# HEFFEL'S CODE OF BUSINESS CONDUCT, ETHICS AND PRACTICES

HEFFEL AND ITS controlled affiliates located across Canada (Heffel Gallery Limited, Galerie Heffel Québec Ltée & Heffel Numismatics Inc.) and its international operating divisions of Heffel Fine Art Auction House and heffel.com (collectively, "Heffel") are committed to maintaining the highest ethical standards in the operation of their businesses. Heffel is a group of companies wholly and equally owned and operated by David K.J. Heffel and Robert C.S. Heffel through their respective holding companies Heffel Investments Ltd. and RCSH Investments Ltd. (collectively, "Shareholders").

Heffel's *Code of Business Conduct, Ethics and Practices* (the "Code") sets forth the basic principles Heffel is committed to with respect to our dealings with all of our consignors, private collectors, corporations, museums and public institutions (collectively the "Clients") and acts as a guide to assist our employees and representatives in meeting the ethical standards reflected in the Code. The actions of every director, officer, manager, employee, sub-contractor and representative under contract of Heffel (collectively the "Employees") affect the company's reputation and integrity.

Heffel's *Code of Business Conduct, Ethics and Practices* was created to help our Employees make consistent ethical decisions when conducting Heffel business. All Employees are expected to display the honour and integrity of this Code and any company policies, as well as develop a working knowledge of their provisions and guidelines.

Heffel, since 1978 and through three generations, has developed a very strong and honourable reputation as Canada's National Auction House globally by:

Consistently delivering to our Clients the highest realizable return for their consignments in a transparent, competitive open market.

Producing scholarly hard copy and online catalogues incorporating the finest quality colour image reproduction.

Displaying respect, expertise and appreciation towards our Clients and the fine items we market and sell.

Insuring the safe care and preservation of the fine art and collectables entrusted to Heffel by our Clients.

Providing innovative technologies and developments to the auction industry including online auction technologies, art at auction sale result indexes and live auction real time web streaming of our sales.

Providing transparency to the art market.

The promotion of Post-War & Contemporary Art and Canadian, Impressionist & Modern Art nationally and internationally; and for the promotion of international artists to Canadian collectors and abroad.

Providing our Clients with the opportunity to acquire the very best quality fine art and collectables on the market within our areas of expertise.

Striving to achieve the highest possible standards and results in everything we do to provide quality service to our Clients.

Treating our Employees with fairness and respect.

The success we have achieved has been based on the dedication and hard work of our Employees, the entrepreneurial spirit of our operations managers and the leadership of our management. Our reputation and our success could not have been possible without our commitment to a corporate culture rooted in fairness, integrity, honesty and concern for our Clients. We believe this Code will help strengthen these principles and allow us to build on our past successes.

## Conduct and Ethics

### Compliance with Laws, Rules and Regulations

Heffel believes in complying with both the word and the spirit of applicable laws, rules and regulations in the jurisdictions in which we conduct business. Our Employees will not engage in unfair or illegal trade practices or violate the laws of the jurisdictions in which we conduct business. There are numerous laws, rules and regulations that apply to Heffel business in a multiple of jurisdictions, with ongoing modifications and amendments. It is an important, ongoing challenge for all of Heffel Employees and Clients to understand how these laws apply to our business activities.

### Fair Dealings

Heffel endeavors to always deal fairly with all our Clients, suppliers, and competitors. Heffel does not engage in taking unfair advantage of anyone by means of false statements, misrepresentation of material facts, manipulation, concealment, or any other unfair dealing practices.

### Compliance with Price-Fixing, Antitrust and Competition Laws

Heffel has never engaged in and will never partake in, or implement in any form, the practice of Price-Fixing, or conduct business in contravention of Antitrust or Competition Laws.

### Confidentiality and the Protection of Personal Information

Heffel takes our Clients' privacy very seriously. Be assured that we follow a strict policy of protecting the interests of our Collectors.

Our Employees respect the proprietary nature of information entrusted to Heffel by our Clients. Confidential information disclosure can only be authorized when Heffel receives written direction from a legally mandated third party or if approved by

the Client. Confidential information includes all non-public information that might be of use to competitors, or harmful to Heffel or our Clients, if disclosed.

If a museum, public institution or art historian requests information pertaining to current ownership of any works sold by Heffel, we require a written request. Once received, we will forward the request to the current owner. Heffel have taken every precaution to ensure that our Clients' personal information is secure.

All transmission of personal information to our website is digitally encrypted using a Secure Sockets Layer. Clients' personal information is automatically removed from our external servers and is stored in an internal system protected by the latest in firewall security systems. Heffel.com is a certified VeriSign merchant Heffel, subject to annual renewals by the underwriter, maintains a Standard Cyber Insurance Cyber Liability/Data Protection policy up to $5,000,000, in order to protect Heffel and our Client's interests.

The above is subject to, and the Heffel business is conducted in full compliance with, the provisions of the *Freedom of Information and Protection of Privacy Act (Canada)*, the *Personal Information Protection Act (British Columbia)*, the *Freedom of Information and Protection of Privacy Act (Ontario)*, an *Act respecting the protection of personal information in the private sector (the Quebec Privacy Act)* and other provincial and federal legislation and regulations, as are applicable to the Heffel business.

### Avoidance of Conflict of Interests

A "conflict of interest" occurs when a Heffel representative's private interests conflict or interfere in any way with the interests of Heffel and/or its Clients. A conflict situation can arise when an Employee takes actions or has interests that may make it difficult to perform effectively and objectively his or her duties at Heffel. We expect our Employees to honour their duty of good faith and fidelity, and to perform their duties in a manner that seeks to ensure Heffel best interests ahead of their own interests. We further expect that none of our Employees will:

Take advantage of any business opportunity discovered through the Employee's position through the use of Heffel property or information.

Use their position or Heffel property or information for personal gain.

Compete with Heffel.

Perform any actions that involve or create the appearance of a conflict of interest.

Prompt and proper disclosure of many conflicts of interest, and apparent conflicts of interest, can be effectively managed and controlled without negative consequences or impact on the reputation and integrity of Heffel or the individuals involved. Employees are expected to follow company policies regarding purchasing and selling property through Heffel.

### Consigned Property of Questionable Provenance

If Heffel discovers, or is notified by a recognized authority, that a work or item is of questionable provenance, then Heffel may hold the work in bond until such time as a legal resolution is concluded. Heffel will maintain an open door policy to assist to the best of their professional ability to work towards a successful resolution. A work or item of questionable provenance may include, but is not limited to, stolen property, forgeries, Nazi-looted items or when ownership is in legal dispute.

### Proper Use and Protection of Company and Third Party Client Assets

All company assets should be used for legitimate business or authorized incidental purposes only. Theft, damage, carelessness and neglect of company and third party or Client assets have a direct impact on Heffel business. We must protect these assets and ensure their efficient use, security and safety.

## Disclosures and Practices

### Absentee Bids

Absentee Bids are implemented to secure the Lot for the potential purchaser at the lowest possible value, taking into account the reserve, other competing bids and are accepted true to the even or odd bidding increment submitted.

### Equity Interest Disclosure

Heffel clearly designates a catalogue symbol reference to any Lots in which it has an equity interest. An equity interest is defined as: any Lot that Heffel owns in whole or in part, has guaranteed the sale of the work or has made any financial advance to the Consignor of the Lot.

### Export Permits

Heffel, our Employees and Clients must acknowledge that certain property of Canadian cultural importance sold by Heffel may be subject to the provisions of the *Cultural Property Export and Import Act (Canada)*, and that compliance with the provisions of the said act is the sole responsibility of the owner of the item. Heffel, for the benefit of our Clients at Heffel sole discretion, may act as agent and facilitate the application to Canada Customs by an internally qualified Employee or contracting a qualified third party professional, to assist in the approval for import/export of any item subject to the criteria for export/import review.

### Financial Reporting

We will maintain financial, accounting and business records that fully and accurately reflect all the transactions and businesses in which we engage, in accordance with applicable accounting principles, policies and practices.

No Employee or anyone acting on the instruction of any Employee will take any action to violate our financial reporting policies or to circumvent our system of internal controls.

Our Employees will carry out transactions in accordance with the direction provided by our management and our Board of Directors.

The information in Heffel public communications must be full, fair, accurate, timely and understandable. All of the company's books, records, accounts, financial statements and disclosures must be prepared subject to our system of internal control, must appropriately reflect the company's transactions and must conform to applicable legal requirements.

### Private Treaty Sales

Heffel was founded on the principles of private art dealing when in 1978, Kenneth G. Heffel founded his gallery in Vancouver, Canada. Today Heffel complement their Client Services by offering our Clients an alternative to the auction sales catalyst by continuing the tradition of Private Treaty Sales.

### Protecting the Consignor's Reserve

The Auctioneer may open the bidding on any Lot below the Reserve and by placing a bid on behalf of the Auction House. The Auctioneer, on behalf to the Auction House, may continue to bid up to the amount of the Reserve, either by placing consecutive bids or by placing bids in response to other bidders. If the bidding stops below the reserve, Heffel may "Buy In" a Lot to a house bidding number. Any Lot hammered down by Heffel to a house bidding number (referred to as a "Buy In") is void.

### Reserves

Reserves will not exceed our low estimates as published in our printed and online catalogues, or as stated in any sale Addendums.

### Shareholders' Equity in Heffel

The Shareholders of Heffel are committed to maintaining a positive financial equity in their firms and to consistently produce strong and financially sound balance sheets.

### Transparency and Client Access to Auction Information

Heffel maintains a policy to provide our Clients with detailed information regarding the sale or purchase of their property. Clients who sell or buy with Heffel promptly, and in a timely manner, will receive by direct mail, fax, and / or email fully accountable documents outlining in detail their financial transactions with Heffel; in addition, these financial statements are quickly available online by secured Client login access at heffel.com.

Heffel publishes to the public a variety of documents that clearly provides information regarding all of Heffel auction sales. This material provides our Clients with the transparency tools to clearly understand and accurately know the true values of the property sale in a free and competitive market and cooperatively disclose all fees charged by Heffel.

## HEFFEL'S CORPORATE CONSTITUTIONAL VALUES

THE VALUES THAT guide our decision-making are spelled out in Heffel's Corporate Constitutional Values. Our philosophy and principles inspire and challenge every representative of Heffel to put the needs and well being of the Clients we serve first and outlines our firm's corporate social responsibility and culture:

We believe our first responsibility is to our Clients who use our services.

In meeting our Clients' needs, everything we do must be of the highest quality.

We must constantly strive to achieve the highest possible standards and results in everything we do to provide quality service, fine art and collectables to our Clients.

We must provide our Client's services in a prompt and accurate manner.

We are responsible to our Employees—the men and woman who dedicate their hard work to our firm. We must respect their dignity and recognize and reward their merit and successes.

Employee compensation must be fair and equitable and we must be mindful of ways to help our Employees fulfill their family responsibilities.

There must be free and equal opportunity for employment, development and advancement for those earning and qualified.

Heffel must provide professional, honourable and confident management.

We are accountable to the communities in which we live and work and must be good citizens supporting charities and good causes.

We must maintain in good order the facilities we are privileged to use and protect our world's environment.

Heffel must continue to research, innovate, develop and experiment with new ideas and technologies.

Financial reserves must be maintained for adverse economic times.

Heffel, by operating according to our philosophy, principles and constitutional values, should realize a fair and justified economic reward and pride for the mutual benefit of Heffel's Clients, Employees and Shareholders.

## Directors' and Managers' Responsibility

Heffel's Directors and Managers have the greatest responsibility for implementing Heffel's *Code of Business Conduct, Ethics and Practices*, Heffel's *Corporate Constitutional Values*, our published *Terms and Conditions of Business*, as well any corporate policy. These individuals are required to:

Follow the word and spirit of Heffel internal rules, policies and procedures and lead by setting a positive example.

Create an atmosphere supportive of Heffel internal rules, policies and procedures, and to encouraging Employees and Clients to ask questions about our rules, policies and procedures.

Make sure that Employees are aware of, trained on and understand Heffel internal rules, policies and procedures.

## Employee Responsibility

All Employees must follow the basic obligations under Heffel's *Code of Business Conduct, Ethics and Practices*, together with Heffel's *Corporate Constitutional Values*, our published *Terms and Conditions of Business* and a number of our corporate policies and learn the details of the internal rules, policies and procedures that apply to the Employee's specific areas of responsibility. Each Employee should have a basic understanding of the issues covered by each policy and a detailed understanding of the policies that relate to the Employee's position. Employees are encouraged to ask questions about the meaning or interpretation of these documents and to engage our Clients to explain and share their understanding of these documents so that clear understanding is achieved.

## Interpretation of this Document

Heffel has translated our Heffel's *Code of Business Conduct, Ethics and Practices*, together with Heffel's *Corporate Constitutional Values* and our published *Terms and Conditions of Business* into French. If any variation of understanding or conflict occurs in the translated text, then the spirit and intent as expressed in the English language text will prevail.

## Closing Statement

David and Robert Heffel, second-generation art dealers of the Company's founding Heffel family, have personally crafted the foundation documents of Heffel's *Code of Business Conduct, Ethics and Practices* and Heffel's *Corporate Constitutional Values* in September 2009 and as updated in January 2026. These documents serve as more than just a moral compass. We believe these documents are our recipe for our business successes. The fact that Heffel has flourished through more than three decades of change is proof of hard work, commitment, philosophy, honour and ethics.

Heffel takes great pride in being the leader in the Canadian fine art auction industry, and has an unparalleled track record. We are proud to have been the dominant auction house in the Canadian art market from 2004 to the present. At Heffel we treat our consignments with great care and respect, and consider it an honour to have them pass through our hands. We are fully cognizant of the historical value of the works we handle, and their place in art history.

Heffel's Employees and Shareholders are committed to Heffel's *Code of Business Conduct, Ethics and Practices*, together with Heffel's *Corporate Constitutional Values*, our published *Terms and Conditions of Business* and related corporate policies, all as amended from time to time, with respect to our Clients.

Words not otherwise defined herein, shall have the meaning attributed to them in Heffel's *Terms and Conditions of Business*.

Concurrent with the publication of this document, Heffel's *Code of Business Conduct, Ethics and Practices*, the *Corporate Constitutional Values*, and our published *Terms and Conditions of Business* shall be formally recognized by and provided for in the constating documents of Heffel operating companies: namely, Heffel Gallery Limited and Galerie Heffel Québec Ltée.

With respect, honour and integrity,

HEFFEL GALLERY LIMITED

**David K.J. Heffel**
President, Director
and Shareholder (through Heffel Investments Ltd.)

**Robert C.S. Heffel**
Vice-President, Director
and Shareholder (through R.C.S.H. Investments Ltd.)