

## Code of Business Conduct and Ethics Policy

### Introduction

Pethealth Inc. and its subsidiaries (collectively, the "Company") is committed to integrity, ethical behavior and professionalism in all areas. It is Pethealth's policy to comply with all federal, provincial, local and non-Canadian laws and regulations that govern the conduct of its business.

### Why Ethics Matter to You and the Company

Operating in an ethical manner is essential to our success. Our customers and business partners rely on us to be honest and fair. We must behave ethically in order to maintain our customers' and our business partners' confidence and ultimately to keep their business. It is in our best interest to set high standards for ourselves at all times. The conduct of one person could have far-reaching consequences for the reputation of the Company as a whole, both positive and negative. Everyone in the Company should therefore respect our Code of Business Conduct and Ethics Policy (the "Code") at all times.

This Code is for all employees, officers, directors, representatives and other associates (collectively, the "Representatives") of the Company. The Code provides standards for ethical behavior when dealing with other people – from employees, officers and directors to customers, suppliers, government authorities and the public.

### What Should I Do?

We believe that our Representatives should avoid ethical, legal, financial and other conflicts of interest and ensure that their activities and interests do not conflict with their obligations to the Company. It is not possible for any code of conduct to cover every eventuality, nor should it. Ethical behavior often comes down to personal judgment.

To help you make ethical choices prior to commencing upon a course of action, it can help to pause for a moment and to answer a few simple questions:-

- Are my intended actions legal?
- Are my intended actions fair and honest?
- Would I want other people to know that I did it?
- How will I feel about it later?
- How would I feel if I read about it in a newspaper?
- How will my family feel about it?

### What Happens if Someone Violates the Code?

The Company will take violations of this Code and its requirements seriously. Any violations will be dealt with quickly. To protect the Company's good name, the Company may discipline and/or terminate its

relationship or affiliation with any Representative who breaches this Code or related policies. If violating the Code also violates the law, you may be subject to prosecution.

Every Representative is required to act in accordance with both the letter and spirit of this Code and is obliged to promptly report any violation of the Code to his/her manager or the Chief Executive Officer. You should know that we will not allow retaliation of any kind by or on behalf of the Company and its Representatives against those who make reports, in good faith, of violations of this Code or of other illegal or unethical conduct. Representatives found to have engaged in retaliatory behavior may be subject to discipline up to and including termination.

It is the Company's policy to comply with all applicable financial reporting and accounting regulations applicable to the Company. If you have concerns or complaints regarding questionable accounting or auditing practices of the Company, then you should submit those concerns or complaints in accordance with the procedures outlined in the Company's Whistleblower Policy.

This Code does not provide a summary of all laws, rules and regulations applicable to the Company and its Representatives. If you are unsure as to whether a course of action is appropriate, you should consult with a senior manager, the Chief Executive Officer.

### **Compliance with Laws**

You should respect and comply with all of the laws, rules and regulations of Canada and other countries, and the provinces, states, counties, cities and other jurisdictions in which the Company conducts its business or the laws, rules and regulations of which are applicable to the Company.

The Chief Executive Officer is the official spokesperson for the Company. The Chief Executive Officer may designate a limited number of additional spokespersons responsible for communication with regulatory authorities or the media. These additional spokespersons shall be determined and communicated in writing. No other individuals are authorized to act as spokespersons for the Company.

Employees may not give their personal opinion or disclose confidential information to members of the public including the press.

### **Conflicts of Interest**

Conflicts of interest damage the trust between you, the public and the Company. You should be scrupulous in avoiding a conflict of interest with regard to the Company's interests. A "conflict of interest" exists whenever an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of the Company. Decisions made by Representatives within the scope of their functions must not be influenced by any personal interest that is or appears to be incompatible with that of the Company.

The following guidelines should assist you in adhering to the policy:

- Personal activities must not be permitted to conflict with a Representative's duties to the Company.
- No employee should participate in a personal, business or investment activity outside the Company that may appear to create an excessive demand upon his time and attention (please see your employment agreement for details). Furthermore no Representative should participate in a personal, business or investment activity outside the Company that may create a conflict of interest that would interfere with the independent exercise of his/her judgment in the Company's best interest.
- A Representative should refrain from creating obligations to the Company that are not within the scope of his/her functions.

Conflicts of interest may take various forms, not all conflicts of interest are set out here. If you need advice, speak to a senior manager or the Chief Executive Officer.

### **Corporate Opportunity**

You should not use your position with the Company to secure business for a company that you own in whole or in part or to provide family members with business or employment opportunities.

You may not (a) take for yourself personally opportunities that properly belong to the Company or are discovered through the use of corporate property, information or position; (b) use corporate property, information or position for personal gain; and (c) compete with the Company.

You owe a duty to the Company to advance the Company's legitimate interests when the opportunity to do so arises.

### **Business Gifts**

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers. The acceptance of gifts in exchange for business, a contract or any other exchange of business activity is prohibited, and may be illegal in certain jurisdictions. You may not give or accept gifts, gratuities, favors or benefits if they (a) are in cash, (b) excessive in value, (c) go beyond what could reasonably be considered ethical and accepted business practices, (d) can be construed as a bribe or payoff, (e) they violate any laws or regulations or (f) may influence or appear to influence the performance of your duties.

### **Confidentiality**

Confidential and proprietary information related to the Company's business is a very important asset of the Company and must be treated accordingly. Current or former employees of the Company shall not disclose such information without authorization from the Company.

"Confidential Information" includes, without limitation, all information that the Company considers to be of a secret or confidential nature, such as documents or data regarding strategic, business or

financial matters. "Proprietary Information" may include, without limitation, patents, trademarks, copyrights and know-how. Employees leaving the Company must return all objects, documents or data belonging to the Company such as computer hardware and software, databases, cellular telephones, credit cards, books, manuals, etc. For additional information, refer to the Confidential Information and Intellectual Property section outlined in every employee's employment agreement.

You must not use the Confidential Information of the Company for personal benefit.

You have to protect the Confidential Information even after you leave your employment with the Company.

### **Fair Dealing**

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited.

You should endeavor to deal fairly with the Company's customers, suppliers, competitors and Representatives. No one should take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation or material facts or any other unfair dealing practice.

To avoid the appearance of improper conduct in the gathering of competitive information, no Representative should:

- Misrepresent one's identity in attempting to collect such information;
- Attempt to acquire a competitor's trade secrets or other proprietary or confidential business information through unlawful or unethical means, such as theft, spying, burglary, wire-tapping, deceptive relationships with competitor's suppliers, seeking disclosures by a competitor's present or former employee, or breach of a competitor's non-disclosure agreement by a customer or other party.

### **Company Assets**

Company property is for Company business. You should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes.

### **Information Technologies and the Internet**

The security of the Company's information technology systems is crucial to its continued success and competitiveness. Access to its information technology resources is restricted and individuals who are granted access have an obligation to keep their passwords confidential and limit the use of the information systems to authorized business purposes. Internet use is limited to business purposes.

## **Accounting and Records**

The Company has established and maintains high standards of accuracy and completeness in its records. These records serve as the basis for managing the Company's business, for measuring and fulfilling the Company's obligations to shareholders, employees, underwriter, partners and others, and complying with tax, financial, and other reporting requirements.

In preparation and maintenance of records, all employees must:

- Record and report information accurately and honestly.
- Comply with the Company's accounting standards and practices, rules, regulations and controls, and with those of relevant authorities in Canada and the United States.
- See that all entries are promptly and accurately recorded and properly documented. The Company's records are subject to regulator, underwriter, partner and external audits. No entry may intentionally distort or disguise the true nature of any transaction.
- Never establish any undisclosed or unrecorded funds or assets for any purpose.
- Maintain books and records that will fairly and accurately reflect the Company's business transactions. No transaction with a supplier, underwriter, partner, customer or other third party may be structured or recorded in a way that is not consistent with accepted the Company business practices.
- Sign only those documents believed to be accurate and truthful.
- Devise, implement and maintain sufficient internal controls to provide assurance that record-keeping objectives are met. Financial records should be maintained in accordance with the requirements of law and generally accepted accounting principles.
- Be vigilant in preventing fraud and dishonesty, and report immediately to the Chief Executive Officer any evidence of wrongdoing so an investigation may be initiated.

## **Disclosure of Conflicts of Interest**

You must report any personal conflicts of interest to the Company. All Representatives who are Directors and above are required to sign a Disclosure Statement and to reaffirm their acknowledgement of this Code and disclosure requirements annually. The Company's Legal Counsel will administer this process and he/she will forward any forms that you are required to complete to you. You must disclose any possible conflicts in a timely fashion in order that they may be assessed. Only through open disclosure may potential or active conflicts of interest be identified and managed appropriately.

## **Standard of Conduct in the Workplace**

Inappropriate conduct such as, but not limited to, the following will not be tolerated:-

- Failure to comply with instructions, to follow Company procedures, to perform reasonable duties assigned, or to follow safety regulations.
- Making false or malicious statements regarding the Company or any Representative.
- Insubordination.
- Stealing or attempting to steal from, or defrauding or attempted defrauding of, the

Company or any Representative or client. This applies to non-working hours as well as while on the job.

- Possession of, use of, attempt to sell or distribute unauthorized alcoholic beverages, drugs or illegal substances on the Company's premises or while conducting Company business, or reporting to work or working under the influence of, or while impaired by, alcohol, drugs or illegal substances.
- Damage or destroying Company property, or the property of another on Company premises.
- Falsifying or altering any Company record, including applications for employment, pre-employment records, or of any relevant information.
- The release, disclosure or use of confidential or proprietary information or trade secrets without the Company's written authorization.
- Violation of any Company policy, including this Code, as it may be revised from time to time.

The Company is committed to the Code and the Standard of Conduct in the Workplace contained herein, and will aggressively deal with any contravention of it. It is the responsibility of Management to protect any employee from retaliation for having made an allegation in good faith, whatever the outcome of the review of the allegation.

#### **Communication and Enforcement**

The Disclosure Policy extends to all employees of the Company and all its subsidiaries.

Any questions regarding this policy should be addressed to the Chief Executive Officer.

## **WHISTLEBLOWER POLICY**

Our goal at Pethealth Inc. and for all of our subsidiaries is to achieve the highest business and personal ethical standards as well as to comply with all laws and regulations that apply to our business.

Adherence to these standards will help to ensure decisions reflect care and consideration for all our stakeholders.

Ethical business behavior is the responsibility of every member of the Company's team and is reflected not only in our relationships with each other but also our policyholders, other organizations, suppliers, competitors, government and the public.

This Whistleblower Policy establishes procedures that allow employees of the Company to confidentially and anonymously submit their concerns "up the ladder" regarding questionable accounting or internal accounting controls, without fear of retaliation.

For the purposes of this Whistleblower Policy, all accounting or other financial matters that are the

subject of a complaint or submission are referred to herein as "Alleged Accounting Irregularities".

### **Reporting Violations**

It is the responsibility of all employees, directors or officers to report Alleged Accounting Irregularities in accordance with this Whistleblower Policy.

The recipient chosen to receive this information is the Company's Legal Counsel.

Such information may be provided via e-mail to [LegalCounsel@pethealthinc.com](mailto:LegalCounsel@pethealthinc.com).

Such information may also be provided anonymously by leaving a message at the following number: 1-866-275-7387 x5988. Although anonymous submissions are available for all employees, officers and directors, the Company requests that, where possible, you refrain from submitting information on an anonymous basis as it may hinder the ability to complete a full investigation of the matter.

### **No Retaliation**

No employee, director or officer who in good faith makes a report pursuant to this policy shall suffer harassment, retaliation or adverse employment consequence. An employee, director or officer who retaliates against someone who has made a report pursuant to this policy in good faith, is subject to discipline up to and including termination of office and employment.

## **Investigations of Complaints**

The Company's Legal Counsel is responsible for investigating and resolving all reported complaints made pursuant to this policy. Legal Counsel may retain independent or external legal counsel, accountants or other advisers to assist it in its investigations.

## **Acting in Good Faith**

Anyone filing a complaint or submission pursuant to this policy must be acting in good faith and have reasonable grounds for believing the information disclosed is an Alleged Accounting Irregularity. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious offence and the person making such complaints or submissions may be subject to disciplinary action.

## **Confidentiality**

Complaints or submissions made pursuant to this policy may be submitted on a confidential basis and/or submitted anonymously. All complaints or submissions will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

## **Handling of Reported Violations**

The Company's Legal Counsel will acknowledge receipt of the reported Alleged Accounting Irregularity with the sender (other than anonymous submissions) within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

The Company shall retain records of complaints for a period of no less than seven years.