

CODE OF BUSINESS CONDUCT AND ETHICS



 **Killam**
APARTMENT REIT
killamproperties.com



CODE OF BUSINESS CONDUCT AND ETHICS

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PRESIDENT’S MESSAGE



The cornerstone of Killam’s long-term success rests squarely on the ability of all of our employees, directors and officers to demonstrate the highest ethical standards and vigilantly protect the reputation we are building for this Trust.

With that in mind, the Code of Business Conduct and Ethics has been written to clarify Killam’s standards of business conduct. Although this document cannot anticipate every situation, it offers a practical framework for identifying issues, getting advice and making decisions. As we apply the mandates of the Code of Business Conduct and Ethics, we must exercise our very best judgment.

In addition to the code, we must also observe Killam’s Core Values and our personal values. All aspects of this Code can be observed by aligning oneself with the spirit of Killam’s Five Core Values: Curb Appeal, Do the Right Thing, Build Community, Creative Solutions, and Strong Customer Relationships. The Code of Conduct provides additional, practical insight into applying our Core Values, specifically “Do the Right Thing” to our everyday work. Employees should never do anything in the employ of Killam that they would be ashamed to explain to their families, friends or colleagues – or see in a newspaper headline.

To maintain the trust of our shareholders and tenants we must obey all laws and regulations. If we disagree with applicable rules, we may challenge them through appropriate channels, but we will comply with them for so long as they are in effect. In addition, we must avoid conflicts of interest, protect Killam’s assets and maintain the highest standards as we work with tenants, employees, shareholders, suppliers, business partners, government officials and other stakeholders.

The following standards of business conduct are crucial to Killam’s reputation and future. Please read your copy of the Code of Business Conduct and Ethics carefully, keeping it handy for easy reference and please remember that Killam’s reputation is in our hands every day.

Sincerely,

Philip Fraser
President and Chief Executive Officer



OUR STANDARDS OF BUSINESS CONDUCT

Killam strives to be a good corporate citizen and continually pursues this distinction through its employees.

This section of the handbook contains a Code of Business Conduct and Ethics (the “Code of Conduct”) that outlines Killam’s expectations of all employees. The Code of Conduct also reflects what Killam believes to be the best practices for our business. It is designed to help you recognize issues and situations that may arise so that you can ask for advice. However, the Code of Conduct cannot provide answers to all problems in every area.

There are additional legal requirements that apply to Killam operations and your job that you must know and follow. For example, the Code of Conduct does not address specific laws and regulations regarding tenancies acts, taxation or other legal requirements. In addition, there are important, detailed policies and procedures required by various functional groups within Killam (financial and human resources). While not all these policies and procedures are specified or described in detail in this Code of Conduct, you are required to know and comply with those that apply to your responsibilities. The same is true for Killam policies and procedures on matters such as travel, expense reports and employee benefit programs.

As you perform your duties, please keep in mind the following expectations:

Employee Responsibilities

You must practice the highest standards of business conduct. Your behavior should at all times reflect Killam’s values of respect for people, integrity and excellence.

You must know and comply with all applicable legal requirements and Killam policies and procedures that affect your job. Killam will provide appropriate training and resources to assist you. If you are unsure about any legal requirements or directions in this Code of Conduct, you are responsible for asking your supervisor for clarification.

If you suspect, observe or learn about any violation or possible violation of the law, this Code of Conduct, or Killam policies, you must immediately notify your supervisor or a member of management. See the section on Reporting of Possible Issues. (pg 47)

Supervisor Responsibilities

As leaders, supervisors have important additional responsibilities regarding the fulfillment of applicable legal requirements and Killam policies. Supervisors are responsible for:

- ensuring that all Killam employees under their supervision have been trained appropriately in the legal requirements, Killam policies and procedures that affect their responsibilities
- leading by example to demonstrate personal commitment to compliance with legal requirements, this Code of Conduct and Killam policies
- making themselves available to assist employees with compliance matters
- having internal controls in place to verify compliance
- advising appropriate corporate level personnel of local situations that may affect Killam business operations

Please be aware that any violation of the law, this Code of Conduct or Killam policies and procedures may result in disciplinary action, as well as possible criminal penalties for Killam and/or persons involved.

OUR COMMITMENTS

The key principles found in this Code of Conduct are listed below:

- We are committed to behaving ethically in all our business relationships, dealings and activities.
- We comply with all laws, regulations and Killam policies that apply to our business activities.
- We compete vigorously, complying with all applicable laws regulating competition. We conduct our business fairly, relying on the merits of our services and people.
- We conduct our business activities in a safe working environment with respect for people and a commitment to diversity, equal opportunity and freedom from exposure to improper conduct and discrimination.
- We do not allow our business dealings on behalf of Killam to be influenced by personal or family interests.
- We select suppliers based on the merit and value of their products and services. We do not accept gifts, entertainment or favours that could affect or appeal to affect our business judgment.
- We protect Killam assets and use them properly and with care for the benefit of Killam and not for personal use.
- We use email, the internet, telephone and other forms of communication provided by Killam appropriately, which means primarily for business related purposes.
- We safeguard and make proper use of confidential information and ensure that it is not improperly revealed.
- We do not improperly disclose or take advantage of non-public company or third-party information to which we have access.
- We respect the privacy of an individual's personal information.
- We comply with all laws and regulations that govern the manner in which we may participate in the political process and interact with government officials.
- We follow appropriate procedures in communicating with the media, with the investment community and on the Internet about Killam business, policies and activities.
- We create and maintain proper records and follow proper reporting procedures.
- We notify an appropriate contact if we suspect, observe or learn of any violation or possible violation of the law, this Code of Conduct or Killam policies.

COMPETITION

We compete vigorously, complying with all applicable laws regulating competition. We conduct our business fairly, relying on the merits of our services and people.

General Principles

This section is designed to help you recognize situations that may raise competition law issues so that you can ask for advice. It does not address all problems in this area. Violations can have negative business consequences, such as monetary damages, embarrassing publicity and/or damaged customer relationships.

Employee Responsibilities.

Tenants

You must not act in a manner that unfairly favours or benefits one tenant over another tenant.

Competitors

You must not agree with our competitors to do any of the following:

- fix or set prices
- restrict competition in any geographic area
- refuse to do business with another party

You must not exchange specific current or future price information or marketing plans with competitors with the intention to fix prices.

Joint Activity

You must seek the advice of senior management before beginning a joint activity that involves communications with competitors or others who participate in rental areas similar to those in which Killam is involved.



HUMAN RESOURCES

We conduct our business activities in a safe working environment with respect for people and commitment to diversity, equal opportunity and freedom from exposure to improper conduct and discrimination.

Equal Employment Opportunity/Diversity Killam Commitments

Killam is committed to developing and utilizing the diverse talents and energies of all employees. Killam commits to providing equal employment opportunities to all employees and applicants in all phases of employment, regardless of age, citizenship, color, gender, national origin, disability, race, religion, veteran and uniformed military service status or any other status protected by law. This commitment includes providing a workplace that is free of discrimination. Killam is also committed to taking appropriate steps to provide reasonable accommodation to qualified individuals with disabilities.

Employee Responsibilities

You must conduct your business activities with respect for all people who are touched by Killam without regard to differences or similarities. Our differences and similarities may include but are not limited to:

age	citizenship
experience	culture (individual, group and global)
economic status	education and training
gender	job level
job tasks and responsibilities	lifestyle, including marital status, family status and sexual orientation
national origin	physical and mental abilities
race, ethnicity and color	religion
thoughts and perspectives	veteran and uniformed military service status

Your words and actions must demonstrate and confirm your respect for others and for their contributions.

Conduct in the Workplace Killam Commitments

Killam is committed to providing a workplace free of improper conduct and harassment.

Employee Responsibilities

In your daily work activities, you must conduct yourself in a manner appropriate for the workplace. This includes observing normal standards of courtesy and consideration when interacting with other employees and people with whom Killam has business dealings. You must be especially sensitive to the concerns and values of others.

In addition, you must not harass another employee or anyone who has business dealings with Killam. Harassment is unwelcome physical or verbal behavior or written material that is directed toward an individual when the behavior does any of the following:

- creates an inappropriate work environment (hostile, intimidating or offensive)
- interferes or intends to interfere with the individual's work performance
- adversely affects his or her employment opportunities with Killam

Examples of harassment include:

- racial or religious slurs
- negative racial or religious stereotyping
- intimidating or aggressive acts or words based on gender
- inappropriate humour related to disabilities or of a sexual nature
- communication or display in the workplace of offensive material (written, graphic or other tangible form)
- unwelcome physical or verbal conduct of a sexual nature

Safe Working Conditions

Killam is committed to the safety of its employees. All employees have the right to work in an environment that is safe and healthy. Supervisors are responsible for creating an environment in which employees have a genuine concern for health and safety. In this regard all employees must:

- comply strictly with the letter and spirit of applicable occupational, health and safety laws and the public policies they represent
- follow work instructions or procedures on health and safety laws
- not engage in illegal or dangerous behavior
- ensure all equipment and items are properly maintained and in good working order
- ensure that all mandatory safety training is completed, and up to date, as is required

For more information on this matter, please refer to the Occupational Health and Safety Handbook.



CONFLICTS OF INTEREST

We do not allow our business dealings on behalf of Killam to be influenced by personal or family interests.

We select suppliers based on the merit and value of their products and services. We do not accept gifts, entertainment or favours that could affect or appear to affect our business judgment.

General Principles

The guiding principle regarding conflicts of interest is that all employees must avoid situations in which their personal interests conflict or appear to conflict with the interests of Killam.

Conflicts of interest may be difficult to detect. A slight difference in conduct or circumstances can cause an activity to move from being acceptable to unacceptable. The following paragraphs point out some important areas in which conflicts may arise. However, it is not possible to list every situation that could be a conflict of interest or appear to be a conflict.

There are times when a situation may not present an actual conflict of interest, but the appearance of a conflict is so strong that it is not in the best interests of Killam for the situation to exist.

Killam Commitments

Upon receiving a request to evaluate a situation that may present a conflict of interest or potential conflict or appearance of a conflict, Killam will review the situation promptly and carefully, and advise the employee of the proper actions to take.

Employee Responsibilities

You must respect Killam's interests.

You must avoid situations in which your personal interests conflict or may appear to conflict with Killam's interests.

You must act within the letter and the spirit of this Conflicts of Interest section.

If you have any uncertainty about whether a situation may involve a conflict or appearance of a conflict between your interests and Killam's, you must discuss the situation with your Supervisor.

You must cooperate completely with Killam in the correction of any situation in which Killam determines a conflict or an appearance of a conflict exists or may arise.

Dealings with Others

Generally, if your job requires you to interact with suppliers, tenants and others doing business with Killam, you must select and deal with these persons in a fair and impartial manner. You must not show any favour or preference to any person or business based on anything other than the best interests of Killam.

You must exercise extreme caution when dealing with information that belongs to another business entity. You must not reveal to any third party pricing information, bids, proposals and/or any other confidential or proprietary information that we receive from other companies without the express written consent of the provider of such information. You must not use your position with Killam to solicit charitable contributions or personal services from suppliers or others with whom Killam does business.

Gifts, entertainment, favours. You may not accept or ask for anything of significant value from our suppliers, contractors or others with whom we do business. You must not accept these items directly or indirectly for yourself or for any member of your family. However, in the normal course of business, suppliers may buy lunch, invite you to a sporting or business event or send a nominal gift. In these circumstances the following guidelines should be followed:

- it is a customary social or business function (which would include other guests)
- the gift is for an employee group or project team
- in general, the gift should not exceed \$200

Interests in or Relationships with Other Business or Organizations

Exceptions. A number of restrictions relating to your interests in our relationships with other businesses are described in the following paragraphs. Exceptions to these restrictions may be allowed if you fully disclose the potential for or appearance of a conflict of interest and Killam's management decides and informs you that the situation will not influence your ability to perform your duties for Killam.

Generally. You must not conduct business on behalf of Killam in any situations described below.

Significant Interest. You must not own significant interest in any business or organization that:

- does business with Killam
- seeks to do business with Killam
- competes with Killam

You must also inform management of Killam or your supervisor of any other lesser interest if it may present the appearance of conflict.

Dealings with Relatives. You must not conduct Killam business with a relative or with a business into which you or your relative is associated.

Board Membership, Consulting. Without prior approval, you must not be an officer, consultant or member of the board of directors of any business or organization involved in property ownership or management, involved in any other field related to Killam's business or doing business with Killam (such as a partner, supplier or customer).

Payments, fees, services and loans. You must not seek or accept any direct or indirect payments, fees, services or loans from any person, business or organization that:

- does business with Killam
- seeks to do business with Killam
- competes with Killam

You may obtain personal services from such a person, business or organization provided you pay the customary rate for such services and you may also borrow money from a financial

institution of your choosing at normal and customary interest rates. You may also participate in discount programs offered by suppliers of Killam if such programs are offered to all employees.

Acceptance of Honorarium and Similar Payments. You may be invited during the course of employment to:

- author or edit publications
- serve on advisory panels or boards
- make presentations
- participate in other ways in symposia or other professional or technical forums

Generally, you must not accept cash honorarium or significant goods or services for work-related activities and professional development. Killam may accept an offer to defray expenses incurred for your participation if such acceptance does not create a conflict of interest or the appearance of a conflict of interest.

Even if you believe participation in such activities is not work-related or not for professional development, you must still seek Killam approval before accepting honorarium or goods or services for participation in such activities.

Other Employment. You are expected to give your full-time best efforts to Killam. This means that if you also hold another job, you must consider your obligations to Killam first.

You may receive compensation for outside services you perform. However, without receiving prior approval, you must not be employed by, consult for, receive compensation from or donate services to any person or business that:

- does business with Killam
- seeks to do business with Killam
- competes with Killam
- is otherwise involved in property ownership or management or any other field related to the business of Killam

Companies or Property Considered for Acquisition

You must not acquire, directly or indirectly, any interest in real estate, a business entity or any other property that you may know or have reason to believe Killam is interested in purchasing. See also the discussion of trading restrictions in the section on Securities Laws and Trading; Material Information.



ASSET PROTECTION

We protect Killam assets and use them properly and with care for the benefit of Killam and not for personal use.

We use email, the internet, telephone and other forms of communication provided by Killam appropriately, which means primarily for business related purposes.

Killam Commitments

Killam provides appropriate assets for employees to carry out their responsibilities. Assets may be tangible or intangible. Intangible assets include competitive intelligence, information and goodwill. Tangible assets include people, products, Killam files and records, charge cards, vehicles, land and buildings and equipment, including facsimile machines, copiers, telephones and computer hardware and software.

Employee Responsibilities

Killam's assets are meant for business use, not personal use. All employees have a responsibility to protect and safeguard these assets from loss, theft, misuse and waste.

You must never use Killam's assets for personal gain and you should not allow them to be used for illegal activities. Misuse of these assets is a breach of your duties to Killam and may be an act of fraud against Killam. Taking Killam's property from its facilities without permission is regarded as theft and could result in dismissal. In addition, carelessness or waste of assets may be a breach of your duty to Killam and could result in dismissal.

Policy regarding email, the Internet, telephones and other forms of communication.

Killam provides our employees with access to email, the Internet, telephones and other forms of communication for business purposes, and while Killam understands the need for limited and occasional use of these tools for personal purposes, this use should not be excessive or cause detriment to Killam. Internet usage must be conducted in a professional manner. For example, accessing Internet sites containing obscene or offensive material, or sending emails that are derogatory or harassing to another person or group of people or chain emails is prohibited. In addition, employees must be vigilant to ensure that the network security is maintained.

SOCIAL MEDIA- I don't think I got back your edits on the policy, do you want it included in the policy section of the handbook? There is also the IT policy that has been re-done.

CONFIDENTIAL INFORMATION

We safeguard and make proper use of confidential information and ensure that it is not improperly revealed.

Definitions

Killam confidential information is information developed by employees and other materials relating to business not known or available outside Killam.

Employee Responsibilities

Confidentiality. You have an ongoing obligation to protect Killam’s assets and not disclose Killam’s confidential information. Confidential information could include information about our pricing, potential acquisitions or dispositions, budgets or other business data. You must be careful not to discuss this information with family members, co-workers, business or social acquaintances or in places you may be overheard, such as elevators, on airplanes or in restaurants.

In addition, confidential information should be limited to those associates who have direct business need for this information. The fact that someone works for Killam does not automatically give them access to confidential information.

Authorized Disclosure. If your job requires you to disclose certain confidential information to third parties, such as contractors, vendors or design firms, you must obtain your supervisor’s specific approval before disclosing the information.

In all cases, you must disclose the smallest amount of information to the fewest people possible to accomplish the business purpose.

Tenant Information. You are responsible for safeguarding the privacy, confidentiality and security of tenant information. We receive various pieces of information that is entrusted to us by tenants and we need to hold this information in the highest level of confidentiality. Please see the section on Privacy for further information.

SECURITIES LAWS AND MATERIAL INFORMATION

We comply with all securities laws and regulations that apply to our business activities. We do not improperly disclose or take advantage of non-public information to which we have access.

Killam Commitments

Killam complies with all applicable securities laws and regulations. This includes meeting its obligation to provide accurate, complete information to the public by means of documents it files with the appropriate regulatory authorities and announcing to the public, at the proper time and in an appropriate manner, “material” information about its business.

Definition

Material Information. Information is considered “material” if, when it is known, it would reasonably be expected to have a significant effect on the market price of Killam’s stock (either by increasing or decreasing it). Said another way, information is material if an investor would consider it important in deciding whether to buy or sell Killam’s stock. Material information that is not yet known to the public is sometimes called “inside information” or “insider information”.

Examples. Examples of information that may be material include financial results or projections, a decision by Killam to buy or sell a material property, major management changes and significant litigation or regulatory proceedings in relation to Killam or its assets.

Employee Responsibilities

Precautions. If you have access to material non-public information about Killam, you must take special precautions to keep it confidential.

- You may disclose the information only to other employees who need to know it to perform their jobs.
- You must keep all files and documents containing the information in a secure location.
- If you are a supervisor, you must make sure that employees who report to you understand these requirements and take appropriate, reasonable precautions.

You also must be cautious in handling sensitive information. You must not repeat or disclose any such information. You must respect the obligation of other employees to follow this policy. This does not reflect a lack of trust among employees, it is merely good business practice.

The precautions outlined above also apply with respect to confidential and sensitive information belonging to other companies that you become aware of through your work at Killam.

Trading Restrictions. Some employees in the course of their duties may know material information before a public announcement is made. This non-public information may be material to Killam or another publicly held company. If you become aware of material non-public information, you have certain duties under the law and this Code of Conduct. If anyone trades in stock based on material non-public information, both the person revealing

the information and the person who trades may be prosecuted under applicable securities laws. Engaging in this activity is often called “insider trading”.

If you have access to material non-public information about Killam, you must refrain from trading (buying or selling) Killam stock until Killam has made the proper public disclosure and investors have had an opportunity to evaluate the information.

These trading restrictions also apply with respect to any material information regarding other companies of which you become aware through your work at Killam.

If you have any question about whether you have material information and whether it is publicly known, you must consult a member of senior management before buying or selling Killam stock or stock of any other company in question.

Other trading restrictions. You must not “sell short” Killam stock.

- **Short Sales.** Selling stock short means agreeing to sell stock that you do not yet own. For example, a seller may agree to sell 100 shares at today’s price, with delivery to occur in a week. The seller is betting that in a week, he or she will be able to buy 100 shares for less than today’s price and keep the difference as profit. Selling Killam stock short would conflict with your obligation to create value for Killam’s shareholders. It may also be perceived as a signal that there may soon be negative news about Killam.
- **Other Companies’ Stock.** For the same reasons stated above in respect of Killam’s stock, it is inappropriate for Killam employees to sell short or buy or sell publicly traded options on the stock of a company with which Killam has a significant relationship with. See also the section on Conflicts of Interest.

PRIVACY

We respect the privacy of individuals' personal information.

Killam Commitments

We collect, retain and use tenant and employee information for legitimate purposes only. Information is not shared with outside parties except to the extent necessary to complete the lease process for tenant or payroll providers in the case of employees.

Personal Information Protection and Electronic Documents Act ("PIPEDA" or the "Act")

The federal government enacted PIPEDA on January 1, 2001, effective January 1, 2004. The Act recognizes the rights of individuals to control the use of their personal information. In addition, the Act imposes obligations on companies to protect personal information in a manner a reasonable person would consider appropriate in the circumstances. The following is the model code set out in the legislation for the protection of personal information:

Accountability: An organization is responsible for personal information under its control and shall designate an individual or individuals who are accountable for the organization's compliance.

Identifying Purposes: The purposes for which personal information is collected shall be identified by the organization at or before the time the information is collected.

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

Limiting Collection: The collection of personal information shall be limited to that which is necessary for the purposes identified by the organization. Information shall be collected by fair and lawful means.

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 individual or as required by law. Personal information must be retained only as long as necessary for the fulfillment of those purposes.

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

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

Openness: An organization shall make readily available specific information about its policies and practices relating to the management of personal information.

Individual Access: Upon request, an individual shall be informed of the existence, use and disclosure of his or her personal information and shall be given access to that information. An individual shall be able to challenge the accuracy and completeness of the information and have it amended as appropriate.

Challenging Compliance: An individual shall be able to address a challenge concerning compliance with the above principles to the designated individual or individuals accountable for the organization's compliance.

DEALINGS WITH GOVERNMENT OFFICIALS AND POLITICAL PARTIES

We comply with all laws and regulations that govern the manner in which we may participate in the political process and interact with government officials.

Political Contributions

No Killam funds, property or employee services may be used to support any candidate for political office, political party, official or committee unless the contribution is permitted by law. The contribution must also be approved in writing in advance by the chief financial officer of Killam.

Individual Involvement in the Political Process

You may voluntarily choose to contribute to a political candidate or party using your own personal time, money or other resources. Killam will not reimburse your contributions.

Government Organizations

You must not make a direct or indirect payment or gift to improperly influence a policy making government official. Giving money or other items of value (travel expenses or expensive entertainment, for example) to such officials or employees in order to retain or obtain business or to secure any improper advantage may be a violation of local laws.

Killam will cooperate with all representatives of government agencies or ministries that contact Killam in the course of carrying out their assigned responsibilities.

If your responsibilities include dealing with representatives of government regulatory agencies or ministries on a regular basis, you should know and comply with applicable Killam policies and any related procedures.

If receiving such contact is not regular part of your job, then you should seek advice about how best to cooperate if you are contacted by a government official.



MEDIA, FINANCIAL ANALYSTS AND THE INTERNET

We follow appropriate procedures in communicating with the media, with the investment community and on the Internet about Killam's business, policies and activities.

Employee Responsibilities

Because Killam is a publicly traded Trust, media coverage can have an immediate effect on share price and our business. Therefore you must follow special procedures for communicating information to the public. This could take the form of the news media, investment community or communications through chat rooms or bulletin boards on the Internet.

News Media

You must refer all inquiries from members of the news media (representing television, radio, magazines or online, trade and other publications) that relate to Killam; its business, products, policies or activities; or competitors or their products to the CEO or the CFO. If you wish to initiate any contact with the news media regarding any Killam related matter, you must coordinate the contact through the CEO's office.

Only designated personnel may authorize or send letters to the editor or other similar communications for media publication regarding Killam, its business, policies or activities or competitors or their products. If you believe a reply to a publication is warranted, please bring the matter to the attention of your supervisor or the appropriate communications personnel.

Investment Community

You must refer all inquiries from financial analysts, stock brokers and investors to the CEO or the CFO.

If you wish to initiate contact with the investment community regarding Killam matters, you must coordinate the contact through the CEO or CFO.

Social Media & Internet

You must not post any messages, comments or replies to any public Internet discussions, on a social media or other internet sites, in which the topic is related to Killam; its business, policies or activities or those of competitors.

Rather than replying yourself, if you see an online posting containing information, or referencing Killam, please bring the matter to the attention of your supervisor or departmental director.

BOOKS AND RECORDS

We create and maintain proper records and follow proper reporting procedures.

Killam Responsibilities

Killam maintains accurate and complete records upon which it can rely to produce accurate reports to management, shareholders, creditors, government agencies and others.

Examples of records include general accounting records, employee and payroll records, time reports, purchasing records and expense reports, among others.

Employee Responsibilities

Records in General

You are responsible for ensuring that documents you produce are accurate and complete.

If a record requires a signature, you must sign only records that you believe to be accurate and complete after appropriate review.

You must not disclose records except as authorized by policy or as a required response to legal or regulatory action upon the advice of a Killam attorney or other authorized individual.

All funds, accounts and assets of Killam must be accounted for fully in official records. Financial records and supporting documentation must accurately describe each transaction and its purpose.

You must not omit, delete or alter any entries in Killam books or records without following appropriate procedures applicable to that type of document.

You must not make or arrange to have made any false or artificial entries in any Killam books or records or in any books or records of other persons or companies with whom we do business.

You must not use any Killam funds or assets for any purpose other than a legitimate business purpose that is recorded in Killam documents.

Financial Records

In preparing financial records of Killam, and supporting documentation, you must:

- follow Canadian generally accepted accounting principles and Killam's accounting policies,
- accurately and completely describe each transaction and its purpose in Killam documents without any restriction or qualification

You must not conceal payments by passing them through the books or accounts of third parties, such as agents, brokers, consultants or trade associations.

You must not establish for any purpose any undisclosed or unrecorded accounts, funds or assets of Killam.

Payments for Goods and Services

You must make all payments for goods and services for Killam using Killam cheques, drafts, credit cards or other documented transfers.

You must consult with the CEO or CFO if a vendor requests that payment be made to a different company or person from which the goods or services were obtained.

REPORTING OF POSSIBLE ISSUES

We notify our supervisor, Trust attorney or Killam's confidential Whistleblower section of the website if we suspect, observe or learn of any violation or possible violation of the law, this Code of Conduct or policies.

Employee Responsibilities ***Reporting a Possible Issue***

If you suspect, observe or learn of any violation or possible violation of the law, this Code of Conduct or any other Killam policy, you must report it immediately.

In most cases, you should make the report to your supervisor. If you are not comfortable discussing it with your supervisor, you may report it through an anonymous letter to the Killam's attorney or the Chairman of the Audit Committee through Killam's confidential Whistleblower process.

If your report is anonymous your letter should, to the extent possible, include specific details, including back-up documentation in order to permit adequate investigation of the concern or conduct reported. Vague, non-specific or unsupported allegations are inherently more difficult to pursue.

You must cooperate fully with any investigation, whether or not initiated by a report from you.

Supervisor Responsibilities

Supervisors are responsible for detecting any violations in their respective areas. Supervisors are also responsible for promptly investigating and resolving any violations or suspected violations that they detect or are reported to them. Supervisors should seek assistance from appropriate personnel as needed.

Supervisors must treat all reports and investigations of suspected violations as confidentially and appropriately as possible, consistent with Killam interests.

Supervisors must take no retaliatory action and must use their best efforts to ensure that no retaliatory action is taken by anyone in their departments against an employee who reports violation or suspected violation.

Killam Commitments ***Investigation of Violations***

The individual to whom a report of a violation or suspected violation is made will promptly investigate a report, after determining the appropriate nature of the investigation.

All reports and investigations of suspected violations will be treated as confidentially as appropriate and possible, consistent with Killam interests. There will be no retaliation by Killam or its management due to good faith reports of suspected or actual violations.

Compliance with the Code of Conduct

Compliance with the Code of Conduct is considered mandatory. Any contravention of the Code of Conduct is considered a performance issue and may result in disciplinary action, up to and including termination with cause. Killam's Board of Directors has delegated to

management the primary responsibility for monitoring compliance with the Code of Business Conduct, but the responsibility must ultimately be shouldered by all directors, officers and employees of Killam in order to ensure that the principles set forth herein are adhered to.

Corrective Actions

Following an investigation, appropriate corrective action will be recommended if it is determined necessary.

Failing to comply with the law, this Code of Conduct or Killam policies can have severe consequences for Killam and all individuals involved. Killam will take appropriate steps, including possible legal proceedings and/or disciplinary actions, to correct any violations and avoid recurrence.

Disciplinary action, up to and including dismissal, may be taken against any employee for any of the following:

- authorizing or participating in a violation
- failing to report a violation or possible violation
- refusing to cooperate with the investigation of a possible violation
- retaliating against an individual due to good faith reporting of a possible violation

In addition, supervisors may be disciplined for failing to detect a violation in their area if the failure results from inadequate supervision of their employees.



IF YOU HAVE ANY QUESTIONS

If you have any questions regarding the law, this Code of Conduct or Killam policies, you should discuss them with your supervisor, the CEO, the CFO or Killam’s legal counsel. The following sets out certain corporate information you may require.

Officers

Philip D. Fraser, B.Comm, MURP, MBA, *President, Chief Executive Officer*
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Confidential Whistleblower site

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