



Code of Business Conduct

revised 2011





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A Message from the President & CEO

I am pleased to provide this introduction to the most recent, updated copy of the NAV CANADA *Code of Business Conduct*. Updates have been made to the following sections this year and are highlighted for ease of reference:

- Workplace Violence (page 10)
- Security (page 11)
- Corporate Disclosure (page 15)

This document has become one of the critical pillars of our organization which makes it one of the Company's most important business documents. All employees are encouraged not only to read the *Code* carefully, at least once a year, but also to use it as a point of reference in your daily work.

The reason for this is simple: the *Code of Business Conduct* presents the key building blocks of the workplace environment we are striving to achieve at NAV CANADA. It sets out the behavioural standards and expectations – applicable to everyone – with regard to honesty, integrity and ethical conduct in our operations and business relationships.

These standards and expectations are rooted in the three core values of our Company – respect, excellence and customer service, as described at length in the upfront section of the *Code*. This is followed by a section that clarifies your responsibility and that of your manager with regard to reading, understanding and complying with the *Code*, as well as staying informed, setting an example, encouraging open communication and seeking help or raising concerns.

The *Code of Business Conduct* is much more than words on paper. The focus is on how we interact in the workplace, the actions we take in that workplace, and the decisions we make. In other words, the focus is on our conduct, and the expectation is that all staff will strive to work together according to the high ethical standards expected of a company entrusted with public safety.

It is for this reason that the *Code* is not a short and simple read. It is a serious document about a serious business, designed to be particularly helpful in situations that require a judgement call.

The *Code of Conduct* covers all aspects of our work environment, including equity and diversity, labour relations, respect in the workplace, the prevention of violence, official languages, occupational health and safety, security, substance abuse, the environment, and privacy.

The *Code* also provides guidance on conflicts of interest, the protection of corporate information, fiscal integrity and responsibility, fraud, intellectual property, the protection of computing assets, and other important topics.

In previous updates of the document, we have presented information on the NAV CANADA whistle blowing mechanism known as "SENTINEL". This mechanism, which is available to any employee as well as to outside parties, continues to ensure there is an outlet for reporting, on a confidential basis, any serious ethical, legal or financial reporting concerns that are not being addressed through other channels.

SENTINEL has a broad application in that employees can escalate any situation relating to the Company that they believe requires reporting. SENTINEL does not replace ARGUS, a similar program for the reporting of serious safety concerns an employee feels are not being addressed through normal channels.

For this edition, I would like to draw your attention to new content that has been inserted on the prevention of workplace violence. This material emphasizes our commitment to working with employees to provide a safe, healthy and violence-free work environment, and summarizes the key elements of our *Workplace Violence Prevention Policy*.

As a final word, I want to emphasize that as an employee of NAV CANADA, how you conduct yourself in the workplace contributes a great deal to the building of a safe, respectful and professional work environment. The Code is an important guide that you should rely on today and throughout your career, no matter what your role is in the Air Navigation System.

I urge you to take the time to review this updated edition, sign the acknowledgement that you have done so, and use this opportunity to raise any questions you might have with your manager. Thank you in advance.

Sincerely,

A handwritten signature in black ink, appearing to read "John Crichton". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John Crichton
President & CEO

October 2011

Purpose and Application of the Code

Every NAV CANADA employee needs to be familiar with the *Code of Business Conduct* and to understand how it applies in our day-to-day work.

The Code is not simply a list of rules. It is intended to help us maintain the higher standard of ethical behaviour that is – and must be – expected of a company entrusted with public safety.

The Code offers basic guidance on some common situations employees may face. It does not cover every potential conflict or violation.

If you have questions about a specific situation or a potential violation, you should speak to your manager or contact the appropriate NAV CANADA resource without delay. Throughout the Code, employees are directed to the appropriate *Internal Review and Redress Mechanisms* available to address specific situations and potential violations. In addition, the processes relating to the feedback channel **SENTINEL** can be found in the last section of the Code.

Our *Code of Business Conduct* applies to all employees, officers and directors of the Company. Every reference made in this Code to NAV CANADA employees refers to officers and directors as well. NAV CANADA also expects customers, bargaining agents, suppliers, vendors, contractors and partners to respect our policies and *Code of Business Conduct*.

All NAV CANADA employees, officers and directors are expected to read and understand the standards and policies outlined in the *Code of Business Conduct*, and acknowledge this in writing by using the *Record of Review* appended to this *Code of Business Conduct*.

NAV CANADA has a 'whistleblowing' mechanism, called SENTINEL, which has been put in place to ensure that employees have outlets for reporting concerns relating to the Company that are not being addressed through existing channels, such as the confidential ARGUS safety reporting system.

SENTINEL incorporates procedures for the confidential, anonymous receipt, retention and treatment of complaints received.

SENTINEL - Accounting, auditing matters

VP-Legal@nav-sentinel.ca | 1-866-984-6633

Chair-Audit-Committee@nav.sentinel.ca | 1-866-984-6633

SENTINEL - Serious ethical, legal or other concerns

VP-HR@nav-sentinel.ca | 1-866-984-6633

VP-Legal@nav-sentinel.ca | 1-866-984-6633

N NAV CANADA Values

The values we live by guide our everyday actions and serve as a constant reminder of our commitments. They are also an integral part of how we do business, linking the high standards we set for ourselves with the realities that go into making ethical conduct a way of life.

Respect

NAV CANADA promotes an environment in which all interactions with employees, bargaining agents, managers, customers, suppliers, the public and stakeholders are based on respect – for each other’s opinions, perspectives, experience and contribution.

The Company regards courteous and responsible behaviour as the foundation of respectful interpersonal behaviour. Additional dimensions of respect that also apply in our workplace include trust, fairness, equity, honesty, integrity, commitment and loyalty.

Respect does not mean that we cannot disagree, in good faith, on matters of principle or interpretation or perception of factual situations. It does mean that when such situations arise, we will disagree in a tactful and diplomatic manner.

Excellence

Excellence, first and foremost, applies to our mission of providing a safe air navigation system. This focus is supported by particular emphasis on attention to detail, a strategic risk management orientation, and efficient decision-making.

NAV CANADA considers other important aspects of excellence to include professionalism, positive attitude, acceptance of responsibility and accountability, competence, commitment, reliability, honest communications, financial and operational effectiveness and efficiency, quality, flexibility, cooperation, sharing and other aspects of performing work and teamwork in a superior fashion.

Customer Service

Serving NAV CANADA’s customers is a very important priority and everything done at NAV CANADA is oriented toward meeting customer needs for safe, efficient and cost-effective air navigation services. The Company’s ultimate success rests on safety and on its ability to provide the best possible service.

Our Responsibilities

Honest and ethical conduct is a shared responsibility. Individually, each of us is expected to act with personal integrity in carrying out our jobs. This includes being accountable for our behaviour and for upholding the values and standards upon which NAV CANADA's reputation rests.

Individually and collectively, we have a role to play in creating a work environment of openness, honesty, trust and respect. Instilling these behaviours in our workplace helps build teamwork and cooperation, while making it easy for people to speak up and discuss issues openly and constructively.

EMPLOYEES

As a NAV CANADA employee, you should:

- Read and understand the standards and policies outlined in the *Code of Business Conduct*, and acknowledge this in writing;
- Comply with the Code, the underlying NAV CANADA policies, applicable laws and commonly accepted ethical practices;
- Stay informed of any changes to the Code or related developments communicated by NAV CANADA;
- Seek help in the event you have any questions or are uncertain about a situation;
- Raise any concern and report any potential violations without delay; and
- Cooperate in internal reviews or investigations of a reported violation.

MANAGERS

Managers, in addition to their responsibilities as employees, have a special duty to uphold the Company's reputation for honest and ethical conduct. As a manager, you are expected to:

- Set an example through your own conduct;
- Encourage employees to ask questions, speak up and get advice before they act;
- Answer employee questions or refer them to the appropriate source for additional information about the Code;
- Provide timely, sound advice and guidance on ethical or compliance issues; and
- Handle questions, concerns or reported violations promptly and confidentially.

Under the Code, every employee has a responsibility to notify the Company of any instance of illegal or unethical conduct. This applies to any type of situation that goes against the provisions of the *Code of Business Conduct* or other established Company policies, procedures and practices. In all cases, employees are expected to do the right thing – both in terms of their own conduct and when it comes to reporting wrongdoing.

Code Violations: Consequences

It is important to remember that violations of the *Code of Business Conduct* can have serious consequences. Any employee who does not respect and abide by the provisions of the Code or other company policies and procedures could face disciplinary action, up to and including dismissal, as well as potential legal action.

Code of Business Conduct

This section of the *Code of Business Conduct* highlights key policies and practices that NAV CANADA has in place. All of the policies referred to in the Code are available on the Company intranet/portal, the corporate website or both.

Work Environment

Employment Equity and Diversity

NAV CANADA is committed to advancing the objectives of employment equity and diversity while respecting the principle of merit. The Company continues to work towards achieving these goals so that no person is denied employment opportunities or benefits for reasons unrelated to ability. By valuing diversity and respecting individual differences, we foster an inclusive environment where all employees are able to contribute to their fullest potential.

In order to reflect, as much as possible, the diversity of the Canadian labour market, NAV CANADA works to improve designated group representation in the workplace, while integrating diversity issues into its business practices. Under the *Employment Equity Act*, designated groups are women, Aboriginal peoples, members of visible minorities and persons with disabilities.

Relations with Employee Representatives

NAV CANADA encourages meaningful and constructive consultation in the workplace, where relationships are measured by the quality of the discussions and interactions that take place.

NAV CANADA supports the expeditious negotiation of collective agreements where all issues of importance are dealt with openly and discussed fully.

Labour-management relationships are important, long-term, ongoing processes. NAV CANADA believes these relationships are best advanced through open, transparent and meaningful discussion intended to continually enhance mutual understanding and trust.

Internal Review and Redress Mechanisms

NAV CANADA's Alternative Dispute Resolution (ADR) Process

NAV CANADA's Grievance Process – please refer to your collective agreement

By valuing diversity and respecting individual differences, we foster an inclusive environment where all employees are able to contribute to their fullest potential.

Respect in the Workplace: Discrimination, Harassment and Abusive Behaviour

In accordance with our corporate values, our collective agreements, and applicable human rights laws, NAV CANADA supports a working environment that is free of discrimination, harassment and abusive behaviour.

The Company will not tolerate workplace discrimination or harassment based on any of the prohibited grounds in the *Canadian Human Rights Act*. These include race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, family status, disability, or a conviction for which a pardon has been granted.

Discrimination is behaviour consisting of adverse differential treatment of an individual based on any of these prohibited grounds.

Harassment is a behaviour that creates an offensive, intimidating or hostile work environment and that a reasonable person should have known would be unwelcome.

Abusive behaviour refers to unwanted physical, or verbal or other objectionable conduct by a person that is intended to demean, belittle, alienate or humiliate another employee, client or supplier, irrespective of the person's hierarchical position with relation to the employee, client or supplier.

Abuse of Authority and unfair treatment are forms of abusive behaviour which occur when an individual improperly uses the authority inherent in a position to endanger an employee's job, undermine the performance of the job, threaten the economic livelihood of the employee or in any way interfere with or influence the career of the employee.

Employees have a responsibility to treat co-workers fairly, regardless of individual differences, and to avoid any conduct that might constitute discrimination, harassment or abusive behaviour. All employees have the right to report suspected violations, and are encouraged to do so by speaking with managers. The Company has instituted internal redress methods to address alleged incidents of discrimination, harassment or abusive behaviour.

Workplace Violence

NAV CANADA is committed to working with its employees to provide a safe, healthy and violence-free work environment. The Company's *Workplace Violence Prevention Policy* defines workplace violence as "any action, conduct, threat or gesture of a person towards an employee in their workplace that can reasonably be expected to cause harm, injury or illness to that employee".

NAV CANADA will not tolerate any acts of violence and will take all reasonable and practical measures to prevent violence and protect employees from acts of violence. Appropriate remedial, disciplinary, and/or legal action will be taken according to the circumstances.

Internal Review and Redress Mechanisms

NAV CANADA's Alternative Dispute Resolution (ADR) Process

NAV CANADA Workplace Accommodation Right of Review Process

Internal Review and Redress Mechanisms

NAV CANADA's Alternative Dispute Resolution (ADR) Process

Employees have a responsibility to treat co-workers fairly, regardless of individual differences, and to avoid any conduct that might constitute discrimination, harassment or abusive behaviour.

The purpose of the *Workplace Violence Prevention Policy* is to promote a safe work environment and to set out our obligations under the *Canada Occupational Health and Safety Regulations* to:

- provide a safe, healthy and violence-free workplace;
- identify and address factors that contribute to workplace violence;
- communicate information to employees about factors contributing to workplace violence;
- provide violence prevention training to employees;
- assist employees who have been exposed to workplace violence; and
- outline procedure for prompt notification of all workplace violence.

Occupational Health and Safety

NAV CANADA is committed to protecting the health and safety of its employees, visitors and the communities, in which they reside and operate. The Company will continue to ensure that effective policies and practices are in place to support its health and safety commitments. These include providing a healthy and safe work environment to reduce the risk of illness or injury; meeting or exceeding all health and safety legal requirements; and ensuring proper supervision, training and equipment in this area.

NAV CANADA employees must respect the Company's occupational health and safety goals and policies, and practice safe work habits in carrying out their jobs. The Company expects individuals to take personal responsibility for their own health and safety, while working safely at all times.

Internal Review and Redress Mechanisms

NAV CANADA Internal Complaints Resolution Process – where an employee believes there is a contravention or that an accident or injury is likely .

NAV CANADA Refusal to Work Procedures – where an employee has reasonable cause to believe that certain work or the work environment presents a danger.

NAV CANADA Grievance Process – please refer to your collective agreement.

Official Languages

NAV CANADA ensures respect for the language rights of its employees, customers, and all those with whom it does business, as required by the *Official Languages Act*.

Internal Review and Redress Mechanisms

NAV CANADA Official Languages Internal Complaints Procedure

Security

NAV CANADA has a Security Management System that sets out security policies, standards, procedures and guidelines. Its intent is to manage security as an integral part of our overall business processes.

The Security Management System provides the Company with a consistent approach to security through the promotion of a security culture which encourages and is dependent on close co-operation with our employees, stakeholders and those engaged to conduct work on our behalf.

The Security Management System has established formalized security best practices in support of the delivery of our services, including an Emergency Management Program.

Employees are expected to comply with the Company's security policies and to safeguard Company property and assets against unauthorized trespass use or removal, as well as against loss by criminal act or breach of trust.

Substance Abuse

The unlawful manufacture, distribution, dispensation, possession or use of controlled or illicit substances in the workplace is strictly prohibited. The abuse of over-the-counter or prescription drugs is also prohibited. Abuse of over-the-counter drugs occurs when an employee knows or should know that use may impair job performance or endanger the safety of others in the workplace and when an employee knows or should know that use is inconsistent with medically prescribed, intended use.

Internal Review and Redress Mechanisms

Substance Abuse Intervention Team Program

SUBSTANCE ABUSE

No employee of NAV CANADA will report to, return to or remain at work while under the influence of alcohol or any illicit substance (including the after-effects of use), or consume these substances at any other time that might impair his or her ability on the job.

Similarly, no alcohol will be consumed on NAV CANADA property unless sanctioned by senior management for the purpose of official functions or events. Under no circumstances will alcohol or illicit substances be consumed in NAV CANADA vehicles.

The Environment

NAV CANADA recognizes the importance of sound environmental management in all of its activities. As reflected in its corporate vision, NAV CANADA will comply with all relevant environmental laws, regulations, and standards and strive to exceed, whenever possible, the environmental performance levels required by law.

NAV CANADA and its employees will respect all federal, provincial, territorial and local environmental laws, regulations and related requirements.

Involvement in a Legal Matter

Any employee who is involved in a legal matter or a matter involving the police should inform his or her manager promptly if this involvement has the potential to negatively affect the public reputation of the Company or the employee's ability to perform his or her job.

Protecting Privacy

Under the *Personal Information Protection and Electronic Documents Act* (PIPEDA), NAV CANADA is responsible for the protection of personal information in its custody or control, including its collection, use and disclosure, and is responsible for protecting that information in dealings with third parties. Personal information includes any factual or subjective information, recorded or not, about an identifiable individual. It does not include the name, title, business address or telephone number of an employee.

Internal Review and Redress Mechanisms

NAV CANADA's Privacy Code - Principle 10 - Challenging Compliance

NAV CANADA ensures that effective systems and measures are in place to protect personal information and manages these personal information holdings in a responsible manner. At any time, employees have the right to request and review their personnel file and may ask that it be corrected or modified.

Conflict of Interest

Employees need to remain aware of, and avoid, any situation involving a conflict, or potential conflict, between their personal interests and the interests of NAV CANADA. Any such situation an employee may encounter must be able to withstand the test of public scrutiny.

Internal Review and Redress Mechanisms

NAV CANADA Conflict of Interest Redress Committee

The general rule for recognizing such conflicts is to avoid any situation or activity that may compromise, or does compromise your judgment or ability to act solely in the best interests of NAV CANADA. This includes situations or activities, which may be perceived as a conflict of interest. Employees have a responsibility to disclose any real or potential conflicts to their manager promptly. Employees should use the *Disclosure of Conflict of Interest or Potential Conflict of Interest* form appended to this *Code of Business Conduct*. Questions and concerns must be brought to your manager, or to the Vice President, General Counsel and Corporate Secretary or to the Vice President and Human Resources Officer.

Outside Employment / Interests

Employees will not devote time during normal business hours to an outside business or activity, and are expected to bring their full energy, attention and commitment to their jobs. Any full-time employee who has outside employment on a part-time basis is expected to ensure that his or her job performance at NAV CANADA is not affected.

Except with written approval, employees will not:

- serve as a director, officer, partner, consultant or in any other role in any business enterprise which does or seeks to do business with NAV CANADA; or
- own, control or direct a material financial interest in a supplier or contractor or in any business which does or seeks to do business with NAV CANADA.

In both of the above cases, employees need the written approval of both the Vice President and Human Resources Officer and of the Vice President and General Counsel and Corporate Secretary.

Examples of situations when approval is required:

- Serving on the Board of an airport
- Submitting a bid to do other work for NAV CANADA (e.g. snow removal)

Family and Personal Relationships

Each of us has a variety of personal and family relationships, which may at times impact on the workplace. When such relationships intersect at work, we must make sure that these relationships do not compromise, or threaten to compromise our ability to act in the Company's best interests. The best way to deal with these issues is to openly declare these relationships to your manager before any conflict or potential conflict can occur.

Internal Review and Redress Mechanisms

NAV CANADA Conflict of Interest Redress Committee

Additional information available in the Family and Personal Relationship Guidelines

Similarly, if you, or one of your family members is involved in a personal relationship with a supplier or customer, and there is a potential for any conflict of interest, you are expected to disclose this for review. If you are uncertain in any of these areas, it is wise to disclose any concerns to your manager, in order to best protect the interests of NAV CANADA. Once a disclosure has been made, NAV CANADA will take appropriate steps to avoid any conflicts. NAV CANADA will not allow family members to work in any direct reporting relationship with each other nor in any situation where one family member may administer a financial benefit for another.

Gifts and Entertainment

As a general rule, employees should not accept gifts, gratuities, hospitality, entertainment or other benefits that have the potential to influence their business decisions, judgment or performance. Problems can arise simply because these things might compromise, or appear to compromise, an employee's objectivity.

Offering or receiving a gift, gratuity or entertainment might be perceived to unfairly influence a business situation and could place an employee in a conflict of interest situation. For these reasons, employees should not accept gifts that have the potential to influence except those that are customary and business related or those which are unsolicited mementos or tokens of nominal value. Any receipt of such gifts, gratuity or entertainment must be disclosed to your immediate manager.

Internal Review and Redress Mechanisms

NAV CANADA Conflict of Interest Redress Committee

USE YOUR JUDGMENT

There are many different types of situations that could create a conflict of interest – or the appearance of one. For example, accepting a ball hat, gym bag or coffee mug, or allowing someone to buy you a meal, or give you an extra ticket to a sporting or cultural event involving nominal cost, may be acceptable. Allowing someone to do those things on an ongoing basis would constitute a conflict.

Accepting gifts that have a monetary value are always prohibited, including gift certificates, airline passes not authorized by the Company, cash, services, discounts, loans, all-expenses paid trips or season's tickets for a sporting event or other form of entertainment.

Other situations may be less obvious and that's where your judgment comes in. If you have any doubt whatsoever, don't hesitate to speak to your manager or contact another resource who can guide you.

Relationships with Government

Business relationships with public officials must be able to withstand the test of public scrutiny and uphold the integrity and reputation of NAV CANADA, the government, and government officials. In contacts with government officials, NAV CANADA employees are not permitted to accept or give any payments, gifts or entertainment of more than nominal value, regardless of motive.

Employees have the right and responsibility to take part in the democratic process, with the understanding that this is carried out on the employee's own time and without conveying any endorsement on the part of NAV CANADA.

All reporting to government must be done in an honest, accurate manner and in compliance with all applicable requirements.

Internal Review and Redress Mechanisms

NAV CANADA Conflict of Interest Redress Committee

Corporate Information

For more detailed information about Confidential Information, Corporate Disclosure, or Proprietary Information, employees should consult the Intellectual Property and Confidential Information Policy, as well as the Corporate Disclosure Policy on the Company intranet/portal.

Confidential Information

NAV CANADA will not give or release confidential information to anyone not employed by the Company or to any employee who has no need for such information, without proper authority.

CONFIDENTIAL INFORMATION

Confidential information refers to any form of information or knowledge that has been developed, acquired or controlled by NAV CANADA that the Company wishes to safeguard from public disclosure. This could include, among other things, financial records, business plans, personal employee data, customer and supplier information, Company legal matters and technical data.

Confidential information gained through employment with NAV CANADA can only be used to perform job duties and not for any other purpose.

Corporate Disclosure

As a public company whose debt trades on the public markets, NAV CANADA promotes full, fair, accurate, timely and understandable disclosure in all reports and documents publicly filed.

Consistent with best corporate governance practices, NAV CANADA has a written Corporate Disclosure Policy.

The policy has two primary objectives:

- 1 To ensure that communications to the investing public about NAV CANADA are:
 - timely, accurate, consistent and informative
 - compliant with all applicable legal and regulatory requirements
 - broadly disseminated
- 2 To prevent important information about NAV CANADA from being inadvertently disclosed to anyone unless that information is publicly disclosed and broadly disseminated at the same time.

The policy designates authorized spokespersons and covers both written disclosures that appear in corporate documents and oral statements made at industry conferences, meetings, conversations with analysts, rating agencies and investors, media interviews, press conferences, speeches, conference calls and electronic communications. With the exception of Company spokespersons, employees must avoid discussing non-public internal Company affairs with anyone outside the Company, except for business purposes.

DISCLOSURE POLICY

NAV CANADA's Corporate Disclosure Policy governs the disclosure of material information.

Material information refers to items that, if disclosed outside the Company, could significantly affect the market price of the Company's publicly traded debt, or be considered important by investors in determining whether to buy, sell or otherwise trade in such debt.

Examples of material information could include annual and quarterly financial results, business plans, company restructuring plans, negotiations with unions, major management changes, research and development of new technology, or confidential information provided by third parties.

Employees should familiarize themselves with the policy, available on the website and intranet/portal.

In order to ensure that no confidential or material information is inadvertently disclosed, employees are not permitted to initiate or participate in electronic communication activity that discusses NAV CANADA confidential or material information.

This restriction is applicable to, but not limited to, all social media (e.g. Facebook, MySpace), weblogs (e.g. Blogger, Wordpress), microblogs (e.g. Twitter), wikis (e.g. Wikipedia, answers.com), SMS and text messaging, instant messages (e.g. MSN), discussion and chat forums (e.g. avweb.com, avcanada.ca), classified/listing sites (e.g. kijiji, craigslist), video and photo sharing sites (e.g. youtube, flickr), or any other "web 2.0" applications which facilitate information sharing. For more information, refer to the Company's Disclosure Policy, available on the portal.

Proprietary Information

Many Company documents and information, including confidential information, are proprietary and contain highly sensitive information critical to the conduct of the Company's business. Information entrusted to the Company by a third party may also be identified as proprietary, confidential or secret and must be handled accordingly.

All employees have a responsibility to protect proprietary information from unauthorized disclosure or misuse. Unauthorized disclosure or misuse of proprietary information can have serious consequences for the Company.

Examples of proprietary information could include, among others, proposed changes to customer user charges, information about new technology, legal proceedings, customer information records, sensitive human resources information, internal audit reports, significant corporate security matters, and computer software programs.

Safeguarding Company Assets

Fiscal Integrity and Responsibility

Employees are expected to protect and safeguard NAV CANADA's property and assets. All Company assets, property and resources must be handled with the strictest integrity.

NAV CANADA employees must not use or permit the use, directly or otherwise, of Company property, assets and resources for anything other than officially approved NAV CANADA activities. Any other use requires the prior approval of a NAV CANADA manager. Examples of such activities include the unauthorized personal use of Company vehicles, computers, corporate credit cards, calling cards or cellular telephones or safety data, to name a few.

All company assets, property and resources must be handled with the strictest integrity.

Employees who have access to NAV CANADA funds are responsible and accountable for protecting them. The policies, procedures and standards established to protect and ensure the accurate accounting of funds must be respected at all times. No employee may engage in any transaction that requires or contemplates making false or fictitious entries or representations.

The use of NAV CANADA funds or facilities directly or otherwise for any illegal or improper purposes is strictly prohibited. Examples of this include, but are not limited to, bribery, kickbacks, or diversion to separate funds or companies for personal use or for the purpose of disguising such payments.

Travel and entertainment expenses should be consistent with the needs of the business. Employees should not gain or lose financially as a result of business travel or entertainment, and they are expected to spend the Company's money carefully and with due regard to the interests of the Company's stakeholders.

FRAUD POLICY

NAV CANADA's Fraud Policy is aimed at prevention, detection and reporting of concerns. The Policy is intended to provide direction and help to employees who find themselves having to deal with suspected cases of impropriety.

Fraud is defined as the use by an employee of his or her position for personal enrichment through the misuse or misapplication of NAV CANADA's resources or assets. In this context, actions constituting fraudulent behaviour include, but are not limited to:

- the offering or taking of inducements, gifts or favours which may influence the action of any persons;
- false accounting – dishonestly destroying, defacing, concealing or falsifying any account, record or document required for any accounting purpose; or furnishing information which may be misleading, false or deceptive;
- forgery or alteration of any document belonging to the Company.

NAV CANADA takes a "zero tolerance" approach to fraud but will also consider all of the facts of a particular case before determining what actions are appropriate.

Records and Document Retention

Appropriate policies and guidelines are in place to support employees in making sure that NAV CANADA meets its legal obligations with respect to the management of information.

Employees should refer to the Records Management policies and practices on the Company intranet/portal for complete information.

The Company's records contain vital information about NAV CANADA operations that is crucial to the efficient conduct of the business. Employees must strive to ensure that all documents, reports and records under their responsibility are accurate and complete.

In preparing and maintaining our records, including financial documentation, employees must:

- respect all accepted accounting standards and practices, rules, regulations and controls;
- ensure that all entries are recorded accurately and on time, in the proper accounts;
- keep records which reflect fairly and accurately the Company's transactions, acquisition and disposal of assets and other relevant activities;
- sign only documents believed to be accurate and truthful;
- restrict access to sensitive or confidential information to ensure it is not accidentally or intentionally disclosed, modified, misused or destroyed; and
- ensure, through an internal control process, that the Company meets its record keeping obligations.

Internal Review and Redress Mechanisms

Employees are encouraged to speak to their manager should they have concerns or complaints regarding NAV CANADA's accounting, internal accounting controls or auditing matters.

Alternatively, procedures outlined under "Reporting Violations" can be used for reporting violations.

Refer to the Fraud Policy

Intellectual Property

Intellectual property is a broad term that covers a variety of legal rights in intellectual creations. Patents, trademarks, copyright and confidential information/trade secrets are all important types of intellectual property created and used by NAV CANADA in the operation of its business.

The Company has spent a great deal of time, effort and expense in the creation of its intellectual property assets and considers them to be of increasingly critical importance to the success of the business.

Employees are prohibited from disclosing proprietary information and intellectual property such as trade secrets, inventions, patents, software, computer programs, etc. outside the Company without ensuring that the proper safeguards and legal documentation are in place.

Employees should consult the Intellectual Property and Confidential Information policy for more detailed information. All new employees are required to acknowledge and sign a *Confidential Information and Property Rights* form.

Protection of Computing Assets and Access

The Company's Technology Security Policy is in place to appropriately safeguard NAV CANADA's information and other assets, ensuring the confidentiality of information while stored, processed or transmitted and contains a set of standards of ethical behaviour relating to information management holdings (IM Ethical Standards).

The Technology Security Policy and IM Ethical Standards prohibit certain activities such as:

- unauthorized access to computer systems stemming from exploration or hacking for information;
- removing or disabling security controls (such as anti-virus and end point security);
- providing, sharing and/or disclosing security or administrative passwords;
- transmitting any computer viruses, worms, or other malicious software;
- bypassing known approval processes and changing the configuration of a computer system jeopardizing its integrity;
- creating a backdoor or covert channel to our computer systems; and
- the use of unauthorized copyrights and licenses for software, entertainment materials, published and unpublished documents, and any other legally protected digital information.

TECHNOLOGY SECURITY POLICY

NAV CANADA's Technology Security Policy governs information stored, processed or transmitted by IM equipment and facilities, including hardware, software, computer media, communications networks, and telecommunications. Employees should familiarize themselves with the policy, available on the website and intranet/portal.

When employees change jobs or leave the Company, access privileges need to be terminated, as outlined in the Access and Identity Policy which is available on the portal.

Use of Company-Provided Computers and Internet Access

Employees must not use NAV CANADA's intranet/portal or Internet facilities, including e-mail, nor its computer facilities such as a personal computer, to access, circulate or store inappropriate or offensive material, including defamatory, libellous, slanderous or disruptive statements, comments or images of a sexual nature. This also applies to comments or images that are discriminatory on the basis of race, national or ethnic origin, colour, age, sex, sexual orientation, marital status, family status, religious beliefs, disability or a pardoned conviction.

Confidential, sensitive or valuable information must not be sent over the Internet unless properly protected or encrypted. Employees should assume that all information may be seen or read by someone other than the intended recipient. (Refer to Security Policies on the intranet/portal)

Internal Review and Redress Mechanisms

NAV CANADA's Alternative Dispute Resolution (ADR) Process

NAV CANADA's Privacy Code - Principle 10 - Challenging Compliance

USE OF COMPANY-PROVIDED COMPUTERS AND INTERNET ACCESS

NAV CANADA reserves the right to inspect, monitor, or disclose electronic communications in all circumstances. Employees are expected to use sound judgment and professionalism in their use of Company provided intranet or Internet facilities, and to act, at all times, within the boundaries of the law and the policies of the Company.

Certain types of communication should not be considered private. That includes, for example, communications using Company e-mail, Internet/intranet, voice mail, or computer files, or on Company premises (workstations, lockers and company vehicles).

NAV CANADA reserves the right to monitor or search Company property at any time when it has reasonable grounds to do so. Examples of when this might be required include the need to evaluate or measure safety and quality; the need to ensure the safety and protection of employees or the Company; a suspected instance of fraud, theft, undeclared conflict of interest or other situation with the potential to harm an employee, the Company or its reputation.

These situations will require senior management approval before any action is commenced.

Reporting Violations

Doing the Right Thing

It is never wrong to raise a concern, in good faith, about a potential violation of the *Code of Business Conduct* or other policy. Taking action to bring attention to a problem can ensure the situation is corrected quickly, minimizing the possibility of more serious repercussions.

In difficult situations, people sometimes have concerns about coming forward. At NAV CANADA, employees can report any clear or suspected wrongdoing in confidence and with the assurance that they will not be in any way adversely affected as a result of speaking up. Anyone who attempts to intimidate, threaten or otherwise harm an employee for coming forward faces disciplinary action up to and including dismissal.

Ideally, every employee should feel comfortable bringing issues involving clear or suspected wrongdoing to the attention of their manager. That should always be the first step. Knowing that in some circumstances it may not be possible, practical or timely to do so, NAV CANADA has established the ***Internal Review and Redress Mechanisms*** noted throughout this Code.

However, in instances where an employee does not believe that their issues can be addressed through these mechanisms, or the employee is not satisfied with the processes or decisions, NAV CANADA has instituted a whistleblowing mechanism called **SENTINEL**, for reporting violations involving clear or potential wrongdoing for final resolution. Employees raising concerns can do so anonymously. However, much more can be done to fix a situation if the complaint is not anonymous.

For complaints and/or concerns regarding accounting, internal accounting controls, or auditing matters:

All employees are encouraged to speak to their manager should they have concerns or complaints regarding NAV CANADA's accounting, internal accounting controls or auditing matters including those that could harm the reputation and/or financial standing of the Company. Alternatively, one or both of the individuals listed below representing the Company's Board of Directors can be contacted, either on a confidential or anonymous basis by telephone, e-mail or post as follows:

VICE PRESIDENT, GENERAL COUNSEL AND CORPORATE SECRETARY

NAV CANADA | P.O. Box 3415, Ottawa, ON K1P 1L6

Telephone: 1-866-984-6633 | E-mail: VP-Legal@nav-sentinel.ca

OR

CHAIR, AUDIT COMMITTEE

NAV CANADA | P.O. Box 3415, Ottawa, ON K1P 1L6

Telephone: 1-866-984-6633 | E-mail: Chair-Audit-Committee@nav-sentinel.ca

Every report made will be logged and reported in a fashion designed to ensure confidentiality and anonymity to the Audit Committee of the Board of Directors, including details of the follow up action taken. A statement of action taken will be provided to the complainant (except where the complainant has remained anonymous).

For any serious ethical, legal or other concerns not being addressed through existing channels:

Again, all employees are encouraged to speak to their manager should they have serious ethical, legal or other concerns that could harm the reputation and/or financial standing of the Company. Alternatively, one of the following individuals listed below can be contacted, either on a confidential or anonymous basis by telephone, e-mail or post as follows:

VICE PRESIDENT AND HUMAN RESOURCES OFFICER

NAV CANADA | P.O. Box 3416, Ottawa, ON K1P 1L7

Telephone: 1-866-984-6633 | E-mail: VP-HR@nav-sentinel.ca

OR

VICE PRESIDENT, GENERAL COUNSEL

NAV CANADA | P.O. Box 3416, Ottawa, ON K1P 1L7

Telephone: 1-866-984-6633 | E-mail: VP-Legal@nav-sentinel.ca

OR

CHAIR OF THE BOARD OF DIRECTORS

NAV CANADA | P.O. Box 3416, Ottawa, ON K1P 1L7

Telephone: 1-866-984-6633 | E-mail: Chair-Board-Directors@nav-sentinel.ca

A statement of the action taken to deal with the employee's concerns will be given to the complainant (except where the complainant has remained anonymous).

More information about these procedures can be found on the Company intranet/portal.



Record of Review

EMPLOYEE/STUDENT

Family Name (please print)

Given Name (please print)

Employee Number

DECLARATION

I have received and read, and I understand NAV CANADA's *Code of Business Conduct*.

Signature

Date





Disclosure of Conflict of Interest or Potential Conflict of Interest

EMPLOYEE/STUDENT

Family Name (please print)

Given Name (please print)

Employee Number

A I currently serve as a director, officer, partner, consultant or in some other role in a business enterprise which does or seeks to do business with or is a competitor of NAV CANADA.
(Please indicate business enterprise(s) and your affiliation.)

B I own, control or direct a material financial interest in a supplier, contractor, competitor or other business enterprise which does or seeks to do business with or is a competitor of NAV CANADA.
(Please indicate business enterprise(s) and your affiliation.)

C Other:

I have reported to my manager any relationship or other circumstances that do or could place me in conflict with

Employee Signature

Manager Name (please print)

Date

Manager Signature

Date



Confidential Information and Property Rights

In consideration of the granting of employment by NAV CANADA I acknowledge and agree that such employment is subject to the following terms and conditions:

CONFIDENTIAL PROPERTY AND INFORMATION: I agree to keep all information of NAV CANADA, its customers and vendors, to which I may have access in the course of employment, strictly secret and confidential, and shall not disclose such information to any person, except:

- to the extent authorized to make such disclosure by a designated manager;
- to the extent that such disclosure is required to perform and discharge the terms of employment;
- to the extent that such information is already publicly available.

The obligation not to disclose confidential property and information of NAV CANADA or NAV CANADA's customers and vendors will continue notwithstanding termination of my employment.

INTELLECTUAL PROPERTY: I agree, that if, during the course of employment, I conceive of, create, author, improve or participate in the conception, creation, authorship or improvement of any work, invention, device, process, design, program, technique, methodology, equipment, assembly of information or data (the "invention"), relating in any way to the business of NAV CANADA, such invention shall remain the exclusive property of NAV CANADA. The right of NAV CANADA to the foregoing shall continue notwithstanding the termination of my employment.

I hereby assign any interest, patent, copyright, trademark or moral rights in the invention which I may have by virtue of having, individually or in concert, conceived, created, authored, or improved in the course of or in relation to my employment with NAV CANADA regardless of the physical location of its creation or conception.

I further agree that NAV CANADA alone shall have the right to apply for, prosecute and obtain letters patent, copyrights, trademarks or other legal protection for intellectual property in any or all countries of the world in respect of any and all such inventions both during and subsequent to my employment, and that I will execute on request and at NAV CANADA's cost any applications, transfers, assignments, and other documents as NAV CANADA may consider necessary or desirable for the purpose of vesting in or assigning to NAV CANADA titles of the invention for the purpose of applying for, prosecuting and obtaining letters patent, copyrights, or trademarks and to cooperate and assist in the prosecution of any such application.

Employee/Student Name (please print)

Signature

Title

Date



Periodic Record of Review of the Code of Business Conduct

EMPLOYEE/STUDENT

Family Name (please print)

Given Name (please print)

Employee Number

DECLARATION

I acknowledge that:

- I have re-familiarized myself with the NAV CANADA's *Code of Business Conduct*;
- I have a Conflict of Interest which has been reported and approved or do not have a Conflict of Interest or Potential Conflict of Interest to disclose (if so, please complete the Disclosure of Conflict of Interest or Potential Conflict of Interest form);
- I have read and understand the terms and conditions of the Confidential Information and Property Rights form.

Signature

Date

Please send the original signed copy to:
Pay & Benefits Advisor 77 Metcalfe Street, Ottawa, ON K1P 5L6



Values

Respect

Excellence

Customer Service

SERVING A WORLD IN MOTION

