



Code of Ethics and Business Conduct Covering Directors and Employees

Board approved May 20, 2004

Amended February 28, 2006, June 8, 2006 and November 28, 2006, November 27, 2007, June 9, 2009, September 2010, June 2011

PREAMBLE

The basic responsibility of all employees and directors is to act in the best interest of NBIMC in directing its affairs, and to do so within applicable laws, regulations, and codes. NBIMC's directors, officers, and employees have a relationship of trust with our stakeholders. It is imperative that there is no perceived violation of that trust, whether warranted or not, in the management of our business. These responsibilities¹ can be summarized below into three basic duties that each NBIMC employee is charged with:

1. The duty of **diligence**: this is the duty to act reasonably, prudently, in good faith and with the best interests of NBIMC and its stakeholders;
2. The duty of **loyalty**: this is the duty to place the interests of NBIMC first, and not to use one's position to further private interests. Confidentiality is also an important aspect of the duty of loyalty;
3. The duty of **obedience**: this is the duty to act within the scope of the governing policies of NBIMC and within the scope of other laws, rules and regulations that apply to NBIMC and any professional designation that has been specifically earned by an employee or director.

Unless otherwise stated, any reference in this Code to "employees" includes all officers of NBIMC other than the Chairperson, Vice-Chairperson.

PURPOSE OF THE CODE

NBIMC is a fiduciary. Information to be collected under this code is collected so as to ensure accountability by NBIMC with respect to its fiduciary obligation and compliance by NBIMC of statutes, rules and other laws applicable to it and to fiduciaries generally.

Under Section 2.0 of its Terms of Reference, the Board of Directors is responsible for the mission, vision and values of NBIMC. The Code of Ethics and Business Conduct (the "Code") supports the corporate values. Pursuant to Section 3.2, the Board of Directors has delegated review of the Code to the Governance Committee. The Governance Committee will annually review the Code to ensure that it remains clearly stated, widely shared, regularly monitored and follows best practices.

DEFINITIONS

In this Code

"Employees" means all officers, full-time and part-time staff of NBIMC other than the Chairperson and the Vice-Chairperson. Employees also include independent contractors and third party external consultants who have been granted access to privileged information.

¹ Acknowledgement to "Director's Liability: A Discussion Paper on Legal Liability, Risk Management and the Role Of Directors in Non-Profit Organizations", Volunteer Canada, Ottawa Ontario, 2002.

1. POLICY IMPLEMENTATION

Within ten (10) days of the coming into effect of this policy or, as soon as possible thereafter, employees and directors are required to submit on the form attached in Appendix A:

- a) acknowledgement that they have read the policy
- b) for directors only, an initial list of personal Included Security holdings; and the Included Security holdings of spouses and family members living in the same household or for whom the director exercises power of attorney or acts as trustee

and for employees only,

- c) information on current broker arrangements;
- d) request to their broker(s) to provide monthly statements as required by section 8.4.1.

2. THE CODE

2.0 Confidentiality of Information Provided by Employees and Directors

An employee of NBIMC shall be named to be responsible for the Administration of this policy (the Administrator). The Administrator shall be responsible to issue reminders of all reporting requirements in advance of the due date and to securely maintain all documents. The Administrator will also coordinate, and record, the trading approval process.

All trading requests, broker statements of employees and the disclosure of holdings by directors are considered strictly confidential and, in the case of employees, may only be accessed by the Administrator, the President, the Chief Financial Officer, the Internal and / or External Auditors, and by the employee.

In the case of directors, all disclosures related to holdings may only be accessed by the Administrator, the Chairperson or the Chair of the Governance Committee, the Internal and / or External Auditors, and the director.

Each such disclosure of holdings shall be placed in individual files and maintained in a secure locked location used for no other purpose and accessible only by the persons authorized under this Code.

2.1 Scope

The Code addresses the conduct of all NBIMC employees and the Board. The Code is a further elaboration and is consistent with the conflict of interest guidelines contained in the By-Laws. It also deals with a number of related matters, including the requirements imposed on NBIMC by the Security Frauds Prevention Act (Insider trading) and security of information under the Right to Information and Protection of Personal Information Act.

2.2 Application of the Code

This Code sets a high standard, which is consistent with NBIMC's position both as a fiduciary and a significant participant in the Canadian capital markets. The policy protects NBIMC as well as its directors and employees by minimizing as much as possible the risk of inadvertent breaches and from the appearance of profiting from

knowledge or presumed knowledge gained at NBIMC. In the event of a breach, NBIMC will be enabled, as an organization, to demonstrate that all reasonable precautions have been taken.

Information to be collected under this Code will be retained for so long as necessary to permit NBIMC to fulfill the purpose set out herein and thereafter will be destroyed or otherwise disposed of as required by law.

2.3 Breach of the Code

An employee's actions with respect to matters governed by this policy are significant indications of the individual's judgement, ethics and competence. Any actions in violation of this policy may result in immediate dismissal for cause.

Failure to comply with certain sections of this Code may also be a violation of the securities laws and may be punishable accordingly.

2.4 Initial Confirmation

Upon the coming into force of this policy and upon any substantial amendment as determined by the President, for existing employees and directors, or for new employees and directors upon assuming their position, each employee and director of NBIMC will be provided with a copy of the Code. As a condition of employment, he/she will be required to sign the Certificate/Acknowledgment section of the Code, acknowledging that he/she has received a copy of the Code, fully understands its content and agrees to abide by the Code in every respect.

2.5 Annual Confirmation

By March 31st of each year, each employee and director will be asked to sign a Certificate/Acknowledgement related to this Code to confirm his/her awareness of the Code and its provisions and that he/she has complied with it during the past fiscal year. A copy of the Certificate/Acknowledgement is contained in Appendix B.

Investment and Research employees must submit the signed Certificate/Acknowledgment section of the Code to the Chief Investment Officer; and all other employees to the Chief Financial Officer.

The Chief Investment Officer and the Chief Financial Officer must submit their own Certificate/ Acknowledgment of the Code to the President and must provide him with a confirmation of all other employee submissions including any cases of non-compliance.

The President must submit his/her own Certificate/Acknowledgment of the Code as well as an annual report to the Board's Governance Committee at its first meeting of the fiscal year, including a summary of any breach of the Code during the preceding fiscal year and the action taken in each situation.

Directors must submit their Certificate/Acknowledgement to the Chairperson and the Chairperson to the Chair of the Governance Committee.

2.6 Whistle Blowing

All employees, and directors, have a duty to report any incident that they believe may be a contravention of this Code, or other similar situations, which comes to their attention. It is also their duty to cooperate in the investigation of such possible breaches.

Similar situations may include the following:

- significant errors or omissions in one's own work
- significant errors or omissions by another employee
- any wrongdoing such as breaches of statutory laws, regulations, policies, procedures, or records falsification.
- questionable accounting, performance measurement, or compliance related issues.
- providing misleading information or guidance to auditors or other investigative bodies.

These situations should be reported immediately either verbally or in writing to their team leader, the President, or the Chairperson. The Governance Committee shall be informed immediately if the matter is considered a major breach, or at a minimum at its next Governance Committee meeting.

NBIMC will endeavor to keep such reports as confidential as possible and protect employees, who have identified these types of issues in good faith, from any related retaliation or admonishment.

If employees believe that their concern is unlikely to be addressed through this provision of our code, they can also refer to the provisions available through the Public Interest Disclosure Act as outlined in Section #6035 – Wrongdoing Disclosure of NBIMC's Human Resources Manual.

3. STANDARDS

3.1 Standard of Care

NBIMC has a fiduciary duty to its clients to act honestly, in good faith and in their best interests and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

3.2 Obligation to comply with the Law

NBIMC employees and directors are required to comply with all laws applicable to NBIMC's business operations governing the provision of investment advisory services, insider trading and reporting of insider transactions.

3.3 Duty to know applicable Laws

Each employee and director has a duty to know, understand and comply with laws applicable to their duties and responsibilities to NBIMC.

4. CONFIDENTIAL INFORMATION

Employees and directors may have access to confidential information relating to the affairs of NBIMC and its investments or potential investments. The disclosure of such confidential information even to close friends or family members, or the use of such confidential information for personal gain, could be highly detrimental to the interests of NBIMC and parties whose confidential information has been entrusted to NBIMC.

4.1 Confidentiality

Individuals must recognize that all non-public information is to be held in strict confidence. No one shall divulge any confidential information unless authorized by the President, or required by law, to do so. Individuals who leave NBIMC, or retire from NBIMC, continue to be bound by this requirement.

4.2 Contact with Media

No employee or director, other than those explicitly authorized to do so, should discuss any investment, potential investment or other activity of NBIMC, with the media without consulting the President. Presentations to other groups at seminars, conferences, etc. are permitted. However, individuals should keep their comments general and must avoid comments on any specific investment situation.

4.3 Leaks of Confidential Information.

Any individual who becomes aware of any possible disclosure or improper use of confidential information shall report it to the person to whom they directly report who shall immediately inform the President.

5. CONFLICT OF INTEREST

5.1 Conflict of interest

All individuals must avoid conflict of interest situations. A conflict of interest may appear when an individual is put in a position of judging between the interest of NBIMC and his/her personal interests or those of another party in which they may have an interest. When conflicts are present, individuals must act in the interest of NBIMC. Furthermore, individuals who are acting as a fiduciary should hold their fiduciary duty above their personal interests.

Furthermore, all employees and directors are subject to the NBIMC's Conflict of Interest Guidelines contained in the By-Laws.

5.2 Disclosure and Elimination of Conflict

Any employee or director who believes that he/she has or may have an actual or potential conflict of interest must report it to the person to whom they directly report. In the case of directors, they must report the matter to the Chair.

All efforts must be taken to remove the conflicted individual from situations where decisions, opinions or actions are required in regards to the conflict issue.

6. GIFTS, DONATIONS, SERVICES OR BENEFITS

6.1 Gifts, donations, services or benefits

Employees and directors shall not actively solicit and must be prudent in giving or receiving any gift, donation, service, benefit or other favour that might materially affect, or be seen to potentially materially affect, the performance of their roles and responsibilities,

or which might prejudice the credibility of NBIMC. A high standard of independence and impartiality must be maintained.

6.2 Setting acceptable standards

In general, any gift, donation, service or benefit of a symbolic and non-recurring nature and of small monetary value may be accepted in the normal course of operations. The same holds true for meals and tickets related to cultural, sporting or community events, provided that reasonable sums are involved. A reasonable sum guideline should be considered to be less than \$100.

This guideline does not preclude customary, ordinary, business related entertainment so long as its purpose is not to influence or reward employees or directors.

7. BOARD MEMBERSHIPS

7.1 Board Memberships as Part of an Individual's Duties

Employees who sit on a board of directors of another corporation or organization, at the request of NBIMC, have a primary responsibility, in carrying out its duties and responsibilities with respect to such other corporation or organization, to protect that organization and its investors.

7.2 Approval of Appointments

Appointments to the board of public or private companies or other organizations in which NBIMC has an investment or other business relationship, must be approved by the President. In cases where the nominee is the President of NBIMC, the Board of Directors has the authority to approve him/her as a representative to the Board of the investee company.

Employees also must receive the consent of the President for any appointment to other boards, other than non-profit, charity or community based organizations.

8. PERSONAL TRADING ACTIVITIES - EMPLOYEES

8.1 Basic Principles Concerning Personal Trading Activities

NBIMC employees are permitted to invest for their own account, provided that such investment activity must always comply with applicable laws and regulations, and must be carried out in a manner consistent with NBIMC policy and this Code.

Personal securities transactions must avoid even the appearance of conflict of interest. The procedures and guidelines which follow set forth reporting obligations and rules of conduct covering personal trading and that of spouses and family members living in the same household or for whom the employee or director exercises power of attorney or acts as trustee. The procedure is summarized in Appendix C. The name of the Administrator and other employees responsible for the implementation of the program is included in Appendix D.

8.2 Included Securities

Included securities refers to those securities for which the employee must obtain pre clearance for transactions. Included securities covers all equity securities, and related derivatives, that are part of any index or benchmark in which NBIMC can invest. Applicable indices and benchmarks are outlined in NBIMC's Investment Policies. Bond

issues refer only to corporate and convertible debentures. Employees should seek the guidance of the Administrator in cases where the employee is uncertain as to whether a security is included under this policy.

The President, Chief Investment Officer, or Chief Financial Officer may from time to time temporarily restrict **all** employee personal trading activities or trading activity in any particular security or securities. This action would typically take place during the implementation of a significant investment transition or asset reallocation program. Notice of such restrictions would be coordinated and communicated through the Administrator.

8.3 Exempt Securities

There is no need to obtain pre-clearance when trading the following securities due to the absence of potential conflict of interest as either the securities are very liquid, there is no influence to the security content and/or NBIMC is passively managing or has no exposure to the asset class;

- a) **Government securities,**
- b) **Money-market instruments,**
- c) **Publicly traded mutual funds,**
- d) **Currencies**
- e) **Exchange traded index funds (ex. i-units)**
- f) **Securities that are not otherwise Included Securities.**

8.4 Reporting Requirements

8.4.1 Holdings and Transactions

Beginning with April 30th, 2006, and each month end thereafter, employees must require their broker(s) to submit a complete list of all of the employee's personal "Included Securities" holdings and transactions during the month for which they are the registered owners. Brokers must also include reports on the holdings and transactions of spouses and family members living in the same household or for whom the employee exercises power of attorney or acts as trustee. The broker statements must be sent directly to the administrator, marked "Strictly Private and Confidential" and may be accessed by the administrator, the employee, the Chief Financial Officer, the President and the internal and external auditors.

The administrator shall keep all broker statements in a secure locked location for a period of three years after which the documents shall be destroyed.

8.5 Trade restrictions:

Certain trades represent significant actual or potential conflicts of interest and are therefore prohibited.

No NBIMC employee, his/her spouse or any family member living in the same household, shall attempt to take advantage of any influence they may have to obtain favourable treatment from a broker dealer.

New relationships for personal investing with brokers will have to be established with discount brokers. Employees wishing to keep existing relationships with a full-service broker will need to report that fact in their first Declaration of Compliance.

THE CURRENT LIST OF PROHIBITED TRADES INCLUDES:

8.5.1 Insider Trading:

From time to time, employees may have access to information of a confidential nature about companies in which they invest, which has not been made public. Trading based on this information is prohibited by securities legislation and this Code.

8.5.2 Initial Public Offerings (IPOs) new or secondary:

Purchase of IPOs by investment personnel create conflicts of interest by their possible appearance of appropriating an attractive investment opportunity from clients for personal gain.

8.5.3 Short-term Trading:

NBIMC does not encourage short-term or speculative trading. Furthermore, the amount of time spent on personal trading must not interfere with employment responsibilities. Employees who are found to have been involved in these activities may have their personal trading privileges suspended or revoked.

8.6 Pre-clearance of Trades – Employees:

Pre-clearance must be obtained to trade “included securities”.

Employees must obtain consent, prior to conducting any transaction, from the Administrator. This includes transactions of securities for which the employee is beneficial owner and that of spouses and family members living in the same household or for whom the employee exercises power of attorney or acts as trustee.

The request for consent must be done in writing (e-mail) to the Administrator, and must specify whether it is a buy or sell action, and must provide the security description and applicable index in which the security is included. The Administrator will subsequently seek approval from the responsible NBIMC investment center on a no-employee-name basis. If NBIMC is currently in the process of implementing a purchase/sale program, consent will not be granted.

All consents granted will be confirmed by e-mail and a confidential log of all requests and approvals will be kept by the Administrator. Each consent expires at the end of the trading day on which consent has been given, or upon notification that the consent has been revoked.

Employees by their continued employment are deemed to consent to the disclosure to NBIMC by such employee’s broker of any documentation relating to his/her personal holdings.

8.6.1 Transaction guidelines:

Employees shall carry out their transactions at the prices, fees and commissions established by the market.

8.7 Breach of Code:

Employees must report any violation to this Code, which comes to his/her attention to the Administrator. The Administrator will report such breaches to the attention of the President to determine the appropriate action and/or sanction, and to the Chairperson in the event of a breach involving the President. Once the appropriate action has been determined, the Administrator will make a report to the Human Resources Coordinator for inclusion in the employee's personnel file.

8.8 Profits Resulting from Unauthorized Trades:

Any profits resulting from unauthorized trades may be required to be disgorged, and the employee may be subject to other disciplinary action.

9. PERSONAL TRADING ACTIVITIES – DIRECTORS (BOARD MEMBERS)

9.1 Included Securities

Included securities refers to those securities for which the director's trading is restricted in Section 9.5 and for which a periodic list of holdings must be provided. Included securities covers all equity securities, and related derivatives, that are part of any index or benchmark in which NBIMC can invest. Bond issues include only corporate and convertible debentures.

9.2 Exempt Securities

For greater clarity the following securities and classes of securities are exempt:

- a) **Government securities,**
- b) **Money-market instruments,**
- c) **Publicly traded mutual funds,**
- d) **Currencies**
- e) **Exchange traded index funds (ex. i-units)**
- f) **Securities that are not otherwise Included Securities**

9.3 Initial List of Holdings

Within 10 days of the coming into force of this policy or as soon as practical thereafter or within 10 days of a Board appointment at NBIMC, directors must submit a complete list of personal "Included Securities" holdings for which they are the registered owners and that of spouses and family members living in the same household or for whom the director exercises power of attorney or acts as trustee.

Directors must submit their list to the Chairperson and the Chairperson to the Chair of the Governance Committee.

9.4 Annual Report of Holdings

By March 31st of each year (or within 30 days) (commencing March 31, 2006), each director must provide an updated list of their personal "Included Securities" holdings for which the director is the registered owner. It must also include such holdings of spouses and family members living in the same household or for whom the director exercises power of attorney or acts as trustee.

Directors must submit their list to the Chairperson and the Chairperson to the Chair of the Governance Committee.

9.5 Trade Restrictions:

Directors and their spouses, as well as persons for whom the director exercises power of attorney or acts as trustee and family members living in the same household must observe certain restrictions in the trading of included securities. Such restriction applies from the time investment information is provided to them in material for a board meeting, until one week after the board meeting. This restriction does not apply to funds managed for a Director, when he has no direct input on the investment decision for individual securities.

9.6 Director Reporting of Breach of Code:

Directors must report any violation of this code to the Chairperson or in the case of the Chairperson to the Chair of the Governance Committee.

10. Summary of Reporting requirements: Employees

10.1 Matters to report

<u>Reporting Requirement</u>	<u>Date By:</u>
➤ Confirmation that policy has been read and understood (Section 2.5)	Upon the coming into force of this policy or upon commencement of employment and each March 31, thereafter or upon commencement.
➤ Whistle Blowing – Contraventions of the Code of Ethics (Section 2.6)	Immediately
➤ Monthly listing of personal "Included Securities" holdings from Broker (Section 8.4.1)	Within 30 days of month end.
➤ Disclosure of Conflicts (Section 5.2)	Immediately
➤ Pre-clearance of trades (Section 8.6)	Prior to trades

11 Summary of Reporting Requirements: Directors

11.1 Matters to report

<u>Reporting Requirement</u>	<u>Date By:</u>
➤ Confirmation that policy has been read and understood (Section 2.5)	Upon the coming into force of this policy or upon commencement of term and each March 31, thereafter or upon commencement.
➤ Whistle Blowing – Contraventions of the Code of Ethics (Section 2.6)	Immediately
➤ Initial list of personal “Included Securities” holdings (section 8.4.1)	Within 10 days of the coming into force of this policy or as soon as practical thereafter or upon commencement.
➤ Annual list of financial holdings (Section 8.4.2)	Annually commencing March 31, 2006 or within 30 days.

Appendix A: Initial Declaration of Compliance

NBIMC/SGPNB
Code of Ethics and Business Conduct
Covering Employees and Directors
Effective December 1st, 2000, Most Recent Amendment June 2011

CERTIFICATE/ACKNOWLEDGEMENT:

Upon Adoption of the Code or Upon Hiring or Appointment:

I hereby certify and acknowledge that I have received a copy of this Code, I have read and have understood this Code of Ethics and Business Conduct and the Conflict of Interest Policy and I agree to abide by it.

I also certify that I have explained the Code to my spouse and other family members in my household.

Signature of employee/director

Date

Please print your name: _____

FOR EMPLOYEES ONLY

Request to retain current full-service broker (Name of Broker firm):

List all brokerage accounts currently used for trading in Included Securities

Name of Broker	Account #
_____	_____
_____	_____
_____	_____

NBIMC/SGPNB

Code of Ethics and Business Conduct For Directors Only

Effective December 1st, 2000, Most Recent Amendment June 2011

Disclosure of Holdings:

Initial √

Security

Signature of director

Date

Please print your name: _____

Appendix B: Annual Declaration of Compliance

NBIMC/SGPNB
Code of Ethics and Business Conduct
Covering Employees and Directors
Effective December 1st, 2000, Most Recent Amendment June 2011

Confirmation:

Annual √

I hereby certify and acknowledge that I have received a copy of this Code, I have read and have understood this Code of Ethics and Business Conduct and the Conflict of Interest Policy and I agree to abide by it. I also hereby certify that I have complied with this Code and with the Conflict of Interest Policy in every respect, during the past year.

I also certify that I have explained the Code to my spouse and other family members in my household.

I have also reviewed the current policies in NBIMC's Human Resources manual.

Signature of employee/director

Date

Please print your name: _____

FOR EMPLOYEES ONLY

List all brokerage accounts currently used for trading in Included Securities

Name of Broker	Account #
_____	_____
_____	_____
_____	_____

NBIMC/SGPNB

Code of Ethics and Business Conduct For Directors Only

Effective December 1st, 2000, Most recent Amendment June 2011

Disclosure of Holdings:

Annual

√

Security

Signature of director

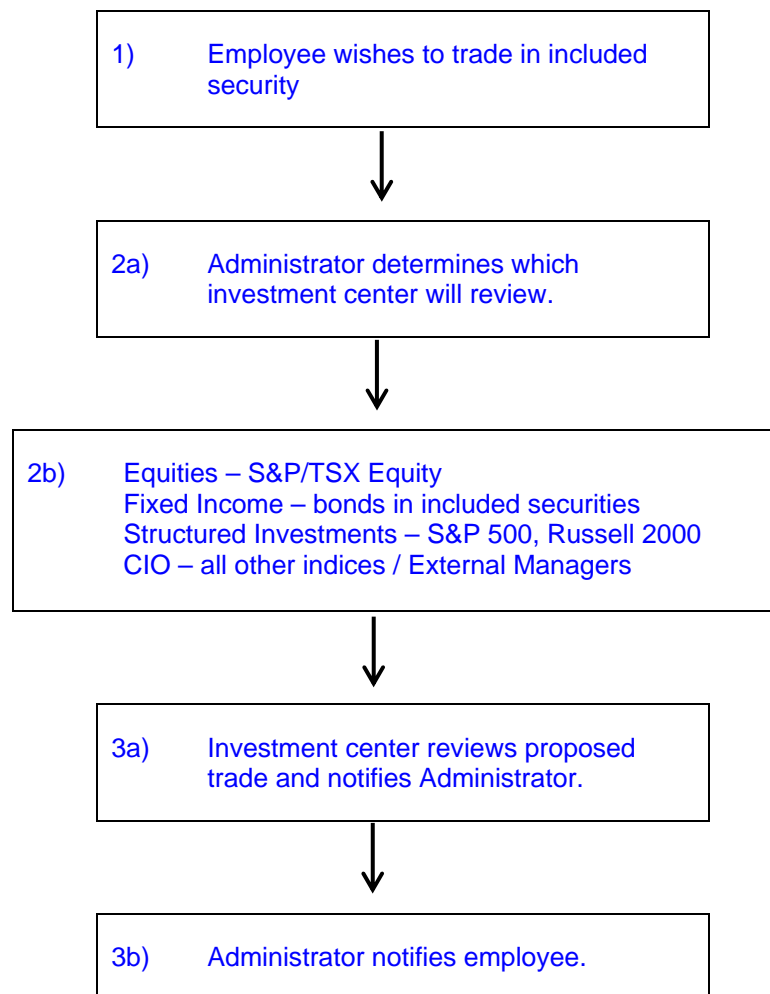
Date

Please print your name: _____

Appendix C: Outline of Personal Trading Process (Section 8)

The process for trading an included security (as defined in Section 8.2) is as follows:

- 1) The employee notifies the Administrator in writing (e.g. by email) which security they wish to trade and which NBIMC index the security is in (e.g. S&P/TSX Equity, etc.).
- 2) The Administrator will contact the relevant investment center to determine if the security is part of a current trade program as per Section 8.
- 3) If the corporation (or an external manager acting on behalf of the Corporation) is not trading in the security, the Administrator will notify the individual wishing to trade that they may proceed and record and retain the approval authority.



Appendix D: Responsible Employee Designates

Administrator:	Inge Després
Equity Representative:	Mark Holleran /Justin Lord
Fixed Income Representative:	James Scott
Chief Investment Officer:	John Sinclair

Amended Feb. 28, June 8, & Nov. 28, 2006, Nov. 27, 2007, June 9, 2009, June 7, 2011