

Hartco

Code of Ethics

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A. INTRODUCTION

Hartco Inc. (the “Corporation”), its subsidiaries, affiliates, divisions and business units (collectively and individually referred to as the “Organization”) are committed to uncompromising integrity and dedicated to maintaining the principles of respect, trust, fairness, honesty, collaboration and common sense (collectively referred to as the “Values”), which are the heart of the Organization’s business standards. Strong business ethics should form the basis for all of the Organization’s relationships with associates, customers, partners, vendors and investors. Actions that fall short of, or are perceived to fall short of these standards have the potential to undermine our business integrity, standards of excellence, and ultimately our success.

There has been a significant rise in the ethical expectations of businesses over the past several years. Increasingly, customers, partners and associates are seeking out organizations that define the basic ground rules of their operations on a day to day basis.

This Code of Ethics (this “Code” or this “Policy”) reflects general principles to guide the Organization’s, directors, officers and associates in making ethical decisions and cannot and is not intended to address every instance in which associates are called upon to observe and practice sound business ethics and apply good judgment. Understanding the Organization’s ethical and legal parameters should contribute to the application of good judgment.

This Code is meant to remind associates that if they each strive to live and abide by basic ethical principles in the day-to-day conduct of their business, they will foster an environment of mutual trust and respect, and continue to build on our reputation for integrity, which is the foundation of the Organization. Nevertheless, nothing in this Code prohibits or restricts the Organization from taking any disciplinary action on any matter pertaining to individual conduct, whether or not they are expressly discussed in this document.

Since all individuals employed by the Organization are key to its success and since we are all members of the same team, we all must take responsibility for our own actions and conduct. Every associate has a responsibility to uphold the Organization’s values and business ethics. Consequently, every associate should review, ensure the understanding of, and espouse the guidelines that are outlined in this document. Any violation of this Code may result in immediate disciplinary action, up to and including termination of employment, civil charges and referral for criminal prosecution.

In addition, since managers are responsible for directing the actions of others and for setting an example for other associates, they should be familiar with this Code and how it applies to them and to those under their supervision. It should be noted that no one has authority to require or influence another associate to violate this Code, including any of its guidelines or principles.

By working together and continuing to honour the high standards embodied in this Code and exemplifying the Organization’s Values and guiding principles, we can pursue our commitment to integrity in everything we do.

If any associate has questions about any section of this Code or how its principles affect him or her, or if he or she observes what he or she believes to be inappropriate, unethical, or unlawful conditions or actions at any time, he or she should direct all questions to his or her direct supervisor, the business leader, the Human Resources representative or to the Corporation’s Legal Officer.

It is vitally important that you ask for help when you need it and that you report possible violations of the law or of the Code of Ethics. You will not lose your job or be placed at any career disadvantage for questioning an Organization practice or reporting a possible violation of Organization policies. The Organization, members of its committees or Senior Executive team will investigate possible violations. In doing so, it will respect the rights of all parties concerned. If a violation is found, the Organization will take appropriate disciplinary action, up to and including termination and filing of criminal charges. The identity of individuals reporting possible violations will be kept confidential to the extent possible. One exception is if the Organization is required by applicable law or the administrative or judicial process to reveal it.

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Although some sections of this Code may refer to a specific Corporation subsidiary, affiliate, division or business unit in which the associate operates, it should be understood that the responsibility of the associate under this Code extends to the Corporation. All of the Corporation's subsidiaries, affiliates, divisions and business units are subject to the same consistent policies and procedures. Accordingly, the Corporation's policies and procedures will prevail in case of Conflict.

Profile

Hartco Inc. (the "Corporation") is a corporation incorporated under the *Canada Business Corporations Act* and a public entity traded on the Toronto Stock Exchange under the symbol HCI. The Corporation has been a leader in the Canadian information technology business for more than thirty years. The Corporation operates two business segments in Canada: the Distribution and Franchising segment and the Commercial segment.

The Distribution and Franchising segment encompasses the Corporation's distribution activities operated by Hartco Distribution Limited Partnership ("Hartco Distribution LP"), as well as the franchising of businesses that sell a broad range of IT solutions to private and public sector organizations across Canada. Franchises operate under the banners of Metafore™ and MicroAge®, which together include more than 50 locations from coast to coast.

The Commercial segment includes the business activities operated by Metafore Technologies Inc. ("Metafore"), and those of a MicroAge franchise, accounted for as a Variable Interest Entity ("VIE").

The Corporation is subject to strict reporting requirements and must maintain up to date inventories and analyses of all business agreements with financial obligations and commitments that may impact the Corporation's financial position and financial reporting. Moreover, the documentation of key controls performed in operating the Corporation's businesses, including transactions, is also a regulatory requirement for the Corporation and its subsidiary entities, affiliates, divisions and business units.

Values

The Organization is committed to upholding values that reflect the organization's philosophy and culture, that is integrity, respect, trust, fairness, honesty, collaboration and common sense (collectively referred to as the "Values"). It is important for these Values to be espoused by the Organization's directors, executives, associates, suppliers, business partners and customers.

Integrity

Integrity is consistency of actions, values, methods, measures and principles. Integrity may be seen as the quality of having a sense of honesty and truthfulness in regard to the motivations for one's actions.

Respect

Respect is esteem for, or a sense of the worth or excellence of, a person, a personal quality, ability, or a manifestation of a personal quality or ability. In certain ways, respect manifests itself as a kind of ethic or principle.

Trust

Trust is a reliance on the character, ability, strength, or truth of someone. One in which confidence is placed.

Honesty

Honesty refers to both fairness and straightforwardness of conduct and adherence to the facts. Say what you mean and mean what you say.

Every one of the Organization's directors, officers and associates occupies a position of trust, whatever their area of activity or their degree of individual responsibility within the Organization. Each individual is expected to act in a manner that will enhance the Organization's image and reputation.

To that extent, we commit to the following:

- Dealing fairly and honestly with those whose interests we affect and treat them as we would expect them to treat us if the situation were reversed;
- Foregoing any business opportunity that requires a violation of Organization's values and principles;
- Complying with all applicable laws and adhere to the highest standard of business ethics;
- Undertaking only those business activities that would withstand public ethical review;
- Refraining from any act if we are in doubt regarding its legality or ethical appropriateness.

Accountability and Responsibility

While every Corporation subsidiary, affiliate, division and business unit is responsible for operating its business as effectively and efficiently as possible, every associate must recognize and commit to the following:

- Being accountable and responsible for the work performed in line with the requirements of the position held and with the policies and procedures required by his or her supervisor, business executives or ultimately to the Organization's Board of Directors, depending on the position held;
- Protecting the Organization's interests in cases of conflict with customers and suppliers by reporting any possible breaches to the Code to their immediate supervisor, Human Resources Representative or the Legal Officer when they become aware of it.
- Knowing on a best effort basis, the policies and procedures in force and ensure they are followed, and seeking clarification from a supervisor or business leader when in doubt;
- Disclosing any conflict of interest or appearance of such conflict an associate may have regarding his or her responsibility to the Organization and eliminating the appearance or the conflict of interest where required;
- Helping individuals resolve any ethical dilemma they may face and providing an environment in which associates can question business practices without suffering any retaliation or retribution.

Transparent Communications

The Organization promotes an open door policy to ensure direct, timely and transparent communications between associates and executives.

Each associate has a responsibility to:

- Communicate pertinent information in a timely manner to supervisors, executives, colleagues, and subordinates in a transparent manner, consistent with the Organization's Values, and in adherence to policies and procedures issued by the Organization.

Efficiency and cost conscious approach

The Organization is committed to maximizing the efficiency surrounding its business processes and approval requirements, using all tools available (e.g., templates, standard forms, work flows charts, etc.) to do so. To this end, certain documentation standards exist and should be used as they were designed to capture key elements of decision making and ensure the comparability of projects. The Organization is

cognizant of the fact that the dedication of associates to continuous improvement is a key to its success. Accordingly, associates are responsible for using available forms and processes while suggesting process and systems improvements where appropriate.

The Organization seeks to promote a responsible, cost conscious approach to managing operations in order to maximize business performance. Policies and procedures are designed to support this philosophy, including the solicitation of at least three (3) proposals from prospective suppliers before evaluating and selecting a proposition or solution. Further, where appropriate, shared services and close collaboration between the Corporation and its subsidiary entities, affiliates, divisions and business units will be emphasized to optimize operational and organizational effectiveness, and efficiency, including customer facing as well as administrative requirements and processes. Accordingly each and every one of the Organization's associates and executives has a responsibility to commit to:

- Deploying best efforts in reducing the cost of doing business by reviewing and evaluating alternatives for comparable products, services or solutions;
- Demonstrating best efforts in continuously optimizing business processes by reviewing and recommending improvements with the goal of streamlining, reducing or eliminating ineffective, inefficient, and redundant activities;
- Avoiding costs and investments for activities related to our business with inadequate returns or benefits.

Career Opportunities

The Organization wants to promote career opportunities to associates in a fair and equitable manner. These opportunities can be available within the group of entities owned and/or operated by the Corporation. To that effect, the Organization has put in place a performance management process and commits to the following:

- Taking part in the performance management process on a best effort basis;
- Setting reasonable objectives and evaluative criteria for performance, development and advancement within the organization;
- Updating and formally reviewing achievements, at a minimum on an annual basis;
- Reviewing career expectations and development needs with the goal of capitalizing on existing and future opportunities.

B. APPLICATION OF THE CODE

This Code applies to all associates, including consultants, officers and all members of the Corporation's Board of Directors. It applies to situations that each associate may encounter during the course of conducting business. This Code should be read in conjunction with any policies and guidelines applicable to an associate's particular business group or unit. It is each associate's responsibility to become familiar with this Code and any supplemental policies applicable to the associate's business group or unit. A waiver of this Code may be granted by the Legal Officer; however any waiver of this Code for officers or directors may be made only with the approval of the Board of Directors and must be disclosed promptly.

The provisions of this Code are mandatory and full compliance is expected from every associate under all circumstances. Failure to comply with this Code may have severe consequences for both the associate and the Organization. Appropriate disciplinary actions that may include, without limitation, termination of employment, referral for criminal prosecution, and/or legal actions seeking reimbursement to the Organization for any losses or damages resulting from the violation of the Code. Officers and directors

may also be subject to disciplinary action if they condone misconduct or do not demonstrate the appropriate leadership to ensure compliance with the Code.

For example, disciplinary action may be taken:

- Against anyone who authorizes or participates in actions which violate the Organization's business conduct standards.
- Against anyone who deliberately fails to report a violation or withholds relevant and material information concerning a violation.
- Against the violator's superiors, to the extent that the circumstances of the violation reflect inadequate supervision or a lack of care by the supervisor.
- Against any supervisor who retaliates directly or indirectly – or encourages others to do so - against an associate who reports a violation of these standards.

The guidelines set out in this Code may be supplemented by specific guidelines and policies of the Corporation and of its subsidiaries, affiliates, divisions and business units. To the extent of any inconsistency between the guidelines set out in this Code and any such separate guidelines or policies, this Code will prevail.

If any associate has questions about the application of this Code or how it may affect him or her, he or she should direct all questions to his or her direct supervisor, an executive, the Human Resources representative or to the Legal Officer.

The Corporation's Corporate Governance Committee (the "Governance Committee") has the responsibility for monitoring the compliance with and the interpretation of this Code. This Code may be revised, changed or amended at any time by the Governance Committee or the Corporation's Board of Directors, at their sole discretion.

Legal Officer

The Organization's legal department is responsible for managing the Organization's legal requirements, including those of all business units. All references made to the Legal Officer herein refer to the Corporation, as well as Hartco Distribution Inc., Hartco Distribution LP, Metafore Technologies Inc. and Hartco Investments Inc.

When You Seek an Exception or Waiver

Policies and practices sometimes have exceptions. If an associate encounters a situation that is not covered by this guide or seems to require an exception, contact should be made with the business leader. The leader will consult with senior management and the Legal Officer to determine if an exception is warranted.

Waivers of this Code involving any of the Organizations Executive Officers, Senior Financial Officers or Directors may be made only by the Organization's Board of Directors or a designated committee of the Board and all waivers granted will be disclosed to shareholders.

Compliance with Laws

Associates are required to respect and comply with all of the laws, rules and regulations of federal, provincial and other applicable jurisdictions. Conduct that violates this Code may also violate federal, provincial or other applicable laws and can subject both the Organization and the associate to prosecution and legal sanctions. Whenever an associate is in doubt about the application or interpretation of any legal requirement, the associate should refer the matter to his immediate supervisor who, if necessary, should seek the advice of the Legal Officer.

Reporting Violations

Associates have a duty to adhere to this Code and all guidelines and policies of the Organization and to report any suspected violations. If an associate becomes aware of a violation or possible violation of this Code or any of the Organization's policies, the associate must report such information immediately.

If an associate needs help resolving an ethics issue that directly concerns him or her, the best resource in most situations is his or her direct supervisor or business leader. If an associate sees another associate engaging in activities that appear questionable, he or she should bring it to the attention of that associate or that associate's leader if at all possible. If these approaches do not seem appropriate or they do not resolve the problem, here are some other resources:

- The Human Resources representative
- A Business Leader or Vice President
- The Legal Officer

An associate may also report violations on an anonymous basis, by contacting the EthicsPoint hotline or website 24 hours a day at the following address and phone number: www.ethicspoint.com or 1-888-552-8061 (toll free number in Canada and the US). Associates receive on line information on how to use the EthicsPoint hotline.

Associates are protected if they take action. It is vitally important that associates ask for help when they need it and that they report possible violations of the law or of this Code. Associates will not lose their job or be placed at any career disadvantage for questioning the Organization's practices or for reporting a possible violation of the Organization's policies.

The Organization will not permit any form of retaliation, including discharge, demotion, suspension, threats, harassment or any other kind of discrimination against an associate who has truthfully and in good faith reported violations of this Code.

The Organization or members of the Corporation's Governance Committee will investigate possible violations. In doing so, it will respect the rights of all parties concerned. If a violation is found, the Organization will take appropriate action as outlined in this Code's section on sanctions. The identity of individuals reporting possible violations will be kept confidential except if applicable law or the administrative or judicial process requires that the identity be revealed.

Sanctions

Each associate must be aware that any violation of this Code including non reporting of inappropriate, unethical or unlawful conditions or actions, may result in disciplinary action, up to and including, without limitation, termination of employment, legal actions seeking reimbursement to the Organization for any losses or damages resulting from the violation, civil charges and/or referral for criminal prosecution. Furthermore, nothing in this Code prohibits or restricts the Organization from taking any disciplinary action on any matter pertaining to individual conduct, whether or not they are expressly discussed in this document. Each situation will be thoroughly investigating using either internal or external resources as appropriate with action taken based on the outcome of the investigative process.

C. CONFLICTS OF INTEREST

A conflict of interest may arise in any situation in which an associates other business or personal interests impair his or her judgment to act honestly and with integrity or otherwise conflict with the interests of the Organization. A conflict situation can arise when an associate takes actions or has interests that may make it difficult to perform his or her responsibilities effectively. Examples of such conflicts are included in Appendix B under «Frequently Asked Questions». Associates should seek to avoid acquiring any interests or participating in any activities that would tend to:

- Deprive the Organization of the time or attention required to perform the associate's duties properly; or
- Create an obligation or distraction which would affect the associate's judgment or ability to act solely in the Organization's best interest.

In certain instances, ownership or other participation in a competing or complementary business enterprise might create or appear to create such a conflict. Associates are required to disclose in writing to the Organization all business, commercial or financial interests or activities that might reasonably be regarded as creating an actual or potential conflict of interest with their duties of employment. Every associate charged with executive, managerial or supervisory responsibility is required to see that actions taken and decisions made within his jurisdiction are free from the influence of any interests that might reasonably be regarded as conflicting with those of the Organization or its subsidiary entities, affiliates, divisions or business units.

Associates are required to understand the relationship between their business unit and other entities of the Organization in order to ensure there is no conflict of interest.

Disclosure Statement of Conflicts of Interest

The changes which take place in the Organization's activities and interests and those of individual associates may result in new or different conflicts of interest. A venture which may not be a conflict of interest under one set of circumstances could at one point in time become a conflict under changed circumstances, such as a transfer or promotion.

For these reasons, it is important to have a current and complete disclosure of each associate's transactions, ventures, partnerships, employment, or affiliations. Such disclosures should be listed on the «Acknowledgement and Disclosure Statement» included in Appendix A at the end of this Code. Full and immediate disclosure of borderline cases will always be taken as good faith compliance with this Code. An associate's «Acknowledgement and Disclosure Statement» should be updated or supplemented when and if an associate becomes involved in new situations which may be covered by this Code. Associates must then comply with any instructions received from the Legal Officer.

In addition, directors, officers and associates must strictly follow the schedule of authority prescribed by the Organization in respect of material contracts or transactions in which they are a party or have a material interest. The Legal Officer must be contacted in advance to co-ordinate such approval.

Outside Employment and Other Activities

Associates' primary loyalty should always be to their business unit and, ultimately, to the Organization. Associates may not engage in any outside activity or employment that might affect their objectivity and independence of judgment or conduct in carrying out their duties and responsibilities. For example this entails that associates may not work for one of the Organization's suppliers or competitors. Associates may not start up a business that plans to offer products and/or services that compete for business with those offered by the Organization, and associates may not sell or promote a third party's line of products and/or services if these products and services compete directly or indirectly for business with those offered by the Organization.

No associate should engage in other employment or activity that will encroach on the time or attention that should be devoted to the associate's duties with the Organization. Such activity can adversely affect the quality of work performed, compete with the Organization's activities, imply sponsorship or support by the Organization of the outside employment or Organization, or adversely affect the good name of the Organization.

Associates may not use the Organization's tools, materials and facilities in paid or unpaid work for other organizations, unless specifically authorized by management.

Nevertheless, the Organization respects the various interests of its associates outside the work place. Associates are free to pursue such interests, including work with political, charitable and other organizations, so long as the activity does not encroach on an associate's ability to properly perform his duties with the Organization. Moreover, the participation of associates in outside activities must not be such that an outside observer would be lead to believe that the Organization is endorsing the activity.

Typically, if an associate is involved with a not-for-profit or charitable organization, the associate is not required to disclose the activity unless it is related to the Organization's business. If in doubt, the associate should disclose his or her involvement with any organizations to avoid any potentially negative consequences.

Business Opportunities

Associates should not use their positions with the Organization to secure business for a company in which they have partial or complete ownership, or to provide family members with business or employment opportunities. Even opportunities that are acquired outside of the workplace by associates may be inappropriate if they are related to the Organization's existing or proposed lines of business. Associates are prohibited from:

- a. taking advantage of opportunities that properly belong to the Organization or are discovered through the use of the Organization's property, information or position for personal or family related benefit
- b. using the Organization's property, information or position for personal gain;
- c. favouring certain customers or suppliers for personal benefit; and
- d. competing with the Organization. Associates must also disclose the existence of any personal or family relations that could hinder or could be perceived to hinder their ability to act in the Organization's best interest.

Gifts and Entertainment

In the course of business, it is not unusual for an individual or an organization to offer gifts or provide entertainment, such as dinners and tickets to events. It is our policy to deter givers of gifts from seeking or receiving special favours from associates. Accepting any gift or entertainment that is of more than nominal value can appear to be an attempt to influence the recipient into favouring a particular customer, vendor, consultant, etc.

The Organization has adopted guidelines for travel and entertainment expenses which are outlined as part of the Travel and Expense Policy.

Associates are expected to make business decisions based on the Organization's best interest. Meals, gifts and entertainment offered by vendors, contractors, competitors, or customers with whom the Organization and its other entities have a current or potential future relationship could adversely affect one's judgment or create the appearance of doing so.

To help associates decide whether gifts offered by vendors and customers may be accepted as consistent with the Organization's policy, gifts, awards, or spiffs with approximate value of more than \$100 are the property of the Organization and no one individual, unless offered by the vendor or customer in the context of an event where all participants receive a similar gift of identical value.

Many associates are involved in the purchase of goods and services from suppliers and, as such, represent the Organization. Some suppliers may offer spiffs, awards or gifts outside of the Organization's contractual pricing terms and conditions to thank the Organization for its business or to encourage the Organization to do more business with them. Such spiffs, awards and/or gifts must be reported to the Organization's management in order to:

- Create fairness, as some vendors may be more generous than others with what they give away;

- Avoid actual or perceived vendor preference due to personal awards being accepted.

The Organization seeks to compensate and reward associates according to the Human Resources policies, free of vendor influence or intervention. All gifts, awards or spiffs must be reported to management. If a violation is found, the Organization will take appropriate action, please refer to this Code's section on sanctions.

Further, it is not unusual for certain of the Organization's associates to offer customers or business partner's gifts or entertainment such as dinners and tickets to events in appreciation for their commitment to the Organization. It is our policy to encourage associates to understand and respect the policies of customers, vendors, and business partners regarding gifts and entertainment and to refrain from offering any gift or entertainment that is of more than nominal value to customers, vendors, and business partners. Associates should consult the Organization's Expense and Travel policy to ensure understanding of applicable guidelines.

Summary of Guidelines

Meals with Vendors, Business Partners, Consultants and Customers

- Not excessively frequent and expensive: Frequency and expense related to meals must be discussed and agreed with the associate's supervisor and will take into account the significance of the meeting to the Organization's business objectives.

Gifts with a value of \$100 or less

- Not excessively frequent (i.e., less than twice per year per vendor).

Gifts with a value of more than \$100

- Is property of the Organization rather than an individual associate, unless approved by management.

Entertainment

- Not excessively frequent and expensive (i.e., maximum value of \$250 per person): Frequency and expense related to entertainment must be discussed and agreed with the associate's supervisor and will take into account the significance of the event to the Organization's business objectives.
- Supervisor approval required for entertainment with a value of more than \$250 or with air travel or overnight stay;
- Under no circumstances should associates participate in entertainment involving explicit sexual content, violence or discrimination.

Any offer of a prohibited gift or entertainment should be reported promptly by an associate to his supervisor, even though he has rejected the gift or entertainment in question.

Prohibited gifts and entertainment include, but are not limited to, the following:

- A gift or loan of cash, cash equivalents, or securities;
- A gift or entertainment of an unlawful, obscene, or offensive nature;
- A gift or entertainment based on the quantity or volume of merchandise or services purchased or acquired by the Organization;
- A gift or entertainment offered in return for a specific decision or outcome, or offered with the expectation that it will unduly influence any decision that might be taken on behalf of the Organization.

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To ensure that business related gifts, meals or entertainment are not the subject of abuse, the Organization only permits them to be given or received if:

- They are associated with a business purpose and are appropriate as to time and place;
- They are of limited and reasonable value, are not intended to influence, and do not even give an appearance of influencing the recipient;
- They do not violate any law or generally accepted ethical standards concerning bribes or payoffs, including the standards of the recipient's organization;
- They are consistent with accepted business practices and could withstand public ethical review.

Expense Reimbursement

The Organization reimburses individuals for authorized expenditures incurred in the conduct of Organization business. These expenses must be reasonable, ordinary and necessary and must be related to a legal purpose; be ethical in nature and amount, and in no way compromise the Organization's integrity or that of an Associates or any other company or individual. Expenses must be submitted in a timely manner (monthly) and be properly recorded, with no substitutions or transfers of costs (for example: charges incurred for a meal must not be recorded as a taxi or other non meal charge), in accordance with the Organization's Travel/Expense policy. Please refer to the Organization's Travel and Expense Policy for further details.

Improper Payments

The Organization does not and will not directly or indirectly condone the payment of anything of value in order to improperly influence a decision maker.

Examples of improper payments are those intended to influence clients, suppliers or governmental entities - including their officials or associates - to give or maintain business; to persuade any officials or associates of another company to fail to perform or improperly perform their duties; or to influence legislation.

Board Appointments

Associates must inform the Legal Officer in advance prior to the acceptance of an invitation to serve on the board of directors of a public or private organization.

In no circumstance may an associate sit on the board, or beneficially own more than 1% of the outstanding equity securities (other than through mutual funds or similar non discretionary, undirected arrangements), of any competitors, suppliers or customers of the Organization, or one of its subsidiary entities, affiliates, divisions and business units, without the express written consent of the Legal Officer.

Political and Charitable Contributions

The Organization receives a number of requests for sponsorships and donations benefiting many worthy charitable and political causes. In cases where an associate of the Organization receives a request for a political or charitable contribution, it must be in writing and include the full name, address and phone number of the organization. Written requests for amounts under \$5,000 should be forwarded to the Corporation's Chief Financial Officer for approval. All donation requests for amounts greater than \$5,000 should be forwarded to the attention of the Corporation's Chief Financial Officer and president for review and approval.

D. PROTECTION AND PROPER USE OF ASSETS

Safeguard the Organization's Assets

Associates are responsible for safeguarding the Organization's assets and using such assets only for legitimate business purposes. Assets include cash, securities, business plans, monthly, quarterly and annual results (before they become public), customer information, supplier information, intellectual property (i.e., software, copyrights, etc.), physical property and services. Associates are expected to take appropriate care of the Organization's assets and not expose them to loss, damage, misuse or theft. Misappropriation of the Organization's assets constitutes a breach of employment duty to the Organization and may constitute an act of fraud against the Organization.

The protection of the Organization's proprietary information (including confidential information) against loss, theft or misuse is a fundamental responsibility of each associate. Proprietary information is often highly sensitive information, crucial to the conduct of the business and that is not generally known outside of the Organization. Only the Organization's executive officers or Legal Officer may determine which proprietary information, if any, can be released. Examples include:

- the Organization's technology;
- Business plans or statistics, including information about the Organization's earnings, gross or operating margins, expenses, order and backlog levels, client base, and financial forecasts (other than those already published in the Organization's news releases, annual and quarterly reports, and other documents filed with government agencies);
- Pending acquisitions, divestitures and mergers;
- Unannounced products and services;
- Pricing strategies;
- Associate private information;
- Impending changes in senior management;
- Major litigation.

Information Technology

The Organization has made substantial investments to develop and implement information technology solutions that are an integral part of the Organization's business. The Organization's applications, computing and networking systems have been put in place to enable or assist associates in performing their duties. Practices that may impede performance or affect the integrity of the Organization's information and communication systems are prohibited. There are some principals to follow:

1. Access to the Internet is provided to associates to maximize productivity. Associates are responsible for using the Internet in a responsible, effective, ethical, and lawful manner. Associates must not use the Internet for purposes that are illegal, unethical, harmful, or non productive. Examples of unacceptable use are:
 - Sending or forwarding chain emails, i.e., messages containing instructions to forward the message to others;
 - Conducting personal business using the Organization's resources; Note - limited occasional or incidental personal non business use is understandable and acceptable where such personal use is conducted with a sense of responsibility.

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- Transmitting any content that is offensive, harassing, obscene and sexually explicit or that could be considered hate literature or a violation of any law pertaining to sexual or psychological harassment, or that is in any way fraudulent or illegal;
 - Participating in online social networking activities which are counter productive and do not directly influence the Organization's performance in a positive manner.
2. An associate who uses the Internet or email shall:
- Ensure that communications are for professional reasons and that they do not interfere with his/her productivity;
 - Be responsible for the content of all text, audio, or images that he/she places or sends over the Internet. All communications should have the associate's name attached;
 - Not transmit copyrighted materials without written authorization;
 - Understand and abide by all applicable Organization policies dealing with security and confidentiality of the Organization's records;
 - Avoid transmission of non public information. If it is necessary to transmit non public information, associates are required to take steps reasonably intended to ensure that this information is delivered to the proper person who is authorized to receive such information for a legitimate use.
3. All information created, sent, or retrieved over the Internet is the property of the Organization and may be regarded as public information. The Organization reserves the right to access the contents of any messages sent over its network as well as the right to monitor and log web sites visited using the Organization's network or computer equipment.
4. Associates shall take every precaution not to introduce a computer virus into the Organization's computers and network. To that effect, associates should:
- Refrain from loading portable storage devices of unknown origin;
 - Ensure that the antivirus software supplied by the Organization is loaded and enabled;
 - Ensure that incoming email and attachments will be scanned for viruses before they are read.
5. The confidentiality and integrity of data stored on the Organization's computer systems must be protected by access controls to ensure that only authorized associates have access. This access shall be restricted to the data that are appropriate to each associate's job duties. The granting of access to unauthorized people is prohibited.
6. It is the associate's responsibility to protect computer hardware, software, data, and documentation from misuse, theft, unauthorized access, and environmental hazards.
7. Regarding all software that is owned, licensed to, or developed by the Organization, associates shall not:
- Download or copy software unless authorized in writing by the information technology (IT) organization;
 - Install software unless authorized to do so in writing by the IT organization. Only software that is licensed to or owned by the Organization is to be installed on the Organization's computers. The IT department will immediately remove any software it has not approved or installed.
 - The Organization licenses the use of computer software from a variety of outside companies and prohibits the unauthorized duplication and use of copyrighted, licensed software. This includes use of software on local area networks or on multiple computers. Copies may be made only to

provide necessary backup unless otherwise authorized by the software developer. Illegal reproduction of software may result in civil damages and criminal penalties.

8. The Organization's property is to be used only for the organization's purposes. Misuse of the Organization's equipment, tools, supplies and other assets for personal gain not only violates the Organization's policies, but also may violate other laws, such as tax laws.

Equipment shall be clearly identified as the property of the Organization and the associate shall be responsible for safeguarding such equipment which may include telephones, desktop computers, laptops, wireless devices, cell phones, PDAs, projection units, pagers, headsets, tools, carry cases, library materials and all other Organization property. Cooperation in the care and maintenance of the Organization's equipment is necessary to ensure the equipment's good condition and security. An associate's negligence causing equipment to be stolen, lost or damaged will result in the associate being held financially liable for the damage or loss. If the Organization equipment is defective or not in safe working order, the business leader must be notified immediately so that repair or replacement can be made.

Appropriate Use

The Organization property is to be used for business purposes only. Misuse of Organization owned equipment, tools, supplies and other assets for personal gain not only violates the Organizations policies, but may also violate tax or other laws.

Internet and email access is provided for business purposes only. Limited occasional or incidental personal non business use is understandable and acceptable where such personal use is conducted with a sense of responsibility. All Associates should be aware that all access to Internet sites and all inbound and outbound email using Organization equipment are monitored. The privilege must not be abused. User conduct is subject to all Organization policies as well as statutory legislation.

Categories of Use

Internet activity falls into four categories:

- **Business use** - Examples include vendor pricing and other e-commerce information, industry reports, economic information, business news, drivers, service packs and other technology data. Also included in this is any client deliverable, including security audits and "ethical hacking".
- **Non business but acceptable use** - Examples include news, weather, Web based email and other uses of a responsible nature.
- **Inappropriate use** - Examples include games, audio, chat sites, movies, excessive time.
- **Misuse** - Examples include but are not limited to pornographic or adult oriented sites, racist sites, gambling, treasonous, subversive, non sanctioned hacking, sites promoting violence, activity involving harassment, and illegal software. Viewing, downloading or distributing materials of this nature are strictly prohibited. If a site of this nature is reached by an Associate in error, the Associate MUST IMMEDIATELY report this incident to their immediate Supervisor including the date, time and name of the web site reached in error.

Any Associate who becomes aware of misuse of the email system must promptly contact either their immediate Supervisor, Human Resources Department, ITS, or utilize the EthicsPoint reporting system to report the incident. Disciplinary action will be taken where usage falls into either of the latter two categories, or where an incident is not reported appropriately, please refer to Section B on Sanctions above.

Social Networks

The use of external social networks within organizations for business purposes is increasing. There are several ways that the Organization can benefit from using external (public) social networks, such as Facebook, MySpace and LinkedIn. The following are examples of legitimate business usage of public social networks:

- Use of public social networks to create groups to support campus recruiting.
- Use of public social networks to create affinity groups to support product marketing (referral networks, testimonials, focus groups).
- Use of social networks for outreach purposes.
- Use of social networks to monitor public opinion about a company, its products and services or its competitors.
- Use of social networks like LinkedIn for professional networking, such as maintaining academic contacts or maintaining contacts with members of professional or standards organizations.
- Use of public social networks for the purpose of researching background information when hiring a new associate.
- Use of public social networks such as You Tube for training purposes

All requests for associate use of external social networks must be submitted to ITS, and must be pre-approved by the associates Business Leader. ITS will establish access for the applicable associate to the targeted social network site, bypassing firewall and software website filters.

E. CONFIDENTIAL INFORMATION

Associates must not disclose any confidential information about the Organization, or its suppliers, or customers, except when such disclosure is exceptionally authorized by the Legal Officer or required by laws, regulations or legal proceedings. Wherever feasible, associates should consult the Legal Officer if they believe that they have a legal obligation to disclose confidential information. Confidential information includes all non public information.

In the course of employment, associates may have access to information that is confidential, privileged or of value to competitors of the Organization or might be damaging to the Organization if improperly disclosed. All associates must protect the confidentiality of such information. This includes non disclosure information that is provided to the associates by various vendor partners, and any information provided by clients. The use or disclosure of confidential information must be for business purposes only and not for personal benefit or the benefit of other parties.

Associates are expected to make themselves familiar with policies and guidelines applicable to their particular business group or unit. If a violation is found, the Organization will take appropriate action. Please refer to the section on sanctions in section B above.

Associates shall hold in trust all confidential and proprietary information acquired during their employment, which relates to the Organization or any of its clients, suppliers and business partners. Associates will not disclose, divulge, or utilize such confidential information, including but not limited to: trade secrets, confidential or proprietary information, computer passwords, program operations and designs, new product ideas, client, vendor or personnel records and internal financial and business information. Associates agree not to copy, reproduce, use, disclose or discuss in any manner, directly or indirectly, in whole or in part, any confidential information of the Organization.

Associates will disclose and assign to the Organization as the Organization's exclusive property all ideas, writings, inventions, products, methods, techniques, discoveries, improvement, and technical or business

innovations they make or conceive, whether or not patentable or copyrightable, either solely or jointly with others during the period of their employment. This applies when the above noted items are related to the associate's employment with Hartco Inc., or when the ideas etc. represent a conflict of interest or potential conflict of interest, regardless of when, where, or by whom they were conceived.

All written or computer coded materials manifested in documentation, system design, tapes, drawings, reports, specifications, notebooks, recommendations, data and memoranda from the date of the associate's employment until the date of termination of employment, which are along the lines of business or work of any of the Organization's businesses which result from or are suggested by any work which associates do for the Organization or its clients, whether created within or outside the scope of employment, shall be considered works made for hire. As such, all right, title, and interest in the materials shall be owned by the Organization or if such work was performed for a client, these works may be owned by the client.

If an associate has access to confidential information as a result of his/her responsibilities at or related to the Organization, the associate must use every precaution to keep it confidential. It is important to use discretion when discussing the business of the Organization in public places or when using wireless phones and other devices, the Internet and fax machines.

Other Companies' Proprietary Information

Improper Receipt

Associates have an obligation not to misuse or steal the intellectual property of any client, supplier, business partner, competitor or any other organization. The Organization periodically receives information about other companies to assist in marketing or other legitimate activities. This is acceptable when the information comes from proper sources, which generally means information that is published or in the public domain, independently developed, or lawfully received from the owner or a third party. Associates may not engage in industrial espionage or acquire information about other companies through improper means. Improper behavior includes persuading present or former associates of another company to divulge confidential information, or receiving information that was illegally or improperly acquired by another party. If associates come into possession of information from another company that has proprietary markings or that they believe may be proprietary, they must determine if the Organization is authorized to have it.

If doubt exists the associate must direct all questions to his direct supervisor, the business leader, the Human Resources representative or to the Legal Officer.

Protecting Properly Received Proprietary Information

Companies sometimes will provide proprietary information for business purposes. When the Organization properly receives such proprietary information, there should always be a written non disclosure agreement that defines the Organization's obligations for the use and protection of the information. This agreement should be reviewed by the Organization's Legal Officer before it is signed. Once the information is entrusted to the Organization, associates must protect its confidentiality and limit their use of it to what is authorized by the agreement. Associates are also responsible for making sure that only authorized individuals have access to the information.

F. COMPLIANCE WITH LAWS

Insider Trading

Securities legislation imposes restrictions with respect to the purchase and sale of securities and the use of information not yet known to the public and which could affect the market price of the securities of a given company.

Associates, officers and directors may not buy or sell securities of the Corporation or any other company that is a public company, with knowledge of non public material information obtained in the course of employment, or “tip” others concerning such information. Associates, officers and directors should be careful to avoid inadvertently disclosing confidential information to spouses, family members and others who live in their households, or to business partners, friends and others.

Non public material information refers to information that, if disclosed, could affect the market price of a company’s securities or is likely to be considered important by investors in determining whether to buy or sell such securities. For instance, the information could be used by investors to buy, sell or otherwise trade in securities of the Corporation. Examples of material information include:

- annual and quarterly financial results
- new products and services
- strategic plans
- business results
- statistics of the organization
- negotiations with unions
- important management changes

Short Sales and Calls of the Corporation Securities

Associate may not engage in short sales with respect to securities of the Corporation.

Short selling means selling shares you do not currently own and borrowing a third party’s shares in order to make delivery, the whole in expectation that the shares will decrease in value when you will buy back the shares and return them to the owner. Such process is subject to undue speculation and abuse and is therefore prohibited. Associates must exercise great caution in their trading in order to avoid inadvertent breaches of these restrictions.

Puts and calls are also subject to the same abuse and therefore similar restrictions.

Accounting and Records

The Organization’s books, records, accounts and financial statements must be maintained in reasonable detail and fully and fairly disclose, in an accurate, timely and understandable manner, all the Organization’s business transactions. Associates must document and record all transactions in accordance with the Organization’s internal control procedures and in compliance with all applicable accounting principles, laws, rules and regulations. Associates are forbidden to use, authorize, or condone the use of "off-the-books" record keeping or any other device that could be utilized to distort financial records or reports of the Organization’s true operating results and financial conditions. Maintenance of falsified, inaccurate or incomplete records can subject the offending individual and the Organization to civil and criminal penalties.

Records must always be retained or destroyed according to the record retention policies. In the event of litigation or government investigation, associates should consult the Organization’s Corporate Controller or Legal Officer before destroying the Organization’s records.

Protection of the Environment

The Organization is committed to reducing the impact of its activities on the environment by encouraging associates, business affiliates and partners, suppliers, and customers to use sustainable resources. To this end, the Organization has implemented an environmental management program to continuously improve its environmental performance.

The Organization's sustainability program is intended to: address and define the Organization's environmental policies, meet all applicable legal requirements pertaining to the environment; reduce occupational injury and illness risks, and promote employee health and well-being; pursue pollution prevention, energy conservation and waste reduction in our operations; market products/solutions that are safe to use and minimize environmental impact; offer customers environmentally responsible life cycle management services for their IT assets, including end-of-life services; require that our vendors/suppliers conduct their operations in a socially and environmentally responsible manner.

The Organization is committed to managing waste effectively and using the best available techniques with respect to the preservation of the environment and privacy. In general waste is being disposed of in ways that are extremely damaging to the environment, to human health, and to privacy. Worst among these ill-considered disposal methods are land filling and exporting to developing countries where the valuable contents are recovered and the hazardous remains are discarded in ad-hoc ways. The Organization's goal is to divert waste from the waste stream through reuse, refurbishment and recycling, where possible. The Organization's sustainability program addresses the following considerations:

- Defining of our environmental policies
- Meeting all applicable legal requirements pertaining to the environment
- Reducing occupational injury and illness risks, and promoting employee health and well-being
- Pursuing pollution prevention, energy conservation and waste reduction in our operations
- Marketing products/solutions that are safe to use and minimize environmental impact
- Offering customers environmentally responsible life cycle management services for their IT assets, including end-of-life services
- Requiring that our vendors/suppliers conduct their operations in a socially and environmentally responsible manner

The Organization's operating divisions, namely Hartco Distribution LP and Metafore Technologies Inc., are collaborating to ensure that the 3 R framework: **R**educe, **R**euse, and **R**ecycle, remains central to our business.

G. EMPLOYMENT POLICIES

Discrimination Free Work Environment

The Organization prohibits all types of unlawful discrimination, including harassment, whether directed against an individual or group, including customers, suppliers and associates. This specifically includes discrimination based on race, national or ethnic origin, colour, religion, age (except as provided by law), sex (including pregnancy or childbirth), sexual orientation, marital status, family status, physical or mental disability, a conviction for which a pardon has not been granted, or any other status protected by law.

Harassment is usually defined as any behaviour, often recurrent in nature, which negates individuals dignity and respect to which they are entitled because the behaviour is offensive, embarrassing or humiliating.

Associates are entitled to be treated with respect and dignity, free from harassment.

Harassment may take different forms, such as any one or more of the following non exhaustive list of examples:

- unwelcome remarks or jokes about subjects like one's race, national or ethnic origin, colour, religion, age, sex (including pregnancy or childbirth), sexual orientation, marital status, family status, physical or mental disability or a conviction;
- displaying discriminatory or other offensive pictures, posters, emails or screen displays;
- sending or receiving messages or files, by email or any other form of delivery, that are illegal, sexually explicit, abusive, offensive, profane, unwelcome, or that may adversely affect the Organization's image;
- unnecessary physical contact, such as touching or pinching;
- threats, intimidation or verbal abuse;
- any other action that may reasonably be perceived as offensive or disrespectful; or
- sexual harassment that may be defined as follows: coercive and one sided and both males and females can be a victim. It is deliberate and unsolicited. It can be offensive sexual comments, gestures or physical contact that are unwanted or offensive, either on a first time basis or as a continuous series of incidents.

Discrimination and harassment are serious offenses and will result in appropriate disciplinary action by the Organization, please refer to the section on sanctions in section B above. The Organization encourages all associates to report any situation involving discrimination or harassment to their manager, their HR representative, the Legal Officer or through EthicsPoint, provided they have reasonable grounds for believing discrimination or harassment has occurred.

Occupational Health and Safety Laws

The Organization and its associates are committed to providing and maintaining a safe, secure and healthy work environment. This holds true whether associates are working on the Organization's premises or at a customer's location or place of business.

To this end the Organization's associates, must:

- Follow all proper procedures of the Organization when carrying out their responsibilities;
- Comply with all policies of the Organization regarding health and safety issues;
- Comply with all relevant provincial and federal laws governing workplace health and safety;
- Wear prescribed safety equipment where mandatory.

The Organization policies mandate that each of its businesses groups and units must establish and maintain compliance programs and monitor compliance on a regular basis; allocate sufficient resources to assure effective compliance; periodically report compliance performance to designated individuals; provide prompt notification of any incident which may constitute a violation of any environmental, health and safety law; and act responsibly to protect associates and the environment whether or not any laws and regulations apply.

Drug and Alcohol Abuse

The Organization is committed to ensuring a safe and healthy work environment. It is a condition of employment that associates report to work in a state whereby they are physically and mentally alert. The Organization prohibits the use, distribution, transfer or possession of alcohol, controlled substances, unauthorized drugs, intoxicants, or any combination on or near the premises of the Organization or its other entities. Further, the Organization prohibits the use, distribution, transfer or possession of controlled substances, unauthorized drugs, and intoxicants in any location while on duty or on the

premises of the Organization. Exceptionally, moderate alcohol use may be permitted on or near premises of the Organization for occasional events which are sanctioned by a business executive.

Any associate taking a legally prescribed drug which could affect safety or job performance is responsible for notifying their supervisor. A physician's statement is required to confirm that the associate is able to safely and effectively perform their duties while on prescribed medication. This certification must be provided before reporting to work. Should it be determined that an associate cannot safely or effectively perform their duties, the associate may be required to take a leave of absence or comply with other appropriate actions.

This policy is not intended to address all circumstances in which involvement with illegal drugs or alcohol warrants disciplinary action. Nothing in this policy shall be considered as limiting the Organization's right to take corrective or disciplinary action up to and including, without limitation, termination for cause, for involvement with drugs or alcohol. Please take note that this topic is not specifically addressed in this policy.

Associate Privacy and Personal Information

The Organization respects the privacy of its associates and collects personal information about them only for lawful purposes relevant to the Organization's business, including the planning and conducting of personnel and employment matters.

For associates, personal information refers to those records in personal employment files and medical and benefits information.

All personal information is kept strictly confidential by the Organization, and may only be used for purposes that the associate would reasonably expect.

It is important to keep in mind that the Organization's business communications, such as voice mail or computer files, are not private. Messages can be forwarded to others where this serves a useful purpose for the Organization.

The Organization reserves the right to monitor or search any and all property of the Organization at any time, where it determines (on reasonable grounds) that this is required, including the following examples:

- To evaluate and measure service quality;
- In the interest of the safety and protection of associates.
- To ensure compliance with this Code.

In the event that the Organization has reasonable grounds to suspect an associate of fraud, theft, undeclared conflict of interest or other situation which may damage the Organization and its reputation, it will undertake the appropriate action. Please refer to the section on sanctions in section B above.

H. FAIR DEALING

While the Organization seeks to outperform its competitors, its activities in the marketplace must always be conducted in a fair and ethical manner. Acquiring proprietary information, without the owner's consent, or inducing such disclosures by past or present associates of other companies is strictly prohibited.

Associates must, at all times, endeavour to deal fairly with customers, suppliers, competitors and other associates. Associates should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

Government Investigations and Other Investigations

The Organization cooperates fully with legally authorized government investigations. If a director or an officer of the Organization or an associate is approached by a person who identifies him/herself as a government investigator, they must immediately contact the Legal Officer, who will help them follow proper procedures for cooperating with the investigation.

Associates must:

- Never destroy or alter any document or record in anticipation of a request for that document or record by a government agency, court, or other individual;
- Never make a false or misleading statement to any government investigator, or persuade others to do so;
- Never refuse to cooperate with a government investigation.

For any other investigation, the associate must immediately contact their immediate supervisor who will contact the Legal Officer.

Dealings with Public Officials

Associates are strictly prohibited from paying or receiving any bribe, kickback or other similar payment to or from any public official, or government, or other individual, to secure any concession, contract or other favourable treatment. This prohibition extends to the payment or receipt of money or any item of substantial value (with a value of more than \$100) when an associate has reason to believe that some part of the payment or "fee" will be used for a bribe, kickback or other similar activity. Any dealings on behalf of the Organization with a public official must be transacted through the Legal Officer.

Dealings with the News Media, Investors and Other Financial Related Matters

Directors, officers and associates of the Corporation, or any of its subsidiary entities, affiliates, divisions and business units must not speak to the news media regarding any aspect of the business unless expressly authorized to do so.

The following individuals are authorized media spokespersons for the Corporation:

- Chairman and CEO, Hartco Inc. – Authorized to discuss all matters pertaining to the Corporation, its subsidiaries, affiliates, divisions, business units and franchises;
- President and COO, Hartco Inc. – Authorized to discuss all matters pertaining to the Corporation, its subsidiaries, affiliates, divisions, business units and franchises;
- Vice President Finance and CFO, Hartco Inc. – Authorized to discuss all matters pertaining to the Corporation, its subsidiaries, affiliates, divisions, business units and franchises;

The following are authorized media spokespersons for the subsidiaries or business units to the extent that no prospective or confidential financial information about sales contracts or operations matters that could be used by investors or potential investors of the Corporation are disclosed:

- Vice President and General Managers, Metafore Technologies Inc. – Authorized to discuss sales, marketing and services related matters pertaining exclusively to Metafore Technologies Inc.

All media inquiries pertaining to financial matters, and all inquiries from investors or potential investors, debtors, investment analyst, bankers or other financial organizations should be directed to the Corporation's Vice President Finance and Chief Financial Officer, who will either address the matter directly or involve the Corporation's President, Chief Executive Officer, Board of Directors' members or other executives as appropriate.

The use of logos and trademarks must strictly follow usage guidelines established by the Organization. Logos and other branded materials must be represented exactly as they appear in the trademarked versions and may not be altered in any way. For more information on the specifications of the logo and other branded material, associates should refer to the Organization's marketing document library. Also any request for advertising opportunities should also be forwarded to the marketing department.

If associates are unsure as to whether or not their request requires approval from the marketing department, business leader or the Corporation's Vice President Finance and Chief Financial Officer, they should contact them to verify.

Improper Influence of Independent Auditors

It is unlawful for any officer, director, any associate, or anyone else acting under their direction, to coerce, manipulate, mislead or improperly influence our independent auditors engaged in the performance of an audit or review of our financial statements. The Organization's independent auditors must be able to go about their audit and review of our financial statements without inappropriate influence from directors, officers or other associates, and without being misled through materially false or misleading statements or omissions from our directors, officers or other associates.

I. COMMUNICATION AND CONFIRMATION

Distribution

Every associate will have access to a copy of this Code for review. All associates are responsible for ensuring proper understanding of this Code. Any questions should be reviewed and clarified with the associate's supervisor.

At the commencement of employment, and on demand thereafter, each associate is required to sign an «Acknowledgement and Disclosure Statement», pertaining to this Code. This document will be retained by the Human Resources department, and will confirm to senior management that the associate acknowledges having read and understood the current version of the Code.

This Code and other applicable policies are directives and expectations pertaining to the conduct of associates. They are not intended to, and do not in any way, constitute an employment contract or an assurance of continued employment. The Organization does not create any contractual rights by issuing this Code.

Monitoring Compliance

The ultimate responsibility for monitoring compliance with and interpretation of the Code lies with the Corporation's Board of Directors through its governance committee. The Board of Directors will be responsible for:

- filing the Code as well as any amended version of the Code, with the securities regulators and as required by law;
- reviewing the Code on an annual basis and approving amendments to the Code, if necessary or applicable;
- reviewing waivers from the Code granted to associates and granting waivers to officers and directors, if any;
- disclosing all waivers from the Code that have been granted in accordance with Canadian legal requirements;
- overseeing the preparation of and approving public disclosure relating to the Code;

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- overseeing transactions and agreements in which a director or executive officer has a material interest;
- overseeing implementation and monitoring of the Code by the Legal Officer.

The Organization reserves the right to audit compliance with this Code. Accordingly, all associates are required to give, at the Organization's request, any external or internal auditor full, free and unrestricted access to all relevant operations, records, facilities and personnel and will take appropriate measures to safeguard information obtained through the audit process.

A Frequently Asked Questions document, intended to assist associates in interpreting and applying the Code of Ethics can be found in Appendix B.

APPENDIX B: Frequently Asked Questions

Why do we need a Code of Ethics (“Code”)?

The Code of Ethics (the “Code”) clarifies the responsibilities that Hartco Inc., its subsidiaries, affiliates, divisions and business units (collectively and individually referred to as the “**Organization**”) and its associates, officers and directors have towards each other, towards the Organization’s customers, suppliers and investors. The Code helps associates to understand their responsibilities and alerts the Organization to important legal and ethical issues that may arise. The Code is intended to reflect and reinforce the Organization’s business standards, and to identify possible conflicts of interest that may arise in the course of day-to-day operations.

What happens if I do not comply with the Code?

Following the Code and providing an “Acknowledgement and Disclosure Statement” of compliance are conditions of employment with the Organization. If a violation is found, the Organization will take appropriate actions, please refer to the section on sanctions in section B of the Code.

I have a concern not addressed in the Code. Does that mean there is no problem?

The Code does not include every rule, policy or standard, nor is it a summary of all laws and policies that apply to our business. The Code includes the basic values pertaining to how the Organization chooses to conduct business. Consequently, the fact that an associate concern is not addressed in the Code does not imply that there is not a problem. If you believe any situation, action taken, or activity may be in violation of the Organization’s ethical and legal guidelines, or if you feel you are being asked to compromise your values, it is your responsibility to communicate this concern to the Organization. You are encouraged to contact your immediate supervisor for clarification. If this is not practical, contact your Human Resources representative or the Legal Officer.

I have observed a situation that may violate the law or the Organization’s policies and believe that my supervisor is also aware of the situation but chooses to ignore it. Do I need to report it?

Yes. If you believe the situation violates the law or policy, you have a duty and an obligation to report it. Your supervisor may not be as aware of the problem as you understand it. However, even if he or she is aware, the situation needs to be reported so that it may be corrected. You should report the matter to the Legal Officer, your Human Resources representative or through EthicsPoint as soon as you become aware of it.

What if I am afraid to report the associate because he/she may make my job more difficult?

The Organization will not permit any form of retaliation, including discharge, demotion, suspension, threats, harassment or any other form of discrimination against an associate who reports a concern. The Organization may take action upon any associate/supervisor who retaliates against an associate who has reported a concern.

What are some activities that could represent conflicts of interest?

The following activities, while not exhaustive, represent potential conflicts of interest.

- Outside Employment and Affiliations – If you have a second job with, are performing services for, or are serving as a director or consultant of a company that is a competitor, customer or supplier of goods or services to the Organization, this raises an actual or possible conflict of interest. Associates are required to obtain approval from their supervisor before engaging in employment outside the Organization.
- Jobs and Affiliations with Close Relatives – The work activities of close relatives can also create conflicts of interest. If you learn that a close relative works for or performs services for any competitor, customer or supplier, please notify your supervisor. You and your supervisor should in turn notify the Legal Officer who will determine if any action is required to address the situation. In general, a relative should not have any business dealings with you, with anyone working for the Organization or with anyone who reports to you. Conflicts of interest may also arise where close relatives are also employed by the Organization. There cannot be a direct reporting relationship between family members or individuals with a close personal relationship unless approved by management.
- Boards of Directors – An associate may be asked to serve on the board of directors or a board of directors or board of trustees of another organization. In some cases this can raise a conflict of interest or even legal issue. Before accepting a position as a board member, always request written approval from your immediate supervisor. Please refer to the Code for involvement with charity and not-for-profit organization.
- Investments – Associates and their close relatives need to be careful that their investments do not create conflicts of interest, impairing an associate’s ability to make objective decisions on behalf of the Organization. Conflicts can occur if investments are made in supplier, customer or competitor organizations.

The following examples and guidelines will help you determine how to manage conflict of interest issues:

Examples	Guidelines
I have a relative who I’d like to hire for a position reporting to me. My relative is fully trained and qualified for the position. May I hire my relative?	No. The activities of a close relative can create a conflict of interest. The Organization recognizes that all individuals have the right to work for the Organization. In some cases, family members or close friends are also working for the Organization. In these situations, there cannot be a direct reporting relationship between family members or individuals with a close personal relationship unless approved by management.
We need to contract a firm to provide cleaning services locally and are spending a lot of time looking for the right one. Couldn’t we save the Organization a lot of time and effort by hiring my brother’s cleaning firm because I know that they can be trusted to do the job right?	No. Simply hiring a firm because you trust your brother is not a sound business practice. It creates a conflict of interest between your desire to help your brother and your objectivity in selecting the most competitive supplier. However, if you make a proper disclosure to the Legal Officer and remove yourself from the selection process (and no one who reports to you is involved), your brother’s company can compete for the work with other

	qualified vendors.
A long time friend recently took a job with the Organization's supplier. We have socialized for a number of years, but now I wonder if our friendship poses a business ethics problem.	It might if you play a role in the selection of your friend's employer as a supplier, or if you have to deal with the individual on behalf of the Organization. You should disclose your friendship to your supervisor and the Legal Officer and excuse yourself from participating in decisions or negotiations with your friend and the supplier.

What should I do if I have a conflict of interest?

You should immediately provide an updated Acknowledgement and Disclosure Statement to the Legal Officer as soon as you become aware of any possible conflict of interest.

I have a computer program at work that I would like to copy to my home computer with no commercial use intended. Am I allowed to do so?

No. You must not copy software protected by copyright law and/or licence agreement unless the owner of the copyright or the licence holder specifically grants permission to do so. You should consult the IT department before copying any company supplied software program to your home computer.

I am not part of the Finance Department or involved in the recording of accounting transactions. Is this section relevant to me?

Yes. All associates must properly record many kinds of business information that may ultimately have an impact on the books and records of the Organization. Therefore, all financial books, records and accounts must correctly reflect transactions and events. Be sure that any document you prepare or sign is correct and truthful. The following are examples of activities not allowed:

- Not recording or disclosing funds or assets that should be recorded;
- Making false claims on an expense report, time sheet or any other report;
- Giving false quality or safety results;
- Recording false sales or recording sales early;
- Delaying the entry of items that should be current expenses;
- Understating or overstating known liabilities and assets;
- Hiding the true nature of any transaction; and
- Providing inaccurate or misleading information for the Organization's benefit programs.

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The following examples and guidelines will help you determine how to manage issues with respect to the recording and reporting of financial information:

Examples	Guidelines
After moving to a new business group, I learned that payments are recorded as business advertising when money is actually spent for entertainment purposes. Since the amount spent is booked accurately, is there a problem?	Yes. Various laws require that books, records and accounts must be kept in reasonable detail that accurately and fairly reflects the transactions. Misrepresentation of expenses violates the Code and, in many instances, the law.
A person in my group is committing to spend \$30,000 for goods and services. Since the spending authority is \$25,000, he asked me to issue two purchase orders instead of one so that he can avoid having to seek the higher level approval. What should I do?	Report the matter to your supervisor and to the Legal Officer. The individual is trying to avoid the authorization policy and his/her actions are an attempt to get around the internal controls.
It is the last week in the quarterly reporting period. My boss wants to make sure we meet our numbers for the quarter, so he asked me to record a sale that won't be finalized until next week. Since it is only a week, should I do what he says?	Definitely not. Costs and revenues must be recorded in the appropriate time periods. The sale has not officially been completed. Until then, it would be a misrepresentation to include it in an earlier period. All accounting matters should be reported to the Corporation's Corporate Controller and Chief Financial Officer.