

## CODE OF ETHICS AND ETHICAL CONSIDERATIONS

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### FOREWORD

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In order to be perceived as professionals in the eyes of the public and of established professional and governmental bodies, members of the International Association of Insurance Receivers (“Members”) must set and adhere to high standards of conduct. The Code of Ethics (the “Code”) which sets these high standards is designed, first and foremost, to protect the public. Second, it is to ensure that we treat each other with due respect, courtesy and integrity. Third, the Code demands that Members monitor themselves and sanction their fellow Members when necessary to preserve the integrity of the profession.

The Code of the International Association of Insurance Receivers (“IAIR” or the “Association”) has evolved from a number of important influences. These include the other professional bodies to which many of its Members belong. It also springs, in part, from applicable legislation. Most importantly, it has evolved from the reliance of the public and private sectors on insurance entity resolution practitioners to provide sound, fair and uncompromised information and service on insurance entity resolution matters. There are a number of principles upon which the Code is based and which are codified by it.

These principles are:

1. A Member's conduct shall at all times be consistent with the maintenance of the good reputation of the profession.
2. A Member shall perform his or her professional services with integrity and care appropriate in the circumstances.
3. A Member shall keep informed of developments in professional standards and practices and in applicable legislation.
4. A Member, when engaged in an assignment, shall be free of any conflicting influence, interest or relationship which impairs professional judgment or objectivity or which, in the view of a reasonable and informed observer, would be perceived to have that effect.
5. A Member shall not disclose non-public or confidential information obtained in the course of an engagement unless with proper cause or required by law, and a Member shall preserve such information against direct or indirect exploitation.
6. A Member shall accord to any other Member the courtesy and consideration due between professional colleagues.

A strength of our profession is that our members strive for the highest level of ethical behavior. We regularly review our Code to ensure it is consistent with the current standards and expectations of our profession and the public.

Due consideration should be given to this Foreword when reading the Code. To assist in the understanding of the Code, IAIR has developed Ethical Considerations which are printed in conjunction with the Code. The Ethical Considerations are to be taken merely as illustrations of how the Code may be interpreted in some circumstances. If the Ethical Considerations do not cover a particular circumstance, the Member should consider the applicable tenet in a broad sense and, if necessary, look at the situation from the viewpoint of a creditor or other interested third party. Assistance in the interpretation may also be obtained by contacting either the Association President, or the Chairman or Vice-Chairman of the Ethics Committee. Such assistance will not be binding on the Association or on its Ethics Committee and will not excuse any breach of the Code whether before or after such assistance is sought.

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## THE CODE

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TENET 1. A Member shall conduct himself or herself at all times in a manner consistent with the maintenance of the good reputation of the Association. In particular, and without limiting the generality of the foregoing, a Member shall not: (i) engage in conduct involving dishonesty, fraud, deceit or misrepresentation nor engage in illegal conduct that adversely reflects on the Member's honesty, trustworthiness or professional fitness; (ii) violate any law relating to the business of insurance or the handling of money; or (iii) violate this Code or circumvent this Code through the actions of another.

TENET 2. A Member shall perform his or her professional engagements with integrity and care appropriate in the circumstances.

TENET 3. A Member shall keep himself or herself informed of, and in compliance with, developments in professional standards, including the standards of professional practice from time to time adopted by the Association, in all functions in which he or she practices or is relied upon because of his or her calling.

TENET 4. A Member shall, with respect to any professional engagement, hold himself or herself free of any conflicting influence, interest or relationship which impairs his or her professional judgment or objectivity or which, in the view of a reasonable and informed observer, would be perceived to have that effect.

TENET 5. A Member shall not author nor associate himself or herself with any communication, report, statement, representation or financial statement which he or she knows, or should know, is false, deceptive or misleading.

TENET 6. A Member shall not take any action (such as acquiring any interest, property or benefit) by which he or she makes improper use of confidential knowledge obtained in the course of a professional engagement.

TENET 7. A Member shall not directly or indirectly pay to any party a commission or other compensation to obtain a professional engagement nor shall he or she accept directly or indirectly from any party a commission or other compensation for having referred work relating to a professional engagement.

- TENET 8. A Member shall not advertise, directly or indirectly, in any manner that:
- (a) he or she knows, or should know, is false, deceptive or misleading;
  - (b) contravenes professional good taste or fails to uphold normal professional courtesy; or,
  - (c) reflects unfavorably on the competence or the integrity of the Association or any Member.

TENET 9. A Member shall not participate in any method of obtaining or attracting professional engagements which tends to bring disrepute on the Association or any of its members.

TENET 10. A Member who is associated with non-Members in professional practice, and who has the authority to direct the work of such non-Members, shall be responsible to the Association for any failures of such associates to abide by this Code unless such non-Members are subject to another code of professional conduct or equivalent promulgation acceptable to IAIR.

TENET 11. A Member shall not disclose any confidential information concerning any professional engagement unless with proper cause or required to do so by law.

TENET 12. A Member shall observe at all times the bylaws, rulings, standards, interpretations, and other pronouncements of the Association and of any other professional or credentialing organization of which he or she is a member or to which his or her activities are subject.

INTERPRETIVE GUIDELINES: In this Code:

1. Words importing the singular number or a particular gender only intend to, and do, include more persons, parties or things of the same kind than one, and other genders; and
2. The word State means a State, commonwealth, territory, possession or district of the United States, a Province of Canada or any equivalent political subdivision of any country.
3. A person shall be deemed to be "related" to another person if they are related by blood or marriage or if one controls the other or they are under common control (the word "control" means the power to direct or cause the direction of the management and policies of a person).
4. The word "person" shall be deemed to include both natural and legal persons.  
Any other word or phrase in this Code shall have the meaning or scope given it from time to time by or under authority of the Board of Directors of the Association.
5. These Tenets shall not be interpreted so as to require a Member to engage in conduct that violates applicable law or the regulatory requirements of the particular State governing the relevant engagement.

6. The term “entity” as used in this code shall be inclusive of person or persons and corporations.

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## ETHICAL CONSIDERATIONS

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As more fully set forth in the Foreword, these Ethical Considerations are to be taken merely as illustrations of how particular Tenets of the Code may be interpreted in some circumstances:

TENET 2:

1. In order to ensure that a Member maintains a favorable professional reputation on his or her own behalf and that of the Association, the Member should always perform his or her engagement in a manner reasonably calculated to provide the quality of professional service which the public can reasonably expect from any Member in a like situation.
2. A Member is obligated to devote his or her reasonably best efforts to providing prompt professional service on an engagement.

TENET 4:

1. A Member should avoid even the appearance of professional impropriety.
2. A Member should be satisfied that his or her, or his or her associates', relationship with the debtor, any creditor or any other clients having an interest in the professional engagement is not such as to impair the Member's professional judgment or objectivity.
3. A Member should not permit himself or herself to be placed in a position of conflict of interest. In keeping with this principle, a Member should not accept any appointment: (a) as a receiver, an agent for a secured creditor, a liquidator or any appointment under the applicable insurance entity solvency statute, in respect of any entity, where the Member is, or at any time during the two years immediately preceding the date of commencement of a formal delinquency proceeding as defined in the Insurers Rehabilitation and Liquidation Model Act (or the equivalent proceeding under applicable law), was (i) related to such entity or (ii) the auditor, accountant or attorney of such entity; or (b) which is prohibited by law.
4. The term "accountant" also includes anyone who has prepared, or assisted in the preparation of, external financial statements for the entity.
5. A Member should not permit himself or herself to be placed or remain in a position in which a conflict of interest may exist, or may appear to exist, without making full disclosure to, and obtaining the written consent of all interested parties. In keeping with the principle on which this Tenet is based, a Member should not accept any appointment without having first made all necessary or appropriate disclosures to interested parties and involved tribunals and obtained any necessary consents. Without limiting the generality of the foregoing, a Member should not accept any appointment:
  - (a) as receiver or trustee for the benefit of creditors in respect of any corporation if the Member is related to an officer or director of such corporation.

- (b) as receiver or trustee for the benefit of creditors in respect of any entity if the Member is a creditor, or an officer or director of any entity that is a creditor, of such entity unless the Member could, in the view of a reasonable and informed observer, act with complete objectivity;
- (c) in any court-appointed capacity under any bankruptcy, insolvency, moratorium, other resolution or similar law affecting the rights of creditors generally without disclosing to the Court any professional involvement with the debtor during not less than the immediately preceding two years.

TENET 6:

1. A Member, his or her partners, associates, staff and their respective households should not acquire directly or indirectly in any manner whatsoever any assets under the administration of the Member, provided that, any of the foregoing may acquire assets from a retail operation under administration of the Member if those assets are available to the general public for sale and no special treatment or preference over and above that granted to the public is offered to or accepted by the Member, his or her partners, associates, staff and their respective households.