyone except those authorized to receive it or as required by law.

**Employee Responsibility**

Employees of our company are required to exercise a level of care and attention to the security and privacy of the data they handle which is commensurate with good commercial practice and as required by law.

Employees will not disclose information which might impair our company's competitiveness or which might violate the privacy rights of individuals or the confidentiality interests of enterprises or institutions.

Employees will therefore not discuss or disclose any confidential information about our company or in possession of our company unless such disclosure has been authorized by an Officer of our company or is required by law.

This corporate policy extends to include not just all of our company's records, reports, and other information but also such information of others to which our company has been permitted access and owes a duty to maintain confidentiality.

Employees must also be aware that their responsibility for maintaining the confidentiality of information continues outside the workplace and after leaving our company.

Employees must also be aware of their responsibilities related to all corporate policies including, but not limited to the British Columbia Railway Company Environmental Code of Conduct Policy (BCRC-13), the British Columbia Railway Company Occupational Health and Safety Policy

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(BCRC 11), Port Subdivision Occupational Health and Safety Policy (BCRC-12) and the British Columbia Railway Whistleblower Policy (BCRC-20).

**Company Responsibility**

In protecting the confidentiality of its information our company will:

- Secure the legal rights to any business and scientific information that rightfully belongs to our company.
- Take such steps as necessary to prevent the unauthorized use or release of:
  - Confidential trade secrets
  - Proprietary business information
  - Technical, scientific or computer information owned by or beneficial to our company.
- Prohibit employees or consultants from wrongfully acquiring, disclosing or using any trade secret, intellectual property, proprietary or confidential information in connection with their employment at our company.

**PROTECTION OF GENERAL CORPORATE INFORMATION**

**Property Rights of Others**

We must protect and honour the ownership rights of others in their products, software and information, keeping such information confidential and using such products, software and information only for authorized purposes.

**Maintaining Accurate Financial Records**

Every transaction, payment, receipt, asset and liability must be accurately and promptly recorded in our Company's books in accordance with generally accepted accounting principles.

**COMMITMENT AND COMPLIANCE WITH CODE**

**Monitoring Compliance**

All employees are responsible for ensuring that this Code of Conduct is observed. Failure to observe this Code of Conduct may result in disciplinary action including suspension and (or) dismissal.

**Certification**

All employees are required to provide an annual Code of Conduct certification confirming that they have read, understood and are in compliance with this Code of Conduct.

**APPENDIX A**

**BRITISH COLUMBIA RAILWAY COMPANY**

**Corporate Code of Conduct**

**Employee Certification**

I, \_\_\_\_\_, hereby confirm that I have read, understood and am in compliance with the British Columbia Railway Company Corporate Code of Conduct, effective July 15, 2004 as amended by the Board of Directors from time to time.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
*Employee Signature*

**ENVIRONMENTAL CODE OF CONDUCT  
POLICY**

Approved by the Environment & Safety Committee

**POLICY:**

British Columbia Railway Company ("BCRC") is committed to ensuring that its operations and activities are carried out in a manner that is consistent with current business standards and in compliance with applicable regulatory requirements to minimize adverse environmental impacts associated with its operations and activities. In support of and in applying this commitment, BCRC and its subsidiaries will pursue the following specific business practices:

**BUSINESS PRACTICE:**

**Regulatory Compliance**

BCRC will comply with all applicable environmental laws and regulations and, in addition, will endeavour to anticipate and pro-actively deal with future regulatory initiatives.

**Awareness**

BCRC will foster amongst its employees an awareness of corporate environmental policies for environmental protection.

**Management**

BCRC will annually review and update a Five-Year Environmental Management Plan, which will identify and prioritize concerns, include plans and objectives for the management of environmental initiatives and document progress in implementing those plans and achieving those objectives.

**Environmental Audits**

BCRC will, consistent with the applicable legislative and contractual framework, conduct periodic environmental audits and inspections of its facilities, including those of its tenants, and re-evaluate priorities with the objective of ensuring that timely and appropriate corrective action is taken, consistent with strategic goals and plans set out in the Five-Year Environmental Management Plan.

**Resources**

BCRC will provide adequate human, material and financial resources to address environmental matters in a timely and effective manner.

**Contractors, Vendors, Consultants and Tenants**

BCRC will promote good environmental practices amongst contractors, vendors, consultants and tenants with whom BCRC has a contractual relationship.

**OCCUPATIONAL HEALTH & SAFETY  
POLICY**

Approved by the Environment & Safety Committee

Management at British Columbia Railway Company ("BCRC") is responsible and accountable for creating and maintaining a safe, healthy work environment through:

- effective health & safety programs;
- regular monitoring of workplace conditions;
- employee training; and
- providing guidance and support to safety efforts of subsidiaries.

Employees are responsible for working safely within this environment by:

- following established safety and operating rules/procedures;
- maintaining situational awareness if working in a potentially hazardous environment; and
- taking all reasonable precautions to protect themselves, their co-workers and company property.

BCRC, its subsidiaries and employees recognize that safety is a condition of employment, requiring:

- a culture where safety is a value, not a priority subject to change;
- an environment where employees look out for one another and participate in improving the safety of all work processes;
- a culture of mutual trust and respect, where employees are encouraged to identify safety concerns and assist in their resolution; and
- an environment where employees are empowered and are joint owners of the safety mandate.

Safety is vital to the overall success of an organization. BCRC will meet or exceed occupational health and safety regulatory requirements in the areas of health, safety, ergonomics, occupational hygiene and public safety. BCRC will provide the support and monitoring necessary to ensure that its subsidiary companies are successful with safety programs, monitor progress, measure success, and take positive steps to address shortcomings.

No job at BCRC will ever be so important that the time cannot be taken to do it safely.



**PORT SUBDIVISION OCCUPATIONAL  
HEALTH & SAFETY POLICY**

Approved by the Environment & Safety Committee

BCRC, through its operating subsidiary BCR Properties Ltd., is committed to operating a safe, cost effective railway in the efficient movement of rail traffic over its Port Subdivision, through to Roberts Bank in the Port of Vancouver. The goal is to have zero safety incidents and zero employee lost time injuries and will be realized through continuous improvements in safety management as measured year-over-year with a target of:

- Zero employee lost-time injuries
- Zero incidents arising from Port Sub's dispatch and control of train movements
- Zero related property damage

BCRC will achieve this objective through its commitment to occupational health and safety and partnering with management employees, railways accessing Port Subdivision tracks through Joint Section Agreements, customers and contractors in the prevention of accidents.

Management at the Port Subdivision is responsible and accountable for creating and maintaining a safe work environment through:

- regular inspections of the workplace
- monitoring employee compliance with rules and guidelines
- immediate follow-up intervention where rules and guidelines are violated
- providing guidance and support to all safety initiatives

All employees are responsible for working safely within this environment by:

- familiarizing themselves with all applicable workplace rules and guidelines
- following established safety and operating rules and procedures
- maintaining situational awareness in any potentially hazardous workplace
- taking all reasonable precautions to protect themselves, their co-workers and Port Sub property
- support of the Port Subdivision Safety Management System

Recognizing that safety is a condition of employment, BCRC needs to sustain:

- a culture where safety is a value and a priority
- an environment where employees look out for one another and actively participate in improving the safety of work processes
- an environment where employees are empowered and are joint owners of the Safety Management System

Safety is vital to the efficient operation of the Port Subdivision and success in serving all stakeholders. BCRC will meet or exceed all existing OH&S regulatory requirements and will strive to improve the areas of health, safety, ergonomics, occupational hygiene and public safety. BCRC will provide the support needed to ensure the success of the Port Subdivision Safety Management System, monitor progress, measure success and take positive steps to address any shortcomings.

## **WHISTLEBLOWER POLICY**

Approved by the Board of Directors

### **Policy**

BCRC's Corporate Code of Conduct (Policy BCRC - 09) requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of BCRC, we must practice honest and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

### **Reporting Responsibility**

It is the responsibility of all directors, officers and employees to comply with the Code and to report violations or suspected violations in accordance with this **Whistleblower Policy**.

### **No Retaliation**

No director, officer or employee who in good faith reports a violation of the Code shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This **Whistleblower Policy** is intended to encourage and enable employees and others to raise serious concerns within the Organization prior to seeking resolution outside the Organization.

### **Reporting Violations**

The Corporate Code of Conduct addresses BCRC's open door policy and suggests that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with the Ethics Advisor or any one of the Executives whom you are comfortable in approaching. Supervisors and managers are required to report suspected violations of the Code of Conduct to the Organization's Compliance Officer, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when you are not satisfied or uncomfortable with following BCRC's open door policy, individuals should contact BCRC's Compliance Officer directly.

### **Compliance Officer**

BCRC's Compliance Officer is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code and, at his discretion, shall advise the President and/or Chairman of the Board. The Compliance Officer has direct access to the Board of Directors and is required to report to the Board at least annually on compliance

activity. BCRC's Compliance Officer is the Deputy Minister of the Ministry of Transportation & Infrastructure.

#### **Accounting and Auditing Matters**

The Board of Directors shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Compliance Officer shall immediately notify the Board of any such complaint and work with the Board until the matter is resolved.

#### **Acting in Good Faith**

Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

#### **Confidentiality**

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

#### **Handling of Reported Violations**

The Compliance Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

BCRC's Ethics Advisor is Mrs. Shelley Westerhout Hardman, Manager Administration & Corporate Secretary. Telephone: (604) 678-4737 Email: westerhouts@bcrp.ca.

BCRC's Compliance Officer is Mr. Grant Main, Deputy Minister, Ministry of Transportation & Infrastructure. Email: Grant.Main@gov.bc.ca.