



Corporate Policies

Section A – Code of Business Conduct

Clearwater Ethics Hotline

1-855-484-CARE (2273)

Email: useCARE@ca.gt.com

Website: www.GrantThorntonCARE.ca

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Application

Reference in these policies to “Clearwater” or “the Corporation” include Clearwater Seafoods Incorporated, Clearwater Seafoods Limited Partnership and its Managing General Partner, CS ManPar Inc., and their subsidiaries. These policies apply to all directors, officers and employees of the Corporation and references to “employees” shall include officers and directors of the Corporation.

SECTION A - CODE OF BUSINESS CONDUCT

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Email: useCARE@ca.gt.com

Website: www.GrantThorntonCARE.ca

1. Clearwater Code of Business Conduct

- Be honest, fair and trustworthy in all of your Clearwater activities and relationships
- Avoid all conflicts of interest between work and personal affairs
- Foster an atmosphere in which fair employment practices extend to every member of the diverse Clearwater community
- Strive to create a safe workplace and to protect the environment
- Through leadership at all levels, sustain a culture where ethical conduct is recognized, valued, and exemplified by all employees

Every employee of the Corporation occupies a position of trust. In varying measure, each employee represents the Corporation in his or her relations with others – whether with customers, suppliers, other employees, competitors, governments, investors or the general public. Whatever the area of activity and whatever the degree of responsibility, the Corporation expects each individual to act in a manner that will enhance the Corporation’s reputation for honesty, integrity and the faithful performance of its undertakings and obligations.

Every employee has the responsibility to obey the law and act ethically. To that end, this Code of Business Conduct (the “Code”) is a guide that is intended to sensitize employees to significant legal and ethical issues that arise frequently and to the mechanisms available to report illegal or unethical conduct. It is not, however, a comprehensive document that addresses every legal or ethical issue that an employee may confront, nor is it a summary of all laws and policies that apply to our business. Ultimately, no code of business conduct and ethics can replace the thoughtful behavior of an ethical employee.

If you have any questions about this Code or are concerned about conduct you believe violates our policies or the law, you should consult with the General Counsel.

The provisions of this Code, as set forth below in Sections 1 to 23, are mandatory and full compliance is expected under all circumstances. This Code affirms the Corporation’s commitment to uphold high moral and ethical standards and to specify the basic norms of behavior for those who are involved in representing it.

Failure to comply with this Code can have severe consequences for both the employee and the Corporation. The Corporation will impose appropriate discipline that may include discharge for violations of this Code. Furthermore, conduct that violates this Code may also violate federal or provincial laws, or laws of other jurisdictions, and can subject both the Corporation and the employee to prosecution and legal sanctions.

2. Compliance with the law

The Corporation and its employees shall comply fully with all lawful requirements, domestic and foreign, applicable to the Corporation's business. Whenever an employee is in doubt about the application or interpretation of any legal requirement, the employee should refer the matter to his or her superior who, if necessary, should seek the advice of the General Counsel. Many of the Corporation's activities are subject to complex and changing laws, in Canada and other countries, affecting both local and foreign trade and commerce. Ignorance of the law is not, in general, a defense should such laws be contravened; moreover, agreements or arrangements need not necessarily be in writing to be contradictory to such laws since it is possible for a contravention to be inferred from the conduct of the parties. Accordingly, employees must diligently ensure that they are aware of, and that their conduct cannot be interpreted as being in contravention of, laws governing the affairs of the Corporation in any jurisdiction where it carries on business.

An employee who occupies a position of business unit manager, business unit controller, or corporate finance staff ("Financial Manager") shall be held to an elevated standard of ethical conduct. In addition to being bound by this Code, all Financial Managers shall be provided a Statement of Ethical Conduct for Financial Managers ("Code for Financial Managers"), which shall be signed and acknowledged by each Financial Manager.

In cases where, as an alternative to employment, an individual is engaged under contract to provide services to the Corporation and that individual deals on behalf of the Corporation with government officials or political parties or candidates, or has access to confidential information, such individual will be provided with a copy of this Code and shall sign a prescribed form of acknowledgement, and in connection with the provision of service to the Corporation, this Code shall apply to such individual as fully as if he or she were an employee of the Corporation.

Although the various matters dealt with in this Code do not cover the full spectrum of employee activities, they are indicative of the Corporation's commitment to the maintenance of high standards of conduct and are to be considered descriptive of the type of behavior expected from employees in all circumstances. This Code includes statements of goals and expectations for individual and business conduct.

3. What employees must do

Understand Clearwater policies

- a. Gain a general understanding of policy requirements summarized in this document
- b. Learn the details of policies relevant to your job
- c. Go to your manager, the General Counsel, or other Clearwater resources with any questions about policies

Raise your concerns

- a. Promptly raise any concerns about potential violations of any Clearwater policy
- b. If a concern you raise is not resolved, pursue the issue

- c. Cooperate with investigations related to integrity concerns

4. What leaders must do

Prevent compliance issues

- a. Identify business compliance risks
- b. Ensure that processes, tailored to address your particular risk areas, are communicated and implemented
- c. Provide education on Clearwater policies and applicable law to employees and (where appropriate) board members and third parties

Detect compliance issues

Implement control measures to detect heightened compliance risks and/or violations

Respond to compliance issues

- a. Take prompt, corrective action to fix identified compliance weaknesses
- b. Take appropriate disciplinary action
- c. Consult with the Corporate Compliance Officer and make appropriate disclosures to regulators and law enforcement authorities

5. Duty to report

Every employee has a duty to adhere to this Code and all of the Corporation's policies and to report to the Corporation any suspected violations. An employee who becomes aware of a violation or possible violation of this Code or any of the Corporation's policies must report that information immediately to his or her superior or a senior officer of the Corporation. The Corporation has an Ethics Hotline and has engaged an external entity, Grant Thornton LLP, to accept reports of any questionable accounting or auditing matters, or any fraudulent or unlawful behaviour in a confidential and independent manner. Grant Thornton is a Canadian firm of chartered accountants, management consultants and other professional advisors. Any employee who has such concerns is encouraged to make use of this service by calling 1-855-484-CARE (2273), email useCARE@ca.gt.com or use the secure website at GrantThorntonCARE.ca. More information relating to the Ethics Hotline is available on the Corporation's website. Alternatively, an employee may report such concerns on an anonymous basis (or otherwise) by addressing a written submission to the Chair of the Audit Committee. Reception at the Bedford Corporate office will provide contact information.

The Corporation will not pursue and will defend any form of penalty, legal sanction, or retaliation against an employee who is not in violation of the code and has truthfully and in good faith:

- Reported violations of this Code;

- Lawfully provided information or assistance in an investigation regarding any conduct, which the employee reasonably believes constitutes a violation of applicable securities laws or applicable federal laws relating to fraud against shareholders;
- Filed, caused to be filed, testified, participated in or otherwise assisted in a proceeding related to a violation of applicable securities laws or applicable federal laws relating to fraud against shareholders; or
- Provided a law enforcement officer with truthful information regarding the commission or possible commission of a federal offense,

6. Our collective obligation to raise integrity concerns

- **Raise concerns early** – the longer we wait to raise a concern, the worse it may become
- **You may remain anonymous** – however, if you identify yourself, we are able to follow up with you and provide feedback
- **Confidentiality is respected** – your identity and the information you provide will be shared only on a “need to know” basis with those responsible for resolving the concern
- **Retaliation violates Clearwater policy** – Clearwater absolutely prohibits retaliation against anyone for raising or helping to address an integrity concern. Retaliation is grounds for discipline up to and including dismissal

Working with Customers, Suppliers and Governments

7. Improper Payments

There is never a situation where giving or accepting an improper payment in order to gain either personal or corporate advantage is acceptable, furthermore, it exposes the employee, and the Corporation to possible criminal prosecution. The Corporation does not allow any form of improper payment to be given or accepted in any form of business dealing, in any country in the world, with either governments or the private sector.

Employees shall not offer, pay, promise or authorize any bribe, kickback or other improper payment or benefit in money or in any kind, to any government or commercial customer, employee, investor, client, broker, agent, contractor, dealer or any other person or entity.

No employee shall receive a bribe, kickback or improper payment or improper benefit of any kind, from any customer, supplier or any other person or entity that has any business relationship with the Corporation.

There is a difference between improper payments, and reasonable and limited expenditures for gifts. The two should not be confused. Reasonable and limited expenditures for gifts may be modest gifts, favors, and entertainment to persons, other than public officials, provided they are subject to Clearwater’s corporate and business guidelines.

Guidance with respect to Canadian and Foreign Officials is provided below.

Gifts and Entertainment

- Gifts must have a value of less than \$500;
- May not be in cash or other negotiable instruments;
- Must conform to general and accepted business practices;
- Must not contravene any law and are made in accordance with generally accepted local ethical practices;
- If subsequently disclosed to the public, their provision would not in any way embarrass the Corporation or their recipients

Remember: Reasonable expenses for the entertainment of customers, prospective employees or business associates are permissible on the part of employees whose duties embrace the provision of such entertainment, provided proper accounting is made.

What to do

- **Before giving a gift** – Engaging in customer entertainment or reimbursement, customer travel expenses, make sure you understand applicable legal requirements, the customer’s own rules, and Clearwater’s corporate and business guidelines
- **Make records of such expenditures** – Clearly and accurately reflect the true nature of the transaction
- **A business courtesy** – Such as a gift, contribution or entertainment, should never be offered under circumstances which could be perceived by others as improper

What to watch out for

- **Background information** – About existing or potential third-party representatives that indicate:
 - allegations of improper business practices
 - reputation for bribes
 - family and other relationships that could improperly influence the decision of a customer or public official
- **Any demand** – to receive a commission payment before the announcement of an award decision
- **Any suggestion to direct Clearwater business** – through a specific representative or partner due to a, “special relationship”
- **Any request** – to make a payment in a country or to a name not related to the transaction
- **A commission** – that is disproportionate to the services provided

Dealing With Canadian Public Officials

Clearwater has business contacts through and with Canadian government officials at various levels and government-owned enterprises. In the running of our business, we frequently interact with government agencies and officials. In every instance, Clearwater employees must apply the highest ethical standards and comply with applicable laws and regulations, including certain special requirements associated with government transactions. All dealings between employees of Clearwater and public officials are to be conducted in a manner that will not compromise the integrity or impugn the reputation of any public official, Clearwater, or its affiliates.

Bribery of officials of the Canadian Government or of any provincial or local government in Canada is a violation of Canada's laws and this Code of Business Conduct and is strictly prohibited. Corrupt payments to political parties, party officials or candidates for political office both violate Canada's laws and this Code of Business Conduct and are strictly prohibited.

In appropriate circumstances, Clearwater employees may furnish inexpensive gifts or modest entertainment or benefits to a Canadian public official only if he or she has received authorization to do so from the Corporate Compliance Officer or the CEO, and an expense claim is filed disclosing the expenditure and the approval of the Corporate Compliance Officer or the CEO.

The use of Clearwater's funds, goods, or services as contributions to political parties, candidates, or campaigns is forbidden, unless authorized by the Corporate Compliance Officer or the CEO. Contributions include money, or anything having value, such as loans, services, entertainment, trips, and the use of the Corporation's facilities or assets. Further, no employee is to be reimbursed for any contributions which he or she might make. The Corporation encourages political activity and political involvement by its employees acting on their own behalf, but not as representatives of the Corporation.

Legal Policy and Compliance Guide for Dealing with Foreign Public Officials

Statement of Policy

In doing business anywhere in the world, neither the Corporation nor any person or entity associated with the Corporation shall offer, pay, promise, authorize or receive any bribe, kickback or other payment or benefit in violation of the *Corruption of Foreign Public Officials Act* (Canada) ("CFPOA") or the anti-corruption laws of any other nation in which the Corporation does business.

Scope

This policy applies to all employees of the Corporation or of any joint venture or other affiliate, wherever located ("Representatives"). The policy prohibits the making or offering of certain payments directly, as well as any indirect payments through sales agents, vendors, representatives, advisors and any other third party acting on behalf of the Corporation or any affiliate ("Third Parties").

Administration and Implementation

The Corporate Compliance Officer shall be responsible for administering and interpreting the policy. The CEO and his or her designees shall give directions and maintain procedures to implement this policy as necessary.

Basic Requirements

- (a) **General Requirements.** It is the policy of the Corporation that all Representatives and Third Parties are to comply with the CFPOA and all other applicable anti-corruption laws.
- (b) **Bribery of Non-Canadian Officials Strictly Prohibited.** Compliance with the CFPOA and the anti-corruption laws of other nations is a priority for the Corporation. Representatives and Third Parties are prohibited from corruptly paying, authorizing, offering to pay or giving any value to any Government Official (as defined below) outside of Canada or to any non-Canadian political party or party official or any candidate for political office ("Other Covered Party") to obtain or retain business, direct business to any person or gain any other improper business advantage. This prohibition applies to *any* interaction with Government Officials or Other Covered parties and it prohibits corrupt payments to obtain or retain contracts and *any* other illegal payment to a Government Official or Other Covered Party. Examples of improper actions under this policy include, but are not limited to:
 - (i) payment or offer of payment to influence a Government Official's or Other Covered Party's decision to award a contract or other business opportunity to the Corporation.
 - (ii) payment or offer of payment to influence a Government Official's or Other Covered Party's decision to issue any government authorization or documentation, such as any approval, permit or license.
 - (iii) payment or offer of payment to influence a Government Official's or Other Covered Party's decision to relieve the Corporation of otherwise required government obligations, such as paying taxes, passing inspections or obtaining required permits;
 - (iv) payment or offer of payment to a Government Official or Other Covered Party to influence legislation or any judicial proceeding;
 - (v) any of the above made indirectly through a Third Party.
- (c) **Books and Records.** The Corporation and its Representatives shall take special care to ensure that any expenditure of corporate funds related to any Government Official or Other Covered Party is accurately and completely documented, regardless of the amount of such transaction.

Government Officials and Other Parties Covered by the CFPOA

- (a) **Broad Definition of "Government Officials"**. This policy applies to payments to any Government Official outside of Canada, regardless of rank or position. The definition of a Government Official is very broad. For purposes of this policy, a "Government Official" means:
- (i) any officer or employee of any federal, state, provincial, county or municipal government or government department or agency whether it be a legislative, administrative or judicial position;
 - (ii) any officer or employee of any commercial enterprise that is owned or controlled by a government;
 - (iii) any officer or employee of any public international organization that is formed by two or more states or governments, or by two or more such public international organizations, such as the International Monetary Fund, the European Union and the World Bank; or
 - (iv) any person acting in an official capacity for any government, agency, enterprise, or organization, identified above.

For avoidance of doubt, the term "Government Official" includes family members of any individual ("family member", includes the person's spouse or domestic partner and the person's spouse's grandparent's, parents, siblings, children, nieces, nephews, aunts, uncles and first cousins, the spouse or domestic partner of any of these people and any other individual who shares the same household with the person).

- (b) **Other Covered Parties**. In addition to Government Officials, this policy prohibits corrupt payments to Other Covered Parties: non-Canadian political parties, party officials and candidates for political office. This policy strictly prohibits any unlawful payment to any Government Official or Other Covered Party.

Dealing with Third Parties, Joint Ventures and Acquisitions

- (a) **Indirect Payments Prohibited**. Under applicable legal principles, the Corporation and its personnel are liable for indirect offers, promises or payments to Government Officials or Other Covered Parties made in circumstances where they have knowledge that a Government Official or Other Covered Party will be the ultimate recipient and that the offer, promise or payment is made for a corrupt purpose. Knowledge includes conscious disregard and deliberate ignorance of facts which indicate a high probability that the relevant payment will occur. Moreover, any corrupt payments made by partners or Third Parties, even without the Corporation's knowledge, can subject the Corporation to investigation, litigation, expense, bad publicity, and loss of business opportunities. Consistent with the CFPOA and other applicable laws, it is the policy of the Corporation to prohibit corrupt activities through partners, joint ventures and Third Parties in connection with any business venture in which the Corporation has an interest. To implement this policy, the Corporation shall take reasonable precautions to ensure that partners, joint ventures and Third Parties comply with this policy, including through the exercise of due care in selecting

business partners and Third Parties to ensure they are reputable, honest, and qualified for their roles, and in monitoring their activity once selected.

- (b) **"Willful Blindness" Prohibited.** In dealing with any partners or Third Parties, Representatives must be aware of any indication that such partner or Third Party may be making corrupt payments. Any such indication must be reported in accordance with this Policy. Under no circumstances may Representatives ignore signs that any partner or Third Party may be making corrupt payments in connection with any venture or activity in which the Corporation is involved or has any interest.
- (c) **Due Diligence**
- (i) **Third Parties.** It is the Corporation's policy to do business only with reputable, honest and qualified Third Parties. The Corporation shall have appropriate procedures for conducting due diligence on any Third Party who may have any contact with a Government Official or Other Covered Party in its relationship with the Corporation.
- (ii) **Partners.** It is the Corporation's policy to do business only with reputable and honest partners and to maintain appropriate procedures for conducting due diligence on any joint venture partner with whom the Corporation anticipates doing business.
- (iii) **Retention of Due Diligence Records.** The Corporation shall have appropriate procedures for retaining records of the due diligence conducted on third parties and partners.
- (d) **Contractual Protections.** Contracts with Third Parties who may have contact with Government Officials or Other Covered Parties and joint venture partners should be in writing and include appropriate anti-corruption provisions to mitigate against the risk of potential illicit payments, and provide the Corporation with means to terminate the relationship if violations exist or if the Third Party does not provide adequate assistance in any investigation of potential violations.
- (e) **Joint Venture Anti-Corruption Compliance Programs.** Any joint venture or business venture in which the Corporation has a controlling interest will be subject to this anti-corruption compliance program. To the extent that the Corporation has less than a controlling interest in the venture, the Corporation shall proceed in good faith to use its influence, to the extent reasonable under the circumstances, to cause the venture to maintain an anti-corruption compliance program, and to maintain accurate books and records and an appropriate system of internal accounting controls, consistent with applicable anti-corruption laws.
- (f) **Acquisitions.** To the extent the Corporation or any affiliate pursues the acquisition of any entity with any operations or activities outside of Canada, the due diligence process associated with the proposed acquisition shall include, to the extent possible, an appropriate review of the acquisition target's compliance with the CFPOA and other applicable anti-corruption laws. In any event, after completion of the acquisition, the Corporation shall conduct a review of the acquired entity's anti-corruption compliance posture and implement appropriate compliance measures, as needed.
- (g) **Foreign Government Contracts.** It is the Corporation's policy only to enter into government contracts that comply with all applicable laws, including the CFPOA and all other applicable anti-

corruption laws. The Corporation shall maintain appropriate procedures for ensuring compliance with contracting laws when doing business with government entities outside of Canada.

Payments that may be Permitted in Limited Circumstances

- (a) The CFPOA allows payments to or for the benefit of Government Officials or Other Covered Parties in certain limited circumstances. No payments may be made in reliance on any of the following exceptions other than in accordance with the procedures established by the CEO, including advanced written approval.
- (b) The following narrow categories of payments to or for the benefit of Government Officials or Other Covered Parties may be permissible under this policy and the CFPOA:
 - (i) **Written Laws.** Payments that are explicitly lawful under the written laws and regulations of the relevant country may be permissible. However, payments are rarely permissible under this category, because bribery is illegal in every country in the world. Payments that otherwise violate this policy, the CFPOA or local law are not proper merely because the payments are customary.
 - (ii) **Reasonable and Bona Fide Expenses.** Payments that constitute a reasonable and bona fide expense incurred by or on behalf of a Government Official or Other Covered Party that are directly related to promotion, demonstration or explanation of products or services or directly related to the execution or performance of a contract with a government, may be permissible. "Reasonable and bona fide expenses" do not include expenses that are lavish or unrelated to legitimate business purposes.

Facilitation Payments

This policy expressly forbids facilitation payments. Facilitation payments are small, customary payments made to low-level Government Officials to secure a "routine governmental action". A governmental action is routine if it is ordinarily and commonly performed by a Government Official or Other Covered Party and does not involve the exercise of discretion. Although such payments are permitted by the CFPOA in very limited circumstances, they may violate applicable local law.

Gifts, Hospitality and Entertainment

- (a) Gifts, hospitality and entertainment shall not be given, directly or indirectly, to Government Officials or Other Covered Parties to improperly influence or reward an official act or decision or as an actual or intended quid pro quo for any benefit to the Corporation.
- (b) Gifts, hospitality and entertainment promised, offered or provided on behalf of the Corporation or any affiliate to a Government Official or Other Covered Party must be reasonable, in accordance with customary courtesies, related to a legitimate business purpose and lawful under applicable laws, including the CFPOA and local law.

- (c) No payment or promise of payment for gifts, hospitality, or entertainment to any Government Official or Other Covered Party may be made by or on behalf of the Corporation or any affiliate on the basis that it is permitted as provided above unless such payment or promise has been approved in accordance with the procedures set forth in this Code of Business Conduct.

Political Contributions. Contributions of Business funds to Government Officials or Other Covered Parties to promote the Corporation's political or commercial interests are prohibited unless the contribution has been approved in accordance with the procedures set forth in this Code of Business Conduct. The Corporation will not reimburse personal political contributions.

Charitable Donations. The Corporation only makes charitable donations that are legal under the CFPOA and applicable local laws. Any charitable contribution made by or on behalf of the Corporation must be made with the approval of the Corporate Compliance Officer or the CEO.

Penalties and Discipline

- (a) The Corporation is subject to serious criminal and civil penalties for violations of the CFPOA and other applicable anti-corruption laws.
- (b) Individuals who violate the CFPOA or applicable anti-corruption laws may be subject to severe criminal and civil penalties, including imprisonment and very substantial fines, which will not be reimbursed by the Corporation. In addition, Representatives who violate the CFPOA or applicable anti-corruption laws will be subject to discipline, up to and including termination.

Periodic Risk Assessments

To the extent the Corporation enters into new countries, the CEO and Corporate Compliance Officer shall, as circumstances may warrant, assess the CFPOA and anti-corruption risks of the Corporation's business in the new markets and take appropriate action necessary to implement compliance procedures appropriate for addressing such risks.

Training and Communication

The Corporation shall effectively communicate this policy to all personnel, partners and Third Parties and provide appropriate anti-corruption education and training to appropriate personnel, including legal, accounting and internal audit personnel, involved in conducting or supervising international business operations, and to any person whose work brings him or her in contact with Government Officials or Other Covered Parties.

Monitoring

The CEO and Corporate Compliance Officer will monitor business unit implementation of policies and procedures to implement this policy.

Reporting Mechanism

Except to the extent explicitly prohibited by applicable law, Representatives are required to report violations of this policy, the CFPOA and other applicable anti-corruption laws, by Representatives or any Third Party. Personnel will not be subjected to retribution for good faith reports of suspected violations. Any violation may be reported to your supervisor, the CEO or Corporate Compliance Officer, or via the Ethics hotline: 1-888-747-7171 (in Canada), 1-403-230-6082 (International), or Email usecare@grantthornton.ca.

Reporting to Corporate Governance Committee/Board of Directors

The CEO and Corporate Compliance Officer shall provide appropriate reporting to the Audit Committee of the Board of Directors/ Board of Directors on the Corporation's efforts to ensure compliance with this policy, the CFPOA and other anti-corruption laws.

Further Information

Any questions about this policy, the CFPOA, or applicable anti-corruption laws should be directed to the Corporate Compliance Officer or the CEO.

8. Supplier Relationships

Clearwater's relationships with suppliers are based on lawful, efficient, and fair practices. We expect our suppliers to obey the laws that require them to treat workers fairly, provide a safe and healthy work environment, and protect environmental quality. Following Clearwater corporate and business guidelines helps ensure that our supplier relationships will not damage Clearwater's reputation.

What to do

- **Comply with applicable laws** – and government regulations covering supplier relationships
- **Do business** – only with suppliers that comply with local and all other applicable legal requirements and Clearwater guidelines relating to labor, the environment, and health and safety
- **Follow government acquisition regulations** – when purchasing materials and services for fulfilling government contracts
- **Safeguard Clearwater's confidential and proprietary information** – always adhere to Clearwater's confidentiality and privacy policies, and safeguard any supplier-provided information
- **Safeguard** – Data obtained from suppliers

What to watch out for

- **Choosing suppliers** – on any basis other than open, fair, competition bidding

- **Potential conflicts of interest** – in supplier selection, such as accepting improper gifts or items/expenditures of value
- **Directing business to a supplier** – owned or managed by a friend or relative
- **Unsafe conditions** – in supplier facilities
- **Supplier employees** – who appear to be under age or subject to coercion
- **Apparent disregard** – of environmental standards in supplier facilities
- **Entrusting data** – of confidential information to suppliers without ensuring that the supplier has the appropriate technical, physical, and organizational measures to prevent unauthorized access or use

9. Trade Practice Standards

Trade Practice Standards affect the transmission of goods, services, and technology across national borders. These laws apply to, and affect many aspects of Clearwater’s operations, not just the logistics of shipping our products around the world. Exchanges of information across national boundaries, including email and web access, are subject to trade standards. The Corporation shall compete vigorously and creatively in its business activities, but its efforts in the marketplace shall be conducted in a fair and ethical manner, in strict compliance with applicable trade practice laws and regulations.

What to do

- **Follow relevant Trade Practice Standards** – of all countries in which you operate as they relate to importing and exporting goods, technology, software, services, and financial transactions
- **Report all relevant information** – to your Logistics Director to ensure accurate and complete import declarations. Ensure Clearwater or its agent provides accurate and complete information to government authorities
- **Check the export controls** – of the product prior to export to determine whether special authorization is required
- **Screen your transactions** – against all applicable rules that restrict transactions with certain sanctioned countries, persons, and prohibited end uses
- **Screen all your business partners** – suppliers and parties involved in your international transactions against government provided watch lists
- **Do not cooperate with any restrictive trade practice** – or boycott that is prohibited under Canadian or applicable local laws
- **Consult with your manager** – if a transaction involves a conflict between Canadian law and applicable local laws, such as the laws adopted by the US, Mexico, and the members of the European Union

What to watch out for

- **Any facts, sometimes known as, “red flags”** – that suggest your customer may be trying to evade Trade Practice Standards and related laws

- **Evasive, reluctant, or otherwise unsatisfactory answers** – by a customer to questions about end use, delivery dates, or delivery locations
- **Involvement of parties or activities** – suspected of any connection with the development of biological, chemical, or nuclear weapons, or ballistic missiles
- **Transactions involving an embargoed country** – a citizen or representative of an embargoed country, or an individual or entity subject to government sanction
- **Invoices on imported goods** – where the price shown does not reflect the correct value, the description of the goods is vague, incorrect or incomplete, or the country or origin is not correctly identified
- **Any payment to the exporter** – or benefitting the exporter that is not included in the invoice price or otherwise reported
- **Transfer prices** – between related parties that fail to cover appropriate costs and profits
- **Use of an import tariff classification** – that does not seem to describe the imported good accurately
- **Designation of Clearwater as the importer of record** – (party responsible for an importation) without maintaining necessary processes to comply with import laws
- **Entry of goods under a preferential duty program (GSP, NAFTA, etc.)** – without supportive procedures assuring compliance with the program requirements

10. Money Laundering Prevention

Individuals involved in criminal activity (terrorism, narcotics, bribery and fraud) may attempt to “launder” the proceeds of their criminal activity in order to hide their true activities or appear legitimate. More than 100 countries now have laws against money laundering, which prohibit conducting transactions that involve proceeds of criminal activities. A related concern is that legitimate funds may be used to finance criminal activity, sometimes referred to as, “reverse” money laundering.

Clearwater is fully committed to complying with anti money laundering and anti terrorism laws around the world. Clearwater will conduct business only with reputable customers involved in legitimate business activities, with funds derived from legitimate sources. Clearwater requires employees implement due diligence procedures and take reasonable steps to prevent and detect unacceptable and suspicious forms of payment. Failing to detect customer relationships and transactions which place Clearwater at risk can severely damage Clearwater’s reputation.

What to do

- **Comply with all applicable laws** – and regulations that prohibit money laundering and support or financing of terrorism, and require the reporting of cash or suspicious transactions.
- **Know your customer procedures** – Collect and understand documentation about prospective customers, agents and business partners to ensure they are involved in legitimate business activities and their funds come from legitimate sources
- **Forms of payment** – Learn the types of payments that have become associated with money laundering (multiple money orders, travelers checks, or checks on behalf of a customer from an unknown third party)

- **If you encounter a warning sign of suspicious activity** – raise your concern with Clearwater’s Corporate Compliance Officer; be sure to resolve your concern promptly before proceeding further with transaction. Resolution should be well documented

What to watch out for

- **Customer, agent, or proposed business partner** – Who is reluctant to provide complete information or answer all of your questions, or provides false, insufficient, or suspicious information, or is anxious to avoid reporting or record keeping requirements
- **Payments** – using monetary instruments that appear to have no identifiable link to the customer, or have been identified as money laundering mechanisms
- **Attempts by a customer** – or proposed business partner to pay in cash
- **Early repayment** – in cash or cash equivalents
- **Orders, purchases or payments** – that are unusual or inconstant with the customer’s trade or business
- **Unusually complex deal structures** - payment patterns that reflect no real business purpose, or unusually favorable payment terms
- **Unusual fund transfers** – to or from countries unrelated to the transaction, or not logical for the customer
- **Transactions involving locations** – identified as secrecy havens, or areas of know terrorist activity, narcotics trafficking, or money laundering activity
- **Transactions involving foreign shell or offshore banks** – unlicensed money remitters or currency exchangers, or non bank financial intermediaries
- **Structuring of transactions to evade record keeping** – or reporting requirements (ex – multiple transactions below the reportable threshold amounts)
- **Requests to transfer money** – or return deposits to a third party or unknown or unrecognized account

11. Privacy

Consumer “personal data” is being more stringently regulated and monitored than ever before. There is Canadian privacy legislation on the collection and use of consumer personal data as well as personal data you may have with respect to employees and company representatives. Clearwater is committed to handling personal data responsibly and in compliance with applicable privacy laws.

What to do

- **Learn and comply** – with the following as they apply to personal data including:
 - a. Applicable laws and regulations of jurisdictions from which the personal data is collected and in which it is processed or used
 - b. The privacy policy of Clearwater
- **Collect, process and use personal data** – for legitimate business purposes only
- **Use “anonymous” data** – (names removed and not identified) or, “aggregated” data (summarized so as not to be identifiable to an individual) instead of personal data where appropriate or required

- **Limit access** – to personal data to individuals who need it for a legitimate business purpose
- **Use care** – to prevent unauthorized access in processing of personal data or accidental loss or destruction of personal data
- **If you learn that personal data has been used in violation** – of this policy, or if you learn that the security of any system or device containing personal data has been compromised, immediately notify your manager, or the Corporate Compliance Officer.

What to watch for

- **Inadequate access or security controls** – for personal data such as emailing, or otherwise distributing personal data to a larger group than legitimately needed, or leaving printouts with personal data at a printer, copy machine, or fax machine for others to see
- **Sharing of personal data** – with unaffiliated third parties, such as vendors or suppliers, who lack appropriate security safeguards or restrictions on information use
- **Transfer of personal data** – between countries, without considering applicable legal requirement

12. Competition Law Policy & Compliance Guide

The Corporation shall compete vigorously and creatively in its business activities, but its efforts in the marketplace shall be conducted in a fair and ethical manner in strict compliance with applicable competition and trade practice laws and regulations. Responsibility for such compliance rests with every Director, officer and employee of Clearwater.

Under no circumstances shall any employee of the Corporation be a party to any collusion or concerted effort of any type involving any competitor, vendor, supplier, customer or other party, which is in violation of competition laws and regulations designed to foster competition. Violations of applicable law could result in civil and/or criminal sanctions and private civil actions for damages either against Clearwater or individuals involved in improper conduct and could also result in unfavourable publicity.

Because competition laws are complex, employees should refer matters about which they are in doubt to the Corporation's General Counsel. Failure to comply with this policy and compliance guide or to request assistance to determine the legality of a situation may, where appropriate, result in disciplinary action up to and including termination.

Purpose

This policy and compliance guide is intended for use in the daily conduct of Clearwater's business to prevent behaviour that could contravene competition law in Canada and abroad and includes practical advice concerning rules of conduct that will help employees anticipate and prevent problems before they occur. It may also help employees identify problematic conduct on the part of Clearwater's competitors. It provides an outline of the main areas of competition law that impacts on the manner in which Clearwater must carry on business in Canada and abroad. Given

the number and variety of competition laws that may be applicable to Clearwater's business activities, this document is not intended to provide exhaustive commentary on such laws and specific legal advice should be obtained from the General Counsel if you have any concern about specific activities or operations.

Competition Act

The *Competition Act* (the "Act") is the principal legislation in Canada promoting competition among businesses in our economy. The enforcement of the Act is largely the responsibility of the Commissioner of Competition whose staff is the Competition Bureau. Most other jurisdictions in which Clearwater operates have similar laws and enforcement agencies.

In Canada (and many other jurisdictions), competition law offences form part of the criminal law. The penalties for offences under the Act can be severe and may include behavioural restrictions, fines and, in some cases, even prison terms for individuals involved in an offence.

Canadian competition law also provides for the review by the Competition Tribunal of certain practices which are not illegal in and of themselves, but which may adversely affect competition ("Reviewable Conduct"). In such circumstances, the Competition Tribunal has authority to issue a range of orders, including orders prohibiting certain types of conduct or requiring the divestiture of assets or businesses and, in certain instances, orders imposing administrative monetary penalties ("AMPs").

The Act also provides a statutory civil right of action whereby a person or corporation that has suffered loss or damage from conduct that is contrary to the criminal provisions of the Act can recover the amount of the loss or damage, plus the cost of pursuing the legal action.

What to do

- Select and deal with Clearwater's customers independently, without discussions or agreements with Clearwater's competitors or the competitors of Clearwater's customers
- Seek legal advice from the General Counsel if you are unsure of how to comply with competition law in any situation
- Preserve the confidentiality of Clearwater's competitively sensitive information at all times
- Use care and be objective and accurate in preparing written and electronic reports, correspondence and other documents

What to watch out for

- Discussing or agreeing with a competitor on prices, terms of sale or other competitively sensitive topics, or exchanging information respecting any such topics with a competitor
- Do not divide sales, customers, markets or territories with a competitor
- Fixing, controlling or eliminating production or supply of a product with a competitor
- Influencing upwards or discouraging a reduction of the sale prices of any Clearwater competitors

- Except as may be expressly permitted by applicable law, do not select and deal with Clearwater’s suppliers based on discussions or agreements with Clearwater’s competitors or the competitors of Clearwater’s suppliers
- Do not require a customer to resell at Clearwater’s suggested resale prices or influence upwards or discourage the reduction of the customer’s resale prices without first consulting the General Counsel
- Engaging in acts intended to be predatory, exclusionary or disciplinary with respect to a competitor, without first consulting the General Counsel
- Attending trade association or other meetings at which competitors are present where competitively sensitive information is discussed. Leave such meetings and have your departure recorded if these discussions occur
- Restricting the territory or class of customer to which a customer may sell products, or condition the sale of one product on the customer’s purchase of another product, or requiring a customer to purchase exclusively or primarily from Clearwater, without first consulting the General Counsel
- Entering any agreement or arrangement with a competitor without first consulting the General Counsel. This includes agreements to supply a competitor or agreements with a competitor to access its allotted quotas
- Do not sell below cost without first consulting the General Counsel
- Refusing to supply customers or otherwise discriminating against them because they have refused or failed to maintain a specified retail price or because they are “price cutters” without first consulting the General Counsel
- Do not discuss with or signal to a competitor the content of a bid or the decision not to submit a bid in response to a call for bids or to withdraw a bid
- Making a representation to another person or to the public, for the purpose of promoting any Clearwater business interest, that is false or misleading

Relations with Competitors

A. Agreements to Lessen Competition

Do not discuss or agree about anything of a competitive nature with competitors.

It will be a criminal offence for any person to agree with a competitor to fix, increase or control prices for the supply of a product, to allocate sales, territories, customers or markets for the production or supply of a product, or to fix, control, prevent or lessen the production or supply of a product. This is regardless of whether the agreement has an anti-competitive effect.

One exception to this is where the agreement is ancillary to a broader or separate *permissible* agreement that includes the same parties and is directly related to and reasonably necessary for accomplishing the otherwise lawful objectives of that broader or separate agreement. Such ancillary agreement, and any other agreement between actual or likely competitors that is likely to prevent or lessen competition substantially and that it is not a criminal offence, constitutes Reviewable Conduct and orders may be issued in respect of such agreement.

For both the criminal offence and Reviewable Conduct, an agreement may be inferred from exchanges of information between competitors.

B. Bid Rigging

The decision to submit or not to submit a bid in response to a call for bids, to withdraw a bid or tender, as well as the price or conditions of bids submitted, should not be discussed with, or otherwise communicated to, an actual or likely competitor without first consulting the General Counsel.

It is an offence for persons to agree that one or more of them will not respond to a call for bids, for persons to agree on the bids that will be submitted in response to a call for bids, or for persons to agree that one or more of them will withdraw a bid or tender submitted in response to a call for bids, where the agreement is not made known to the person requesting the bids at or before the time when the bid is made.

C. Trade Association Activities

Withdraw from conversations or meetings if topics such as prices, discounts, customers, production, supply or territories are discussed.

Never provide any confidential commercial information concerning Clearwater to a trade association or its members without first consulting the General Counsel.

Although trade associations legally engage in a number of activities, this is an area where there are many opportunities for abuse because trade associations bring competitors together for formal and informal discussions. Be alert to the legal limitations on trade association activities. The following is a guide to trade association activities:

While trade associations are an important resource that Clearwater can utilize to further its competitive interests, frequently trade association memberships include Clearwater's competitors. The gathering of competitors at any time should heighten Clearwater employees' awareness of potential competition law risks. Adherence to the guidelines that follow will assist in ensuring compliance with competition laws.

(i) Trade Association Meetings

What to do

- Always receive and review agendas for all trade association meetings prior to attending. Ensure that no items on the agenda raise competition law concerns

- Be cautious in the presence of competitors even in informal or social situations
- If a discussion of competitively sensitive information arises during a meeting, request that such discussion be stopped immediately. If your protests are ineffective, leave the meeting and request that your departure be recorded. Immediately report the incident to your supervisor and the General Counsel to preserve proof that you were not a participant in any such discussions
- Ensure you receive and carefully review the minutes of all trade association meetings. If the minutes are inaccurate or incomplete or raise any questions, insist on rectification
- Keep an up-to-date log of the trade association's charter, by-laws and minutes of all meetings

What to watch out for

- Never discuss competitively sensitive information (see (ii). below) with trade association representatives or members

(ii) Trade Association Activities

Topics that should never be discussed within trade associations or with their members (or anytime in the presence of competitors) include:

- prices (including discounts, rebates, transportation charges and credit terms) or costs;
- allocation of customers, markets or territories;
- production and supply; and
- channels or methods of distribution.

It is essential that Clearwater employees participating in trade associations seek advice from the General Counsel if they have doubts about proposed or existing trade association agreements, activities or programmes.

D. Abuse of Dominant Position

What to do

The General Counsel must be consulted before any conduct is undertaken which could be characterized as an anti-competitive act.

“Anti-competitive acts” that are performed with an intended negative effect on a competitor that is predatory, exclusionary or disciplinary, and that are engaged in by an entity with “market power”, or two or more entities exercising “joint dominance”, where the effect is to substantially lessen or prevent competition in a market constitute Reviewable Conduct. Prohibition and other orders (including orders for AMPs) may be issued in respect of such conduct by the Tribunal on application of the Commissioner.

Price signalling by competitors that leads to coordination may be the basis for the Competition Bureau to prosecute a case of joint dominance.

Relations with Customers

A. Rejecting and Terminating Customers

Clearwater is generally free to choose its customers, but some restrictions may apply.

Generally, Clearwater has the right to refuse to deal with anyone that it does not want as a customer as long as such decision is made by Clearwater unilaterally (and not pursuant to an agreement with a competitor of Clearwater or a competitor of that customer) and for valid business reasons (for example, credit reasons). However, Clearwater must not to refuse to sell to or otherwise discriminate against an existing or prospective customer because that customer is a “price cutter” without first consulting the General Counsel. Further, in certain circumstances, the Competition Tribunal may issue an order requiring Clearwater to supply products to a customer on usual trade terms if, among other reasons, no other source of supply on reasonable trade terms exists or if the refusal is an “anticompetitive act” (see D. Abuse of Dominant Position, above).

B. Acting on Complaints of Customers

Clearwater must decide independently, without influence from its customers, on how to deal with its other customers.

You may receive complaints from customers about the prices charged or the selling practices followed by other customers of Clearwater. For example, a customer may complain that another customer is taking away its business by cutting prices or soliciting its customers. Do not discuss such issues with or assist such customers in this respect without first consulting the General Counsel.

C. Controlling Products After Sale (Price Maintenance)

Consult the General Counsel if you wish to control the resale prices of customers and other persons.

If Clearwater imposes or enforces a resale price upon its customers (or other persons to whom its products come for resale price) or influences upward or discourages the reduction of a resale price, such action will constitute Reviewable Conduct.

It is also Reviewable Conduct if you suggest resale prices (MSRP) to be charged by a customer without making clear that the customer has no obligation to comply with the suggestion and will not suffer as a result of failing to accept the suggestion.

D. Price and Other Discussions Between Customers

Clearwater must not recommend or participate in communications between customers that are actually or likely competitors.

Any communications between customers concerning prices at which they resell Clearwater products or concerning other competitive matters may create competition law problems for these customers. No employee of Clearwater should recommend such discussions and, if such communications do occur, no Clearwater employee may be involved in those discussions.

E. Market Restriction; Exclusive Dealing; Tied Selling

Consult the General Counsel if you wish to engage in market restriction, exclusive dealing and/or tied selling,

Each of the following practices constitutes Reviewable Conduct where it is likely to lessen competition substantially:

- confining the resale of products to a particular class of consumer or sales territory (market restriction);
- selling products upon the condition that the customer will not use or sell products of a competitor (exclusive dealing); and
- requiring or inducing a customer to purchase another product as a condition of supplying to the customer the product it particularly requires (tied selling).

Misleading Advertising and Deceptive Marketing Practices

Competition laws aimed at preventing misleading advertising and deceptive marketing practices attempt to ensure an honest and effective functioning of the market and consumer confidence in the market. The following summarizes these laws:

A. False or Misleading Representations

Competition law prohibits companies from making representations to the public (whether oral, written or in electronic form), that are false or misleading, in the course of promoting a product, service or any business interest. To contravene competition law, a representation must be misleading in a “material” respect. Both the general impression conveyed by the representation and its literal meaning are relevant.

The *Competition Act* establishes a dual criminal-civil regime for violations of its provisions dealing with false or misleading advertising. The criminal regime is in place to deal with more serious practices, including false or misleading representations (e.g. misleading advertising) committed “knowingly or recklessly”, deceptive telemarketing, deceptive notice of winning a prize, double ticketing, non-compliant multi-level marketing plans and pyramid selling.

The civil regime established as “Reviewable Conduct”:

- (i) false or misleading representations (including misleading advertising) that are not made “knowingly or recklessly”;

- (ii) representations to the public in the form of statements, warranties or guarantees of the performance, efficacy or length of life of products that are not based on adequate and proper tests;
- (iii) warranties or guarantees of a product and promises to replace, maintain or repair a product or to continue a service if the warranty, guarantee or promise is materially misleading or there is no reasonable prospect that it will be carried out;
- (iv) misrepresentations as to the ordinary selling price of a product and bait and switch selling;
- (v) the publication of testimonials and representations in respect of tests as to the performance, efficacy or length of life of a product unless: (a) the representation or testimonial was previously made or published by the person by whom the test was made or the testimonial was given; or (b) approval and permission to make or publish the representation or testimonial has been given in writing by the person by whom the test was made or the testimonial was given;
- (vii) sales above the advertised price; and
- (viii) the conduct of a promotional contest in certain instances.

B. Pricing Products

It is a criminal offence to supply a product at a price that exceeds the lowest of two or more prices expressed in respect of a product. The lowest price shown in respect of a product (for example, on the product or anything attached to the product, or on a point-of-purchase display or advertisement) must be the price charged to a customer.

For the legitimacy of a regular price claim to be established for the purposes of representing that a price is a “sale” price (compared to suppliers’ prices generally or the supplier’s own price), the claim must be based on a substantial volume of sales within a reasonable period or a good faith recent offering for a substantial period of time. The representation as to price will not be Reviewable Conduct unless it is false or misleading in a *material respect*. Bait and switch selling, whereby potential customers are lured to stores with advertised bargain prices for products that do not exist in reasonable quantities, is also Reviewable Conduct.

C. Promotional Contests; Telemarketing

Special rules apply to promotional contests and telemarketing. Consult the General Counsel before undertaking such initiatives.

Company Communications

While careful language will not prevent liability where the conduct involved is illegal, sometimes perfectly lawful conduct becomes suspect because of a poor choice of words. Documents can become significant evidence in prosecutions under the *Competition Act*. In the event of litigation or government investigation, no Clearwater document (other than privileged communications to or from Clearwater’s legal counsel) is exempt from disclosure - including “personal” hand-written notes of individual employees, rough drafts, or electronic mail.

To avoid misinterpretations, you should observe the guidelines set out below. These should be followed at all times when communicating within Clearwater and, especially, when dealing with third parties such as customers or competitors.

What to do

- Act as if everything you write will be available to be reviewed by the Competition Bureau, lawyers for competitors, and your bosses
- When discussing the prices or plans of competitors, clearly identify the source of your information so that there will be no implication that the information was obtained improperly from a competitor
- Have a document retention policy and adhere to such policy

What to watch out for

- Using words implying guilt (e.g. “destroy after reading”).
- Using exaggerated “power” words (e.g. “destroy” a competitor or “dominate” a market).
- Describing the competitive process as something unethical or improper, such as describing a lost business opportunity as “stolen” by a competitor.
- Signaling to competitors (e.g. through public statements) about price or other competitively sensitive information (including through the pre-announcement of price increases or through public statements as to pricing goals).
- Take care to avoid the use of words that might imply falsely that a course of action is being pursued by Clearwater as a matter of “industry agreement” or “industry policy” rather than as a matter of Clearwater’s individual judgment.

Protecting Clearwater Assets

13. Maintaining Confidentiality

Unless previously published in the public domain, records, reports, papers, devices, processes, plans, methods, trade secrets, inventions and apparatus of Clearwater or the party who has permitted access thereto, are to be secret and confidential and employees are prohibited from revealing, reproducing, processing or using information concerning such matters without proper authorization.

All inquiries regarding Clearwater from non-employees, such as financial analysts and journalists, should be directed to the CEO, CFO, Treasurer, VP Public Affairs or Corporate Compliance Officer. Our policy is to cooperate with every reasonable request of government investigators for information. At the same time, we are entitled to all the safeguards provided by law for the benefit of persons under investigation or accused of wrongdoing, including legal representation. If a representative of any government or government agency seeks an interview with you or requests access to data or documents for the purposes of an investigation, you should refer the representative to one of the contacts listed above. You also should preserve all materials, including documents and e-mails that might relate to any pending or reasonably possible investigation.

Clearwater operates in a highly competitive industry where new customers, technology and state-of-the-art advances are required on an ongoing basis. This provides an opportunity for the company to prosper in this competitive environment and provide jobs and security for its many employees. This requires a constant effort to ensure that trade secrets, research and development, and business techniques are protected and secure. It is important that employees know and understand the responsibilities that they have to preserve the obligation of confidentiality so Clearwater is able to continue to operate and protect its business interests. As a result, the Corporation and its employees will not disclose information which might impair the Corporation's competitive effectiveness or which might violate the private rights of individuals, enterprises or institutions. Employees are therefore prohibited from discussing, disclosing or using any secret or confidential information about the Corporation or in the possession of the Corporation, unless such disclosure has been authorized for legitimate purposes such as full and complete reporting to regulatory agencies or the provision of information to customers, employees, investors and the public as may be necessary to allow them to judge adequately the Corporation and its activities.

In addition, employees should be aware and comply with departmental and company policies and procedures relating to the retention or the destruction of the Corporation's documents.

What to do

- **Documents and files containing confidential information** - should be kept in a safe place to which access is restricted to individuals who "need to know" that information in the necessary course of business and code names should be used if necessary
- **Confidential documents** - should not be read or displayed in public places and should not be discarded where others can retrieve them
- **Unnecessary copying of confidential documents** - should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed

What to watch for

- **Transmission of documents by electronic means** - such as by fax or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions
- **Confidential documents** - should not be read or displayed in public places and should not be discarded where others can retrieve them
- **Confidential matters** – Should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis or using wireless telephones or wireless devices

Any employee privy to confidential information is prohibited from communicating such information to anyone else, unless it is necessary to do so in the course of business. Efforts will be made to limit access to such confidential information to only those who need to know the information, and such persons will be advised that the information is to be kept confidential.

Employees must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside of the office.

Communication by e-mail leaves a physical track of its passage that may be subject to later decryption attempts. All confidential information being transmitted over the Internet must be secured by the strongest encryption and validation methods available. Where possible, employees should avoid using e-mail to transmit confidential information.

Outside parties privy to undisclosed material information concerning the Corporation will be told that they must not divulge such information to anyone else, other than in the necessary course of business and that they may not trade in the Corporation's securities until the information is publicly disclosed. Such outside parties will confirm their commitment to non-disclosure in the form of a written confidentiality agreement.

Access to confidential electronic data should be restricted through the use of passwords.

14. Social Media

Clearwater values the importance of the thousands of online conversations that are taking place regarding our brand, species and relevant topics of interest to the seafood industry. We are strongly committed to our responsible participation in social media and as such, have identified key people within the company to speak on behalf of Clearwater through social media.

Clearwater respects the right of employees to use networking sites, social media, personal web sites and blogs as a medium of self-expression. When participating on these sites (including while away from the workplace and off duty), employees are reminded of their responsibilities with respect to this Code of Business Conduct.

Every employee of the Corporation occupies a position of trust. In varying measure, each employee represents the Corporation in his or her relations with others – whether with customers, suppliers, other employees, competitors, governments, investors or the general public. Whatever the area of activity and whatever the degree of responsibility, the Corporation expects each individual to act in a manner that will enhance the Corporation's reputation for honesty, integrity and the faithful performance of its undertakings and obligations.

Due to the ease of accessibility, e-mail messages and all posts on social media must be treated as you would treat publicly available correspondence to outside parties. The company respects the rights of all its associates, but you must remember that customers, colleagues and supervisors often have access to the online content you post. Keep this in mind when publishing information online that can be seen by more than friends and family, and know that information intended for friends or family can be forwarded on.

15. Insider Trading and Stock Tipping

Through the course of your employment with Clearwater, you may learn of material information about the Corporation, or other companies, before it is made public. You may simply overhear a hallway conversation, or come across a memo left at a copy machine. Using this information for your financial or other personal benefit, or communicating this information to others constitutes a violation of this policy and may even violate the law. This includes buying or selling the securities of any company of which you have material non-public information or giving this “inside information” to anyone else who might base financial trades on the information you have shared. Employees shall not use for their own financial gain or disclose for the use of others inside information obtained as a result of their employment with the Corporation.

No employee who is aware of material information relating to the Corporation or its affiliates may buy or sell shares or other securities of the Corporation until such information has been disclosed to the public and the market has had an adequate opportunity to absorb that information (two trading days).

Material information is any information that would reasonably be expected to have a significant effect on the market price or value of Clearwater securities or an investor might consider important in deciding whether to buy, sell or hold securities. Information may be important for this purpose even if it would not alone determine the investor’s decision. Examples of some types of material information are financial results; financial forecasts; changes in distributions; new securities issues; possible mergers, acquisitions, joint ventures and other purchases and sales of or investments in companies; obtaining or losing important contracts; significant discoveries; important product developments; significant capital expenditures; major litigation developments; and major changes in business direction.

Information is considered to be non-public unless it has been disclosed to the public. Examples of effective disclosure include public filings with securities regulatory authorities and issuance of press releases, and also may include meetings with members of the media and the public. The information must not only be publicly disclosed, but adequate time must be given for the market to absorb the information.

The disclosure of material, non-public information to others can cause serious legal difficulties for the Corporation, the employee making the disclosure, and the person to whom any disclosure is made. Employees should not discuss material, non-public information about the Corporation with anyone except as required in the performance of their duties. This includes not giving “tips” on material, non-public information that is directly or indirectly disclosing such information to any other person, including family members, other relatives and friends. Furthermore, if during the course of your service with the Corporation, you acquire material, non-public information about another company, such as one of our customers or suppliers, or you learn that we are planning a major transaction with another company (such as an acquisition), you are required to treat this information as material information of the Corporation, and as well you are restricted from trading in the securities of the other company.

Our policies regarding insider trading and confidentiality are set forth more completely in our Corporate Disclosure Policy.

What to do

- **Do not buy or sell** – the securities of any company, including Clearwater, either directly or through family members or other persons or entities, while you are aware of inside information about the company. (This is known as “insider trading”).
- **Do not recommend or suggest** – that anyone else buy or sell the securities of any company, including Clearwater, while you have inside information about the company. (This is known as “tipping”).
- **Maintain the confidentiality** – of company information and do not convey the information to anyone outside the company unless it is necessary for the company’s business activities. (This may also be “tipping”).
- **If the nature of your business’s activities** – and your position in the business subject you to additional requirements relating to buying and selling securities, learn and follow all of those requirements.
- **If questions arise** – consult the Trading Compliance Officer before trading in the security or disclosing company information.

What to watch out for

- **Non-public information which, if disclosed** – would reasonably be expected to affect the price of a security or would influence your decision to buy, sell, or hold a security, such as an earnings announcement or a prospective acquisition announcement (this is known as, “inside information”).
- **Buying or selling a security** – because you hear or learn of information at work that you think will make the price go up or down once it is publicly announced.
- **Engaging in trading activity** – around the time of a significant company announcement.
- **Discussing Clearwater business** – with family or friends.
- **Talking about what you are working on** – or where you’re going on company business, or who has visited the office.

16. Conflicts of Interest

On the job, or in your free time, nothing you do should conflict with your responsibilities to Clearwater. No activity at work or at home should hurt Clearwater’s reputation or good name. Misusing Clearwater resources or influence is also prohibited. Even when nothing wrong is intended, the appearance of a conflict can have negative effects. It is crucial to consider how your actions might appear, and to avoid the perception of a conflict of interest. Employees must avoid all situations in which their personal interests conflict or might conflict with their duties to the Corporation.

Employees should seek to avoid acquiring any interests or participating in any activities that would tend to:

Deprive the Corporation of the time or attention required to perform their duties properly;

or

Create an obligation or distraction, which would affect their judgment or ability to act solely in the Corporation's best interest.

In certain instances, ownership or other participation in a competing or complementary business enterprise might create or appear to create such a conflict. Employees are required to disclose in writing to their supervisors all business, commercial or financial interests or activities that might reasonably be regarded as creating an actual or potential conflict with their duties of employment. Every employee of the Corporation who is charged with executive, managerial or supervisory responsibility is required to see that actions taken and decisions made within his or her jurisdiction are free from the influence of any interests that might reasonably be regarded as conflicting with those of the Corporation.

Employees owe a duty to the Corporation to advance its legitimate interests when the opportunity to do so arises.

The law provides that if personal financial benefit is improperly gained by an employee, directly or indirectly, through a spouse or child or a relative sharing the same residence as the employee, as a result of his employment or by the use or misuse of the Corporation's property or of information that is confidential to the Corporation's business, then the employee must account to the Corporation for any benefit received. Employees must do more than merely act within the law. They must act in such a manner that their conduct will bear the closest scrutiny should circumstances demand that it be examined. Not only actual conflicts of interest but the very appearance of conflict should be avoided.

What to do

- **Disclose** – (in writing to your manager and to the Corporate Compliance Officer) all of your outside activities, financial interests or relationships that may either present a conflict or the appearance of one
- **Use good judgment** – in all personal and business dealings outside of your Clearwater position
- **Avoid actions or relationships** – that may cause potential conflicts or create the appearance of a conflict with your job or Clearwater's interests
- **Do not misuse** – or use for personal gain, Clearwater resources, intellectual property, time, or facilities. This includes office equipment, email, and computer applications
- **Do not take** – for yourself personally opportunities that Clearwater could have an interest in that are discovered through your Clearwater position, information, or property
- **Get approvals** – before accepting officer or director positions with an outside business while you are a Clearwater employee

- **Get your manager's approval** – when accepting not-for-profit board positions, particularly if the organization has a Clearwater relationship or might expect Clearwater's financial or other support

What to watch out for

- **Financial interests** – in a company where you could personally affect Clearwater's business with that company (for example a customer, supplier, or investment)
- **Part time jobs** – which you perform using Clearwater hours or Clearwater equipment or materials
- **Gifts** – of other than nominal value from suppliers, customers, or competitors, particularly if you're making decisions (on Clearwater's behalf) that involve them
- **Personal discounts** – or other benefits from suppliers, service providers, or customers that the public or your Clearwater peers do not receive
- **Directing business** – to suppliers when you know they are owned or managed by your family members or close friends
- **Misusing Clearwater resources** – your position, or influence, to promote or assist an outside activity
- **Hiring, promoting or directly supervising** – a family member or close friend
- **Personal relationships** – that may conflict with your Clearwater responsibilities or compromise company interests

Employees are required to be familiar with and apply the following Principles and Compliance Methods.

Principles

Every employee shall conform to the following principles:

- (i) Employees shall perform their employment duties and arrange their private affairs in such a manner that public confidence and trust in the integrity, objectivity and impartiality of Clearwater and its employees are conserved and enhanced;
- (ii) Employees have an obligation to act in a manner that will bear the closest public scrutiny, such that even apparent conflicts of interest do not arise, such obligation is not fully discharged by simply acting within the law;
- (iii) Employees shall not have private interests that would be particularly or significantly affected by Clearwater actions in which they participate;
- (iv) On commencing their employment with Clearwater, and thereafter, employees shall arrange their private affairs in a manner that will prevent real, potential or apparent conflicts of interest from arising, but if such a conflict does arise between the private interests of an employee and his/her employment duties and responsibilities, the conflict shall be resolved in favour of Clearwater's and the public interest;

- (v) Employees shall not solicit or accept transfers of economic benefit, other than incidental gifts, customary hospitality, or other benefits of nominal value, unless the transfer is pursuant to an enforceable contract or property right of the employee;
- (vi) Employees shall not step out of their official roles to assist private entities or persons to obtain preferential treatment in their dealings with Clearwater;
- (vii) Employees shall not knowingly take advantage of, or benefit from, information that is obtained in the course of their employment duties and responsibilities and that is not generally available to the public;
- (viii) Employees of Clearwater shall not directly or indirectly use, or allow the use of, Clearwater property of any kind, including property leased to Clearwater, for anything other than officially approved activities;

Compliance Methods

The following methods are to be used by employees to comply with this policy:

- (i) Avoidance, which is the avoidance of, or withdrawal from participation in, activities or situations that place employees in a real, potential or apparent conflict of interest relative to their employment duties and responsibilities;
- (ii) A confidential report, which is a prompt written statement by an employee to the CEO, of ownership of an asset receipt of a gift, hospitality or other benefit, or participation in any outside employment or activity, where such ownership, receipt or participation could constitute a real or potential or apparent conflict of interest. The CEO shall keep such statement confidential; and
- (ii) Divestment, which is the sale at arm's length, or the placement in trust, of assets, where continued ownership by the employee would constitute a real or potential conflict of interest with the employee's duties and responsibilities. The requirement to divest such assets shall be determined in relation to the duties and responsibilities of the employee. For example, the more comprehensive the duties and responsibilities of the employee, the more extensive the divestment needed and, conversely, the narrower the specialization of the duties and responsibilities of the employee, the narrower the extent of the divestment needed.

Determination of Appropriate Method

Where there is doubt as to which method set out above is appropriate in order that an employee may comply with this policy, the CEO shall determine the appropriate method and, in doing so, shall try to achieve agreement with the employee taking into account:

- (i) The specific responsibilities of the employee;

- (ii) The value and type of the assets and interests involved; and
- (iii) The actual cost to be incurred by divesting the assets and interests as opposed to the potential that the assets and interest represent for conflict of interest.

Sale for Circumvention Prohibited

An employee shall not sell or transfer assets to family members or other persons for the purpose of circumventing the conflict of interest compliance measures set out above.

Form of documentation

Employees will be required to sign the Corporation's Code of Business Conduct form annually confirming that they have reviewed and are in compliance with this policy.

17. Intellectual Property

Clearwater's intellectual property is one of its most valuable assets. All employees must protect the Corporation's assets and ensure their efficient use. Such assets include, without limitation, intellectual property such as the Corporation's name, logos, trademarks, patents, copyrights, confidential information, ideas, plans and strategies. Theft, carelessness and waste have a direct impact on the Corporation's profitability. All company assets should be used only for legitimate business purposes. Any misuse or infringement of the Corporation's assets should be reported to your supervisor or the CEO.

At the same time, it is critical that we respect the valid intellectual property rights of others. Unauthorized use of other's intellectual property can expose the company and even individual Clearwater employees to civil law suits and damages, including significant fines and criminal penalties. A key to protecting our intellectual property and, at the same time, guarding against these risks, is the timely and reasonable review of new Clearwater products, processes and software, for possible inventions and trade secrets and infringement of the intellectual property rights of others.

What to do

- **Identify and protect** – Clearwater intellectual property
- **Respect valid patents** – copyrighted materials, and other protected intellectual property of others
- **Consult** – with Corporate Compliance Officer concerning necessary licenses and approvals to use protected intellectual property of other such as patents, trademarks, proprietary information (ie – information that is in confidence and not publicly known or generally available)
- **Consult with Corporate Compliance Officer before:**
 - a. soliciting, accepting, or using proprietary information of outsiders (for example soliciting from a customer proprietary information of a competitor)

- b. disclosing Clearwater proprietary information to outsiders
- c. permitting outsiders to use Clearwater intellectual property
- **Understand your responsibilities** – to the company regarding new inventions, ideas that you may develop as a Clearwater employee and the company’s information. Consult with the General Counsel if you have any questions about these responsibilities

What to watch out for

- **Accepting proprietary information** – belonging to an outsider, without first consulting the General Counsel
- **Discussing Clearwater proprietary information** – with customers or suppliers
- **Using another company** – to develop new products or software without a written agreement in place covering ownership and other rights in the developed intellectual property
- **Introducing or providing information** – about a new product or service before patent applications have been filed or a decision has been made not to file an application
- **Introducing a new product** – or service, or new product or service name, before checking for patent or trademark infringement
- **Threatening** – anyone suspected of infringing any Clearwater intellectual property without first consulting with the General Counsel
- **Employing a new person** – especially a person who previously worked with a competitor, without putting in place safeguards to prevent the person from inadvertently disclosing or using proprietary information of the previous employer

In the Clearwater Community

18. Fair Employment Practices

Fair employment practices do more than keep Clearwater in compliance with applicable labour and employment laws; they contribute to a culture of respect. Clearwater is committed to complying with all laws pertaining to freedom of association, privacy, collective bargaining, immigration, working time, wages and hours, as well as laws prohibiting forced, compulsory, and child labour discrimination. Beyond legal compliance, we strive to create an environment considerate of all employees wherever Clearwater business is being conducted.

Employees must adhere to the policy of the Corporation, which specifically provides for a work environment free of discrimination and harassment, and in which individuals are accorded equality of employment opportunity based upon merit and ability in a safe and non-threatening environment.

Discriminatory practices based on race, sex, color, national or ethnic origin, religion, marital status, family, age or disability will not be tolerated. Employees are entitled to freedom from sexual and all other forms of personal harassment in the workplace.

It is not a discriminatory practice to make a distinction between persons based on bona fide occupational requirements.

Further, it is the responsibility of each of us to help the Corporation provide a work atmosphere free of harassing, abusive, disrespectful, disorderly, disruptive or other non-professional conduct. Sexual harassment in any form, verbal or physical, by any employee will not be tolerated. A violation of this policy will be treated with appropriate discipline, up to and including termination.

What to do

- **Base employment decisions** – on job qualifications (ie – education, prior experience) and merit. Merit includes an individual’s skills, performance, values, leadership and other job-related criteria
- **Make all employment related decisions and actions** – without regard to a person’s race, color, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, and other characteristics protected by the law
- **Provide a work environment** – free from improper harassment and bullying

What to watch out for

- **A hostile work environment** – (for example, telling jokes or displaying materials that ridicule or offend a member of a particular race or ethnic group)
- **Unwelcome sexual advances** – to another employee or person with whom an employee works
- **Violating a labor law** – in your country (for example, hiring a child under the legal minimum age)
- **Refusing to work** – or otherwise cooperate with certain individuals because of their race, religion, sex, or other characteristic protected by the law
- **Disclosing employee data** – to a person who does not have the business need, authority, or the subject’s consent
- **Taking an adverse action** – against an employee (ex – firing), because the employee has raised a concern about a violation of the policy or law

19. Environment, Health & Safety

Protecting the environment and the health and safety of employees is the law, and Clearwater believes it’s also the right thing to do. Through management, leadership, and employee commitment, Clearwater works to conduct its operations in a safe manner that minimizes environmental impact. This policy affects all company activities, not just managing our waste and emissions, but everything we do, for example, selling products, driving a car on company business, acquiring new business or providing customer service.

The Corporation and its employees shall treat the protection of the environment as an integral factor in all decision-making.

The Corporation is committed to the protection of the environment. To comply with this commitment, the Corporation’s policy is to meet or exceed all applicable governmental requirements. Employees must report to their superior all circumstances in which toxic substances

are spilled or released into the environment. Violations of environmental laws, even if unintentional, can carry severe penalties and could result in prosecution of the Corporation or the employees involved, or both.

What to do

- **Comply** – With all applicable environmental and health and safety laws and regulations, in addition to Clearwater’s health and safety policies
- **Create and maintain** – a safe working environment and prevent workplace injuries
- **Assess environmental & health and safety risks** – before starting a new activity, venture or project, selling a new product, acquiring a new business, or participating in a hazardous business
- **Eliminate unreasonable environmental and health & safety risks** – from Clearwater’s facilities, products, services, and activities
- **As practical, reduce toxic and hazardous materials** – prevent pollution, and conserve, recover, and recycle materials, water and energy
- **Continue to improve environment and health & safety systems** – and performance as an integral part of Clearwater’s operational strategy
- **Promptly alert your manager** – of unlawful or unsafe conditions

What to watch out for

- **Unsafe activities and conditions such as:**
 - a. failure to use personal protective equipment (shoes, safety glasses, hearing protection, gloves, monitors, etc.)
 - b. unlabeled or unapproved chemicals
 - c. exposed or unsafe wiring
 - d. blocked fire or emergency exits
 - e. unsafe driving, or failure to wear seat belts
 - f. working in high places without fall protection
 - g. working beneath heavy, suspended loads, or improperly using cranes
 - h. working on electrical equipment, without following safety procedures
 - i. potential exposures to serious infectious diseases
 - j. disabling safety controls or guarding on equipment or machinery
- **Failure to comply** – with health, safety, or environmental regulations and procedures
- **Environmental and health & safety complaints** – from employees, customers or neighbors
- **Unreported** – environmental or health & safety hazards or accidents
- **Failing to respond** – promptly to concerns about possible product safety issues
- **Missed opportunities** – for reducing waste and toxic materials
- **Risks and liability** – associated with new acquisitions as well as both new and existing products, processes, services and ventures that present increased legal liability and reputational risk

- **Inadequate security** – procedures and practices that may present safety threats to a facility and/or employees

20. Security and Crisis Management

In an age of increasing terrorist threats, protecting the security of our people, workplaces, information and business is critical. Employees must take every precaution to avoid doing business with terrorists or those that support terrorist activity.

What to do

- **Comply with** – the entry and exit rules at Clearwater facilities, including wearing the appropriate badge
- **Protect access** – to all Clearwater facilities from all but authorized personnel
- **Protect IT assets** – from theft or misappropriation
- **Create and maintain** – a safe working environment. This includes identifying and reporting indications of workplace violence
- **Comply with** – government immigration rules when travelling internationally, and ensure that employees or visitors who work for you or are closely associated with your business also comply
- **Comply with** – all Clearwater international travel policies. Obtain appropriate pre-clearances to designated countries
- **Conduct** – appropriate background checks on new hires and contractors, wherever allowed by law
- **Screen** – all customers and suppliers against appropriate terrorist watch lists
- **Report any apparent** – security lapses to your manager

What to watch out for

- **Individuals** – at Clearwater facilities not displaying identification as required
- **Unsecure IT assets** – such as laptops, servers, etc
- **Inadequate protection** – of hazardous materials
- **Unsecure areas of a facility** – where only authorized personnel are allowed to enter
- **Security complaints** – from employees, customers, or neighbors
- **Unauthorized entry** – to a facility
- **Doing business** – with a customer, supplier, or any third party without sufficient screening

21. Computing Technology

The Corporation provides computer hardware, software, internet, e-mail and external data communications. The use of computers and telecommunications technology has become a prevalent and standard business practice, and all employees must exercise the same discretion as when using other business tools such as office telephones and facilities. Employees are expected to efficiently and securely utilize these tools for business purposes, while protecting corporate data and information and exercising appropriate business conduct at all times.

Due to the ease of accessibility, e-mail messages and their content should be treated as you would treat publicly available correspondence to outside parties.

Computing is for company business purposes and personal commercial uses are forbidden. Users will not create or transmit any unsolicited commercial, advertising or recreational material, or use any system resources for political activities, or to advance the interests of any party other than the Corporation.

The Corporation uses software licensed from other businesses and employees must use the software in accordance with the terms of the license. No copying for non-business use.

The Corporation's computers and Internet connections are intended to be used for business purposes. Employees will not create, access or transmit any material, data, text, audio or images, or material that is capable of being converted, which is offensive, obscene, indecent, libelous, slanderous, harassing, annoying or defamatory. Employees are expected to discourage others from transmitting such information to their Internet address. Employees must comply with all laws, including those in respect to all forms of intellectual property rights, trademarks, copyrights and harassment.

Employees must use facilities efficiently, minimize unnecessary messages to others, and refrain from activity that will jeopardize the normal business operation of the system.

All computer, network, and Internet use by the Corporation's employees is subject to periodic audit by authorized Corporate personnel.

Employees must follow the "Acceptable use policy for Clearwater computer systems" regarding breaches of security and non-compliance. Any suspected security breach or incident must be reported immediately to the Information Systems Department. Non-compliance with the policy will be referred to an appropriate senior officer of the Corporation.

22. Personal Conduct

The Corporation respects personal freedom. However, outside activities and personal conduct may have negative consequences on the Corporation's reputation, business relationships and workplace management. The Corporation has a valid interest in requiring that an employee does not engage in personal or off-duty conduct that may:

- be harmful to the Corporation's reputation or business;
- be illegal, either in Canada or a foreign jurisdiction where the Corporation carries on business;
- compromise the employee's future ability to manage or negotiate objectively with suppliers or customers with knowledge or off-duty conduct;

- render the employee unable to perform normal duties in a satisfactory manner (i.e. due to incarceration, loss of travel or driving privileges, loss of professional credential, or unsuitability for a position in light of misconduct);
- lead other employees to refuse, be reluctant or unable to work with the employee; or
- make it difficult for the Corporation to manage its operations and/or workforce efficiently.

Such conduct will be considered a work related matter and may result in disciplinary action up to and including termination of employment. Whether traveling on corporate business locally or internationally, employees are considered to be representatives of the Corporation 24 hours per day for the duration of such travel.

Employees are required to report to their senior manager as soon as reasonably possible if they are arrested, detained, or charged with a violation of law which relates to their duties to the Corporation, in Canada or in a foreign jurisdiction.

Abuse of alcohol, drugs or other intoxicating substances may be a form of illness. Any employee who believes they have a substance abuse problem is encouraged to seek assistance through the Corporation's Employee Assistance Program (EAP). Any employee who is required to take medication that could affect their performance is requested to discuss this requirement with their senior manager. All information related to such concerns shall be kept in confidence.

Controllership

23. Controllership

Controllership embodies three fundamental elements: (1) rules that classify transactions and balances appropriately; (2) systems and controls that protect assets and accumulate information consistently and correctly; and (3) financial and transaction reporting that is timely and unbiased. Controllership creates the right environment for disclosing timely, reliable, and accurate information to government agencies and the public.

Improper influence of conduct on audits

No employee shall fraudulently influence, coerce, manipulate, mislead, or unduly pressure any independent public, chartered, or certified accountant engaged in the performance of an audit of the financial statements for the purpose of rendering such financial statements materially misleading or other individuals involved in regulatory audits.

The honesty and integrity of those who represent the Corporation must underlie all of the Corporation's relationships, including those with shareholders, customers, suppliers, governments, regulators, professional service providers and others. The integrity of the Corporation's financial reporting is of particular importance as shareholders rely on the Corporation to provide complete and accurate information. The dissemination of financial statements that contain materially misleading information can cause serious legal difficulties for both the Corporation and the employee.

In addition, from time to time, government and other agencies may conduct regulatory audits. Conduct with respect to these audits and the individuals involved should be consistent with our treatment regarding financial statement audits.

What to do

- **Follow Clearwater’s general accounting procedures** – as well as applicable, generally accepted accounting principles, standards, and regulations for accounting and financial reporting
- **Ensure that financial and non financial information** – and operating metrics are reported accurately and in a timely fashion
- **Maintain complete, accurate and timely** – records and accounts to appropriately reflect all business transactions
- **Safeguard all company assets** – physical, financial and informational
- **Provide timely, candid forecasts** – and assessments
- **Maintain sound processes** – and controls
- **Preserve documents and records** – relevant to pending or reasonably foreseeable litigation, audits or investigations , and as directed by company counsel

What to watch out for

- **Financial results that seem inconsistent** – with underlying performance
- **Inaccurate financial records** – such as overstated travel and living expense reports, or erroneous timesheets and invoices
- **Transactions that are inconsistent** – with good business economics
- **Absence of controls** – to protect assets from risk of loss
- **Physical assets** – or other resources that could be more fully used, reallocated, or disposed of
- **Circumventing review** – and approval procedures
- **Inadequate routines and controls** – at newly acquired businesses and at remote and/or understaffed sites
- **Inadequate routines and controls** – to preserve documents (including email) for pending or reasonably foreseeable litigation, audits and investigations
- **Disposal of documents** – without knowing what is being discarded or whether the documents are subject to legal preservation requirements
- **False or exaggerated statements** – in email, presentations, or other documents

24. Statement of Ethical Conduct for Financial Managers

The Corporation’s financial managers hold an important role in corporate governance and are empowered to ensure that shareholders’ interests are appropriately protected. The following Statement of Ethical Conduct for financial managers sets out principles to which financial managers are expected to adhere and embodies rules regarding individual and peer responsibilities, as well as responsibilities to the Corporation, the public and shareholders. The Corporation will

require financial managers to confirm their commitment to these principles by signing this statement annually.

“I hereby agree that I will advocate the following principles and responsibilities governing my professional and ethical conduct and promise that I shall, to the best of my knowledge and ability:

1. Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.
2. Provide constituents with information that is accurate, complete, objective, relevant, timely and understandable.
3. Comply with rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies.
4. Act in good faith responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing my independent judgment to be subordinated.
5. Maintain the confidentiality of information acquired in the course of my work except when properly authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of my work is not used for personal advantage.
6. Share knowledge and maintain skills important and relevant to the needs of the Corporation, its shareholders and the public.
7. Proactively promote ethical behavior as a responsible partner among peers in my work environment and community.
8. Achieve responsible use of and control over all assets and resources employed or entrusted to me.

Date: _____ Signature: _____”