

Code of Ethics Policy



May 2017

APPROVAL	
Approved By:	Board of Directors
Approval Date:	May 3, 2017
Responsible Person/Contact:	Chief Compliance Officer
VERSION CONTROL	
Approved by :	Governance Committee
Last Review Date:	May 1, 2017
Next Review Date:	Q1 2018

CODE OF ETHICS POLICY

PREAMBLE

All employees of Echelon Financial Holdings Inc. and its affiliates (collectively referred to as "Echelon" or "the Company") are reminded that at all times they must observe the highest standard of business ethics and must conduct their personal business affairs in such a manner as to avoid any possible conflict of interest with their duties and responsibilities as employees of Echelon.

DEFINITIONS

1. Code of Ethics

Hereafter, reference in this Code of Ethics (the "Code") to Echelon means Echelon Financial Holdings Inc. and its affiliated companies.

Anyone in doubt about the application of the Code should discuss the matter with their Manager and/or the Chief Compliance Officer. Anyone aware of a contravention of the Code must also promptly advise their Manager and/or the Chief Compliance Officer, or, if they wish to remain anonymous they may call the whistleblower hotline.

2. Compliance with Laws

Echelon and its employees must at all times comply with all applicable laws and regulations. Employees are not permitted to engage in, and Echelon will not tolerate, any activity that achieves results through the violation of the law or through unethical business dealings. This includes any payments for an illegal act, indirect contributions, rebates and bribery.

3. Conflict of Interest

Employees of Echelon must perform their duties conscientiously, honestly and in the best interests of Echelon. Employees shall not accept employment, have no relationship nor engage in any activity nor have any personal, financial or other interests that might possibly impair or which might be perceived to impair, their independence of judgment, or influence their decisions or actions concerning any business they conduct on behalf of Echelon.

Whatever the circumstances may be in a given situation, if an employee feels that a course which they have pursued, are pursuing or are contemplating pursuing, may involve them in a conflict of interest, they should immediately make all the facts known to their Manager and/or the Chief Compliance Officer. Without limiting the generality of the foregoing every employee shall:

- a) be required to disclose any financial or other interest which he or she, or any member of his or her family, may have in any business or professional firm or corporation which has engaged, or, may in the future engage in transactions with Echelon;
- b) avoid the acceptance by him or her or by any member of his or her family of any payments, gifts, entertainment or other favours, or promises thereof, of such value that might be regarded as placing such employee under actual or apparent or perceived obligation to a third party dealing or desiring to deal with the Company.

It is not the intent of this policy to preclude the acceptance by employees of Echelon of an occasional

meal, refreshments or entertainment that are provided in the normal course of business/work relationships, with other persons.

These guidelines are binding upon you as a condition of employment. NOTE: You must clearly advise if you have any financial and/or proprietary interest in any insurer, reinsurer, brokerage, MGA, agency or any insurance-related vendor doing business anywhere in North America. If so, you must specify same (in writing) in a document to be forwarded to your Manager and/or the Chief Compliance Officer (immediately upon said relationship being known to you).

4. Personal Investments

Every employee must refrain from buying and selling for their own account, or the account of any member of their family, any security or other interest if:

- a) such purchase or sale might influence or create the impression of influencing his or her decisions or actions to be taken on behalf of Echelon;
- b) such person is aware that the same security is currently being purchased or sold, or is being considered for purchase or sale by Echelon unless prior approval is obtained from the Compliance Department;
- c) such purchase or sale might reasonably be considered to have been made with the knowledge of material information which has not been generally disclosed to the public but which has been acquired by Echelon by virtue of a special relationship.

Employees with knowledge of material, non-public information referred to in c) are not permitted to pass such information on to others.

Insiders must report all trading activity in securities of Echelon Financial Holdings Inc. on SEDI within 5 calendar days of the trade and must advise the Compliance Department of such activity.

5. Political Activity

Echelon encourages the personal participation of its employees in the political process and Echelon respects the employee's right to absolute privacy with regard to personal political activity and will not attempt to influence any such activity.

Echelon funds, goods or services must not be used as contributions to political parties, and Echelon facilities must not be made available to candidates or campaigns unless authorized by the Board of Directors.

6. Privacy and Confidential Information

When handling financial and personal information the following principles are to be observed, in addition to the Credit Information Regulations under the Insurance Companies Act.

Echelon has agreed to abide by the Insurance Bureau of Canada's Model Personal Information Code as approved by the Standards Association (the "IBC Privacy Code"), for its general insurance operations. It is the duty of all employees to observe the IBC Privacy Code to maintain the confidentiality of information belonging or relating to Echelon or its customers or obtained through a confidential relationship.

If you have any questions or concerns in this regard check with your Manager and/or the Chief Compliance Officer.

While reference should be made to the IBC Privacy Code for complete details employees should note that the Privacy Code is based on the following ten principles:

1) Accountability

The insurer is responsible for personal information under its control. All employees are responsible to maintain the confidentiality of information belonging to or relating to Echelon or its customers or obtained through a confidential relationship.

2) Identifying Purposes

The purpose for which personal information is collected shall be identified by the insurer at or before the time the information is collected.

3) Consent

The knowledge and consent of the customer are required for the collection, use, or disclosure of personal information, except where inappropriate.

4) Limiting Collection

The collection of personal information shall be limited to that which is necessary for the purpose identified by the insurer. Information shall be collected by fair and lawful means.

5) Limiting Use, Disclosure and Retention

Personal Information shall not be used or disclosed for purposes other than those for which it was collected, except with the consent of the customer or as required by law. Personal information shall be retained only as long as necessary for the fulfillment of those purposes.

6) Accuracy

Personal information shall be as accurate, complete and up to date as is necessary for the purpose for which it is to be used.

7) Safeguards

Personal Information shall be protected by security safeguards appropriate to the sensitivity of the information.

8) Openness

The insurer shall make readily available to customers specific information about its policies and practices relating to the management of personal information.

9) Customer Access

Upon request, a customer shall be informed of the existence, use, and disclosure of his or her personal information and shall be given access to that information. A customer shall be able to challenge the accuracy or completeness of the information and have it amended as appropriate.

10) Challenging Compliance

A customer shall be able to challenge compliance with the above principles with the person who is accountable within the insurer.

Any employee having any questions about the Privacy Code, its interpretation or applicability should contact the designated Manager and/or the Chief Compliance Officer.

7. Ownership of Proprietary Matter

All interests in (a) inventions and improvements (whether or not patentable); and (b) suggestions, proposals, writings, computer programs, software and the like, including interest in copyright made, conceived or invented by the employee either solely or jointly with others during the course of the employee's employment with Echelon, shall be the sole and exclusive property of Echelon. Excepted from this requirement is Proprietary Subject Matter, which is defined as that made, conceived or invented by the employee prior to employment with Echelon which is embodied in a Canadian patent, trademark or copyright registration or application filed with the federal government prior to the employee's commencement of employment with Echelon, or as otherwise agreed in writing.

All documents, written information, computer programs, Echelon system data software and related materials and other items, including but not limited to: the Cash Procedures Manual, Claims Procedures Manual, Underwriting manuals, reports, records, and information relating to inventions or improvements, invented, prepared, kept or maintained (other than Proprietary Subject Matter) by an employee or to which, an employee has access while employed by the Company, shall be the sole and exclusive property of the Company and shall be delivered by the employee to the Company immediately upon termination of the employee's employment (whether such termination of employment is initiated by the employee or by the Company) or at any time as requested by the Company and the employee shall retain no copy or reproduction thereof without the consent in writing from the Company.

8. Black-Outs

Black-out periods occur each quarter end and at other times determined as there may be confidential information concerning the Company that makes it inappropriate for Echelon personnel to be trading EFH shares.

The general definition of the term "black-out" is the time period prior to the release of financial information during which employees of a public company are prohibited from trading in the firm's stock.

While the black-out policy only extends to employees, the laws against tipping apply equally to relatives who learn any undisclosed material facts about Echelon from an employee. To avoid any adverse inference; it would be prudent for immediate family members to not trade EFH stock during normal black-out periods.

Please refer to the Company Disclosure Policy on the HR policy section of the intranet for further information.

9. Use of Company Assets

Home use of Echelon laptop computers and use of office equipment for non-business purposes is expressly prohibited. Inappropriate use of the Company e-mail systems is prohibited. The above-noted items are binding on all employees.

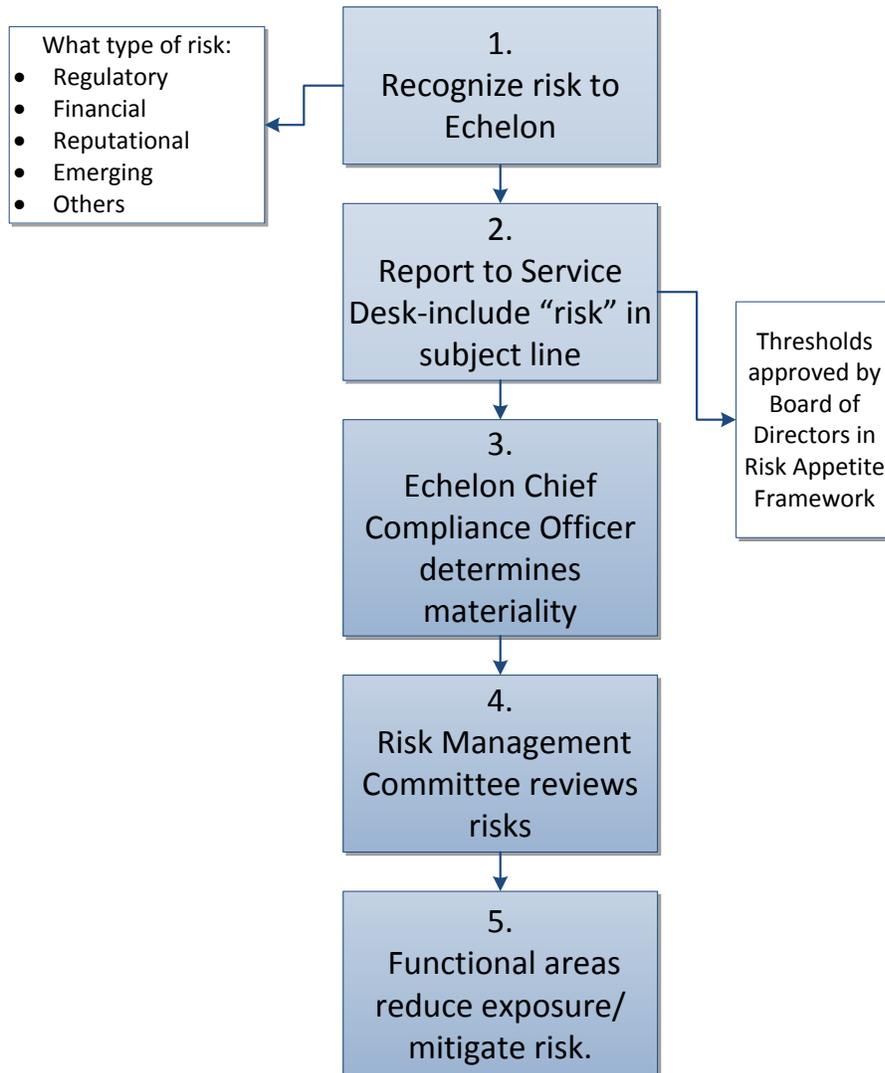
10. Cash Handling Procedures

All staff that are required to handle cash are required to abide by Echelon cash handling procedures as set out

in the office manual relating to Fiduciary Responsibilities and Cash Handling or as the same may be amended from time to time.

11. Risk Event Reporting

All staff are responsible for reporting risks to Echelon. If you think you see risk to Echelon you are responsible for reporting via the service desk.



What is the definition of risk?

Risk means the possibility of loss or injury. The loss could be to Echelon staff, Echelon's reputation, finances or other property.

What is a risk event?

A risk event is an incident that poses a risk to Echelon. Types of risk include, but are not limited to, reputational, strategic, physical, financial, market, systems. It may also include risks that are emerging.

As an insurance company we are in the business of accepting risk when we issue an insurance policy. This is called insurance risk and is not expected to be reported.

Echelon's Risk Appetite Statement identifies various risks and the Company's risk appetite and is included below.

What would be an example of a risk we should report?

- systems providing discounts that are no longer offered in the underwriting manual
- distribution of erroneous information about Echelon
- privacy breach
- not following underwriting rules/guidelines or claims handling processes
- flaws or issues in processes that may cause reputational, strategic, financial or market risk
- interest paid on late payments on a regular basis
- late reporting to regulators that may incur fines
- potential errors and omissions exposures

What is the threshold or value of risk that I should report?

If a risk is to the reputation of Echelon or it is a regulatory risk we expect it to be reported immediately even if it may not be measured in monetary terms.

When a risk can be measured there is no threshold. The Chief Compliance Officer will determine materiality and work with the functional groups to mitigate and monitor risk to Echelon.

If you are unsure of the value then report it anyway.

If I report a risk to the Service Desk ,when do I use the Whistleblower hotline instead?

- when you want to remain anonymous or the subject matter makes you uncomfortable
- fraud
- theft of Company property
- harassment

12. Whistleblower Hotline

In response to rules applicable to public companies, as directed by the Audit and Risk Committee, Echelon has set up a procedure for the handling of confidential and/or anonymous complaints relating to accounting, auditing or internal control issues.

An anonymous hotline is available for staff members who wish to submit a complaint or concern. This communication is confidential and anonymous and should contain a sufficient amount of details so that the situation may be fully investigated. The hotline is available by phone or via internet at:



Phone Number for reporting: 1-800-661-9675

e-web reporting in English: www.echeloninsurance.confidenceline.net

e-web reporting in French:

www.echelonassurance.ligneconfidentielle.com

Employees may raise concerns without reprisal, providing they are acting in good faith, not vexatious or frivolous and they believe they have reasonable grounds for raising concerns. The Audit and Risk Committee of the Board of Directors log all submissions, the dates submitted, action taken and final comments. The Committee members are bound to address every concern brought to their attention.

Individuals are assured that all information they provide will be treated in a confidential, discreet manner. Concerns will be properly investigated, on a case-by-case basis.

APPENDIX 2

STAFF CODE OF ETHICS STATEMENT

TERMS AND CONDITIONS OF EMPLOYMENT

I _____ **(Print name)** have read, understood and hereby agree to abide by the Code of Ethics Statement including:

- Compliance with Laws
- Conflict of Interest
- Personal Investments
- Political Activity
- Privacy and Confidential Information
- Ownership of Proprietary Matter
- Black-Outs
- Cash Handling
- Risk Event Reporting
- Whistleblower Hotline

during the period of my employment with Echelon, and shall not knowingly place myself in a position of conflict of interest, either actual or perceived, or divulge any confidential or personal information to which I have access by reason of my employment

Further, I acknowledge that the Code of Ethics is fundamental to the terms and conditions of my employment, that it will be reviewed annually during my performance review and that the onus is on me to disclose any changes.

Pursuant to the terms of the Code of Ethics, I hereby agree to disclose conflict(s) of interest:

SIGNATURES

Staff Member

Date

This Code of Ethics Statement is to be maintained on the master personnel file.