

**NORTHBRIDGE FINANCIAL CORPORATION**  
**CODE OF BUSINESS CONDUCT AND ETHICS**  
**(June 2005)**

The Board of Directors of Northbridge Financial Corporation (“Northbridge”) has adopted this Code of Business Conduct and Ethics (the “Code”) to express standards and procedures designed to promote:

- Honest, responsible and ethical conduct, integrity in all dealings and compliance with the law;
- full compliance with all regulatory disclosure requirements and similar standards for all other public disclosure;
- the avoidance of actual or perceived conflicts of interest or, in cases where avoidance is not possible, the appropriate disclosure and the ethical handling of that actual or perceived conflict;
- prompt reporting of any known or reasonably suspected violations of this Code; and
- accountability for adherence to this Code.

This Code applies to all directors, officers and employees (including contract employees) of Northbridge and of every direct and indirect subsidiary of Northbridge. Northbridge and its subsidiaries are referred to collectively as the Corporation and each director, officer and employee of the Corporation is referred to as a Covered Person. The Corporation will ensure that this Code is brought to the attention of all Covered Persons.

**Each Covered Person is responsible for understanding and adhering to this Code and acting in a manner which will result in performance of this Code, including co-operating in any investigation of misconduct. Adherence to this Code and acting in a manner which will result in performance of this Code is a strict condition of continued employment or association with the Corporation and its affiliates.** It is not an excuse for non-adherence that the non-adherence was directed or requested by any other person.

This Code is absolute in principle, but it cannot cover every situation which may arise involving an ethical question or decision. Each Covered Person should constantly ensure that his or her conduct is compliant with the principles and the details of this Code. In any situation where there is doubt, the Covered Person should discuss the situation with colleagues, supervisors, senior personnel or even a director until he or she is satisfied that all the relevant facts are known and have been considered and that the conduct chosen to be followed in that situation is the conduct prescribed by this Code.

This Code is in addition to the Corporation’s other policies or codes of business conduct, including its policy on Insider Trading and Reporting and its Whistleblower Policy, as well as

rules of conduct governing members of certain professions. Covered Persons should also become familiar with and scrupulously adhere to those policies and codes as applicable.

### **Honest, Responsible and Ethical Conduct**

1. Each Covered Person owes a duty to the Corporation to act at all times responsibly, ethically and with the highest degree of honesty and integrity. Competitive advantage or profit must not be sought through unlawful, dishonest or unethical business practices.

### **Financial Records and Periodic Reports**

2. (a) The disclosure in all reports, documents and communications that the Corporation is required to file with regulatory authorities must fully comply with all disclosure requirements and any other reports, documents and communications that the Corporation publicly issues must meet similar standards. To achieve this, the Corporation will maintain accurate and complete financial, accounting and documentary records, and the Covered Persons involved will maintain and provide full, complete and accurate data and documentation and will familiarize his or herself with the Corporation's disclosure controls and internal controls.  
  
(b) The Corporation's independent auditors must be given full access to all information necessary for them to properly conduct any audit of the Corporation. No Covered Person shall conceal a mistake in the Corporation's financial reporting. All such mistakes must be fully disclosed and corrected as promptly as possible. Falsification of any Corporation record is strictly prohibited.  
  
(c) Each Covered Person will promptly bring to the attention of Northbridge's Audit Committee any information he or she may have concerning (i) significant deficiencies in the design or operation of internal controls over financial reporting which could cause the Corporation's disclosure to not fully comply with all disclosure requirements or similar standards, or (ii) any fraud, whether or not material, that involves management or other employees who have a role in the Corporation's financial reporting, disclosures or internal controls over financial reporting.

### **Conflict of Interest**

3. (a) Each Covered Person must be scrupulous in always seeking to avoid any actual, potential or perceived conflict of interest. A conflict of interest occurs or may occur in any situation where a Covered Person has, or may have, a financial or other personal interest (other than solely as a director, officer or employee of the Corporation) different from, additional to or beyond solely the interests of the Corporation. A conflict situation can arise when a director, officer or employee takes actions or has interests that may make it difficult to perform his or her work for the Corporation objectively.  
  
(b) Due to the variety of situations which could give rise to an actual, potential or perceived conflict of interest, every Covered Person should constantly consider whether any actual, potential or perceived conflict exists or may exist. The following list is not

exhaustive but provides examples of transactions and relationships that reasonably could be expected to give rise to such a conflict:

- any ownership interest in any privately held supplier, competitor or customer, or a significant ownership interest of a supplier, competitor or customer that is a publicly traded firm;
- any consulting or employment relationship with any customer, supplier or competitor; or any service on a board or committee of such an entity unless such service is communicated to and approved by the Corporate Governance and Nominating Committee;
- giving or receiving any money, non-nominal gifts or excessive entertainment from any customer, supplier, competitor or other person with which the Corporation has current or prospective business dealings;
- selling anything to or buying anything from the Corporation, except on terms and conditions comparable to those upon which other directors, officers or employees are permitted to purchase or sell; or
- being in the position of supervising, reviewing, or having any influence over the job evaluation, pay or benefit of any family member.

(c) No gift, entertainment or personal benefit or opportunity should ever be offered, accepted or permitted by a Covered Person in a commercial context or by virtue of the Covered Person's position or office with the Corporation, unless it (i) is consistent with customary business practices, (ii) is not excessive in value, (iii) cannot be construed as a bribe or payoff, and (iv) does not violate any laws or regulations. In any event, and for greater certainty, the offer, acceptance or permitting of gifts consisting of cash or negotiable securities by any Covered Person is prohibited.

(d) Loans to, or guarantees of obligations of, a Covered Person or a member of his or her family are of special concern. Except where credit is extended as part of the ordinary course of business of the Corporation, loans to, or guarantees of personal obligations of, a Covered Person or their family members are prohibited.

(e) Each Covered Person must immediately advise the Chair of Northbridge's Audit Committee in writing of any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest, and must not take any action to proceed with that transaction or relationship unless and until that action has been approved by Northbridge's Audit Committee.

#### **Protection and Proper Use of Corporate Assets**

4. (a) Each Covered Person must act in a manner which protects the Corporation's assets and resources and ensures their responsible and efficient use. All assets and resources of the Corporation must be used for legitimate business purposes (incidental non-material personal use is considered a legitimate business purpose).

(b) The obligation to protect the Corporation's assets includes its proprietary information. Proprietary information includes, without limitation, intellectual property, such as trade secrets, patents, trademarks and copyrights, business marketing and service plans, manufacturing or service ideas, designs, databases, records, remuneration information, and any unpublished financial data and reports. Unauthorized use or distribution of this information is a violation of this Code. It may also be illegal and may result in civil or criminal penalties.

(c) The Internet and the Corporation's Intranets, e-mail and telecommunications systems are increasingly important business resources. The Corporation's electronic communications systems are the Corporation's property and should be used primarily for the Corporation's business purposes. Incidental appropriate personal use is permitted provided it does not interfere with business activity or the Corporation's software applications. To monitor personal use, certain employees are authorized to check individual activity periodically and Covered Persons should not expect that any of their e-mail, Internet communications or other electronic documents or activity are private.

### **Confidentiality of Corporate Information**

5. (a) Each Covered Person must maintain the confidentiality of all non-public information relating to the Corporation, or provided by others to the Corporation (including by its customers), except when disclosure is properly authorized or legally required. Non-public information that is of no materiality and the disclosure of which would have no impact on the Corporation or anyone else need not be maintained in confidence, subject to applicable privacy laws. The obligation to preserve the confidentiality of non-public information continues even after employment ends.
- (b) Each Covered Person is prohibited from using or attempting to use non-public information for his or her own, or anyone else's, personal use, gain or advantage.

### **Fair Dealing**

6. Each Covered Person must deal honestly, ethically, fairly and in good faith with the securityholders, customers, suppliers, competitors, employees, advisors and regulators of the Corporation. The Corporation seeks competitive advantage through superior performance, but never through unlawful, dishonest or unethical business practices. No Covered Person will take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

### **Protection and Proper Use of Corporate Opportunities**

7. Each Covered Person is prohibited from taking for himself or herself personally, or directing to anyone else, opportunities that are discovered or available by virtue of the Covered Person's position with the Corporation or through the use of the Corporation's property or information. No Covered Person will use the Corporation's property or information or the Covered Person's position with the Corporation for his or her own, or anyone else's, personal gain, or will compete directly or indirectly in any manner with the

Corporation. Each Covered Person owes a duty to the Corporation to advance the Corporation's legitimate interests when the opportunity to do so arises.

### **Compliance with Laws, Rules and Regulations**

8. (a) In conducting the business of the Corporation or otherwise acting as a director, officer or employee of the Corporation, every Covered Person will comply with all applicable laws, rules and regulations in every jurisdiction in which the Corporation conducts business. Each Covered Person will acquire sufficient knowledge of the legal requirements relating to his or her duties so as to be able to carry out those duties in a legally permissible manner and to recognize when to seek advice on the applicable legal requirements from others with greater expertise.
- (b) The Corporation's funds, goods or services must not be used as contributions to, or for the benefit of, political parties or their candidates, except as specifically authorized in advance by the Chair of the Audit Committee.
- (c) Covered Persons are prohibited from directly or indirectly giving, offering or agreeing to give or offer a loan, reward, advantage or benefit of any kind to a public official or to any person for the benefit of a public official:
  - (i) as consideration for an act or omission by the official in connection with the performance of the official's duties or functions; or
  - (ii) to induce the official to use his or her position to influence any acts or decisions of a government or public international organization for which the official performs duties or functions.

For these purposes, a public official means (i) a person who holds a legislative, administrative or judicial position, (ii) a person who performs public duties or functions for a domestic or foreign government, including a person employed by a board, commission, corporation or other body or authority that is established to perform a duty or function on behalf of such government, or is performing such a duty or function; and (iii) an official or agent of a public international organization that is formed by two or more states or governments, or by two or more such public international organizations.

### **Reporting of Violations of the Code**

9. (a) Each Covered Person will promptly report any violation of this Code which is known to or reasonably suspected by that Covered Person, in accordance with Northbridge's Whistleblower Policy. Inappropriate delay in reporting a known or reasonably suspected violation is itself a violation of this Code.
- (b) The Corporation assures every Covered Person that it will not carry out or, to the fullest extent reasonably within its power, permit any retribution or retaliation of any kind for reports made in good faith regarding known or reasonably suspected violations of this Code. The ability of a Covered Person to make reports without fear of retribution or retaliation is vital to the successful implementation of this Code.

## **Accountability and Compliance**

10. The Board of Northbridge is responsible for monitoring compliance with this Code. Each Covered Person will be held accountable for adherence to this Code and is required to acknowledge his or her ongoing compliance with this Code annually by completing and signing a Conflicts of Interest Questionnaire and Business Ethics and Whistleblower Pledge. Employees and officers who violate this Code will be subject to disciplinary action, including potential termination of employment, depending on the particular circumstances. Any violation of this Code by a director will be handled as appropriate in the circumstances.

## **Waivers**

11. Northbridge's Board or one of its Board committees may grant a specific, limited waiver of any provision of this Code if it determines, based on information that it deems credible and persuasive, that such a waiver is appropriate under the specific circumstances. Each fact situation will be considered separately on its merits, so that a decision in one case will have no bearing on another case. In most circumstances it is unlikely that a waiver will be granted. Any waiver granted (or implicit waiver) will be disclosed to the extent required by applicable law or the rules of any applicable stock exchange.