



## CODE OF BUSINESS CONDUCT AND ETHICS

### PURPOSE

This Code of Business Conduct and Ethics (the “**Code**”) applies to the directors, officers and employees of the Company and its subsidiaries.

It has always been the policy of the Company that all activities should be conducted with the highest standards of honesty and integrity and in compliance with all legal and regulatory requirements. In varying degrees, as a director, officer or employee of the Company, each of us represents the Company in our dealings with others, whether they be other employees, customers, suppliers, competitors, governments or the general public.

In addition, the Company is subject to legislation in Canada that prohibits corrupt practices in dealing with foreign governments. The Canadian *Corruption of Foreign Public Officials Act* (“**CFPOA**”) makes it an offence to either directly or indirectly give any kind of benefit to a Foreign Public Official (as defined below) in order to obtain an advantage in the course of business. Violation of this legislation may result in substantial penalties to the Company and to individuals. It is the policy of the Company to comply with all applicable laws. The CFPOA guidelines (please see “Compliance with the CFPOA - Guidelines” below), which are incorporated into the Code, are intended to assist the Company’s directors, officers and employees (the “**Regulated Parties**”) in their understanding of the CFPOA and its implications with respect to the operations of the Company.

At the Company, we are all expected, as directors, officers and employees, to conduct our dealings on behalf of the Company in accordance with this Code. So that there can be no doubt as to what is expected of each of us in this regard, the Board of Directors of the Company (the “**Board**”) has endorsed this Code, which is to be followed by each director, officer and employee of the Company.

### SUMMARY OF THE CODE

As a director, officer or employee, when acting on behalf of the Company, you are expected to:

- Protect the Company’s assets and use them properly and with care for the benefit of the Company, and not for personal use.
- Use email, the internet, telephone and other forms of communication provided by the Company appropriately, which means primarily for business-related purposes.
- Not speak on behalf of the Company unless authorized to do so.
- Avoid situations in which your personal interests’ conflict or might conflict with the interests of the Company.

- Obtain permission before joining the board of directors of another company or related organization.
- Not take personal opportunities discovered by using property of the Company, or in your role with the Company.
- Protect the confidentiality of the Company's "non-public information".
- Ensure that any of the Company's books and records that you deal with in your role with the Company are complete and accurate.
- Provide accurate and fair public disclosure.
- Investigate and report any accounting, auditing or disclosure concerns.
- Be committed to the prevention of workplace discrimination and harassment.
- Be committed to ensuring the health and safety of fellow employees, officers and directors.
- Know and comply with all laws, rules and regulations applicable to your position with the Company.
- Not trade in the Company's securities or any other company's securities if you possess material "non-public information".
- Deal fairly with the Company's customers, suppliers and competitors.
- Not offer expensive gifts or other benefits to persons, including public officials and political parties that might influence or be perceived as influencing a business decision.
- Not accept expensive gifts or other benefits from persons doing or seeking to do business with the Company.
- Comply at all times with the CFPOA.
- Comply with all applicable policies of the Company.

## **EXPLANATION OF THE CODE**

The Code prescribes the minimum moral and ethical standards of conduct required of all directors, officers and employees of the Company. Violations of the Code can have severe consequences and will result in the appropriate discipline being taken, up to and including discharge where warranted by the circumstances.

An explanation of each of the rules is set forth below. If you are an employee or an officer who has questions regarding the application of any rule or about the best course of action in a particular situation, you should seek guidance from your supervisor. The Chief Executive Officer and financial officers and directors should seek guidance from the Chairperson of the Company's Compensation, Corporate Governance and Nominating Committee.

## **1. BUSINESS ETHICS AND PRACTICES**

### **(a) Protecting the Company's Assets and Resources:**

*The Company's assets are to be used only for the purposes of fulfilling your corporate responsibilities.*

The Company's assets are meant for business use and not for personal use. We all have a responsibility to protect and safeguard the Company's assets from loss, theft, misuse and waste.

The Company's property should never be used for personal gain, and you should not allow the Company's property to be used for illegal activities. If you become aware of theft, misuse or waste of our assets or funds or have any questions about your proper use of them, you should speak with your supervisor. However, if you feel uncomfortable approaching your supervisor with your concern, you may contact the Chairperson of the Company's Compensation, Corporate Governance and Nominating Committee.

Misappropriation of the Company's assets is a breach of your duty to the Company and may be an act of fraud against the Company. Taking the Company's property from the Company's facilities without permission is regarded as theft and could result in dismissal. In addition, carelessness or waste of the Company's assets may also be a breach of your duty to the Company and could result in dismissal.

The Company's assets include, but are not limited to, all memos, notes, lists, records, software and other documents (and copies of each of these) that you make or compile relating to the Company's business. All of these are to be delivered to the Company promptly after your employment ceases, or at any time that the Company requests.

### **(b) Policy Regarding E-mail, Internet, Telephones and other forms of Communication**

*Use the Company's various forms of communication properly and appropriately.*

We provide our employees and consultants with access to e-mail, the internet, telephones and other forms of communication for business purposes, and while we understand the need for limited and occasional use of these tools for personal purposes, this use should not be excessive or cause detriment to the Company. Internet use must be conducted in a professional manner. For example, accessing internet sites containing obscene or offensive material, or sending e-mails that are derogatory or harassing to another person or group of people or chain e-mails, is prohibited. In addition, employees must be vigilant to ensure that network security is maintained.

(c) Media, Public and Governmental Inquiries

*Do not speak on behalf of the Company unless you are authorized to do so.*

The Company has professionals who are trained and qualified as spokespersons to release information to the public. When members of the media, financial analysts or government authorities contact the Company to request information, the response can have far-reaching implications, including effects on the Company's stock price and ability to compete. When we provide information on the Company's operational strategies or financial results, we must ensure both that the information is accurate and that it is an appropriate time to "go public" with that information.

In addition, we must comply with the requirements of securities regulators and stock exchanges about how and when we disclose information and understand that there are strict consequences for doing so improperly.

If you receive a request for information from outside the Company, you must forward it to the Chief Executive Officer if you are not authorized to speak on behalf of the Company.

(d) Conflicts of Interest

*Avoid situations in which your personal interests conflict, might conflict or might appear to conflict with the interests of the Company.*

As an employee, officer or a director, we expect that you will act honestly and ethically and in the best interests of the Company by avoiding conflicts of interest in your personal and professional relationships. While we respect your right to manage your personal affairs and investments and we do not wish to intrude on your personal life, the Company's directors, officers and employees should place the Company's interest in any business transaction ahead of any personal interest or gain.

As an employee, officer or director, you may have a conflict of interest if you are involved in any activity that prevents you from performing your duties to the Company properly, or that may create a situation that would affect your judgment or ability to act in the best interests of the Company. For example, no employee should have a significant interest in a business that supplies goods or services to, or secures goods or services from, the Company, without receiving approval of his or her supervisor. Directors should look to the Company's Corporate Governance Policy for guidance on potential conflict of interest situations.

To avoid conflicts of interest, you should identify potential conflicts when they arise and notify your supervisor if you are unsure whether a relationship or transaction poses a conflict or appears to pose a conflict. Your supervisor will be able to clear or resolve certain conflicts, or will be able to contact someone else who can. Directors should consult with the Chairman of the Board.

(e) Membership on Boards of other Organizations

*If you are an officer or employee of the Company, obtain permission before you join the board of directors of another company or government organization.*

Serving as a director of another company, even one in which the Company has an interest, may create a conflict of interest. Being a director or serving on a standing committee of some organizations, including government agencies, may also create a conflict.

Before accepting an appointment to the board or a committee of any organization whose interests may conflict with the Company's interests, employees must receive written approval from the Company's Compensation, Corporate Governance and Nominating Committee.

Employees are permitted, however, to serve on boards of charities or non-profit organizations or in private family businesses that have no relation to the Company and its businesses. Prior approval is not required for these types of situations. If you hold a position with a charity or non-profit organization and if you speak publicly for the entity, you should ensure that you are seen as speaking on behalf of the entity or as an individual, and not on behalf of the Company.

(f) Personal Opportunities

*Do not take personal opportunities that are discovered through the use of property or information of the Company or in your role with the Company.*

As an employee, officer or director, you are prohibited from taking for yourself opportunities that you discover through the use of the Company's property or information or your position with the Company; from using the Company's property or information or your position with the Company for personal gain; or from competing with the Company. Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity arises.

(g) Confidential Information

*Protect the confidentiality of the Company's "non-public information".*

"Non-public information" is information that is not generally available to the investing public through a press release, disclosure to shareholders or widely reported media coverage. The circulation of rumors, or "talk on the street", even if accurate, is not considered public disclosure. The most common example of "material non-public information" is information about financial performance that has not yet been publicly disclosed.

Except where it is authorized or legally required, all directors, officers and employees must keep confidential, and not use for themselves or other persons including relatives or friends, all information concerning the Company or its business that is not generally available to the investing public.

Information is considered to be public if it has been disclosed in an annual report, annual information form, management information circular, press release or interim report. The obligation to keep certain information confidential applies both during appointment or employment with the Company, and after termination of appointment, or employment, including on retirement.

*Protect the confidentiality of “non-public information” about customers and others.*

We also respect confidentiality of information regarding other companies. If you learn of confidential information about another company in the course of your position, you should protect it the same way that you would protect confidential information about the Company. Data protection and privacy laws that affect the collection, use and transfer of personal customer information are rapidly changing areas of law, and you should consult with your supervisor if you have any questions regarding appropriate uses of customer information.

Disclosure of confidential information can be harmful to the Company and could be the basis for legal action against the Company and/or the employee, officer or director responsible for the disclosure.

For more information you should refer to the Company’s Public Disclosure Policy.

(h) Accuracy of Books and Records

*Ensure that any of the books and records of the Company that you deal with in your role with the Company are complete and accurate.*

The books and records of the Company must reflect in reasonable detail all its transactions in a timely and accurate manner in order to, among other things, permit the preparation of accurate financial statements in accordance with generally accepted accounting principles. All assets and liabilities of the Company must be recorded as necessary to maintain accountability for them.

All business transactions must be properly authorized. All transactions must be supported by accurate documentation in reasonable detail and recorded properly. The recorded value for assets must be compared to the existing assets at reasonable intervals and appropriate action taken with respect to any differences.

No information may be concealed from the auditors, the internal audit function (if applicable), the Audit Committee or the Board.

In addition, it is unlawful to fraudulently influence, coerce, manipulate or mislead any independent public or certified accountant who is auditing our financial statements.

(i) Accounting, Auditing or Disclosure Concerns

*Provide accurate and fair public disclosure.*

We are required to provide full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submit to, the applicable securities commissions (the “**Commissions**”) and other Canadian securities regulators and any stock exchanges on which the Company’s securities (shares, warrants, etc.) are listed, as well as in other public communications made by the Company. All employees who are responsible for the preparation of the Company’s public disclosures, or who provide information as part of the process, have a responsibility to ensure that disclosures and information are made honestly, accurately and in compliance with the Company’s disclosure controls and procedures.

We all have a responsibility to submit good faith questions and concerns regarding accounting, auditing or disclosure matters. Complaints and concerns related to such matters include, among others, actions involving:

- i. fraud or deliberate errors in the preparation, maintenance, evaluation, review or audit of any financial statement or financial record;
- ii. deficiencies in, or non-compliance with, internal accounting controls;
- iii. misrepresentation or false statements to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports; or
- iv. deviations from full and fair reporting of the Company's financial condition.

## 2. WORK ENVIRONMENT

### (a) Discrimination and Harassment Free Environment

*The Company will not tolerate workplace discrimination and harassment, and all directors, officers and employees must be committed to preventing the development of an inhospitable work environment.*

All directors, officers and employees must ensure that the Company is a safe and respectful environment, free of discrimination and harassment where high value is placed on equity, fairness and dignity. All harassment, including, but not limited to, harassment on the basis of race, gender, sexual orientation, colour, national or ethnic origin, religion, marital status, family status, citizenship status, veteran status, age or disability is prohibited. Harassment generally means offensive verbal or physical conduct that singles out a person to the detriment or objection of that person. Harassment covers a wide range of conduct, from repeated direct requests of a sexual nature to insults, offensive jokes or slurs, which results in an inhospitable work environment. Harassment may occur in a variety of ways and may, in some rare circumstances, be unintentional. Regardless of intent, such conduct is not acceptable and may also constitute a violation of human rights legislation.

No officer or employee may harass another employee, customer, vendor, supplier, visitor or any other person on the Company's premises or while doing its business regardless of location.

### (b) Safe Working Conditions

*We are committed to ensuring the health and safety of our employees.*

We all have the right to work in an environment that is safe and healthy. In this regard, we must:

- i. comply strictly with the letter and spirit of applicable occupational, health and safety laws and the public policies they represent;
- ii. follow work instructions or procedures on health and safety laws;
- iii. not engage in illegal or dangerous behaviour; or

- iv. not possess or use weapons or firearms or any type of combustible materials in the Company's facilities or at the Company-sponsored functions unless you are authorized by the Company or the law to do so.

The Company will not tolerate acts or threats of violence or acts of intimidation or hostility towards another person or group of persons. Promptly report to your supervisor or in accordance with the "Reports and Complaints" section of this Code, any accident, injury or unsafe equipment, practices or conditions, violent behaviour or weapons possession.

### **3. LEGAL AND REGULATORY COMPLIANCE**

#### **(a) Compliance with Laws, Rules and Regulations**

*Know and comply with all laws, rules and regulations applicable to your position.*

Many of the Company's activities are subject to complex and changing laws, rules and regulations. Ignorance of the law is not, in general, a defense to an action for contravention. We expect directors, officers and employees to make every reasonable effort to become familiar with laws, rules and regulations affecting their activities and to exert due diligence in complying with these laws, rules and regulations and, to ensure that those individuals reporting to them are also aware of these laws, rules and regulations. Our objective is to restrict willful or negligent violations of these laws, rules and regulations.

We will make information concerning applicable laws, rules and regulations available to directors, officers and employees. If you have any doubts as to the applicability of any law, you should refer the matter to your supervisor who may obtain advice from the Company's legal counsel. Directors should seek guidance in accordance with the Compensation, Corporate Governance and Nominating Committee Charter.

The Company's policy is to meet or exceed all applicable governmental requirements regarding its activities. As an employee, you must be aware of the applicable governmental requirements and report any violations thereof to your supervisors or in accordance with the "Reports and Complaints" section of this Code. Similarly, no employee, officer or director may enter into any arrangement contrary to applicable requirements or laws.

#### **(b) Securities Laws and Insider Trading**

*Do not trade in the Company securities if you possess material "non-public information". If you have material information about a company with which the Company does business that is not known to the investing public, you should not buy or sell securities of that company until after the information has become public.*

Information about the Company is "material":

- i. if publicly known, significantly affects or would reasonably be expected to have a significant effect on the market price or value of any of the Company's securities (common shares, warrants, etc.); or
- ii. if it can reasonably be expected to have a significant influence on a reasonable investor's investment decision to buy, sell or hold the Company's securities (common shares, warrants, etc.).

If you are not sure whether information is material or “non-public”, consult with the Chief Financial Officer for guidance before engaging in any transaction in the Company’s securities (common shares, warrants, etc.).

You are also prohibited from disclosing material “non-public information” about the Company to other people, including, but not limited to, relatives or friends, who may trade on the basis of such information. Securities laws also prohibit trades made on the basis of these “tips”.

For more information on insider trading, you should consult the full text of the Insider Trading Policy.

(c) Fair Dealing

*Deal fairly with the Company’s customers, suppliers and competition.*

You must endeavour to deal fairly with securityholders, the Company’s customers, suppliers, competitors and employees, and should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

(d) Giving Gifts

*Use your best judgment in giving gifts.*

Directors, officers and employees should not offer expensive gifts or other benefits to persons, including public officials and political parties that might influence or be perceived as influencing a business decision.

Employees, whose duties permit them to do so, such as employees in marketing, may offer modest gifts, entertainment or other benefits to persons who have a business relationship with the Company. The benefits must be given in accordance with generally accepted ethical business practices. For example, it is acceptable to take a customer to dinner but it is not acceptable to give a customer cash.

Any donation or benefit to a public official or political party must be in accordance with this Code and in connection with a donation or benefit to a foreign public official, must also be in accordance with the Company’s Corruption of Foreign Public Officials Act Guidelines (please see “Compliance with the CFPOA - Guidelines” below). We encourage you to become involved in political activity acting on your own behalf, but not as a representative of the Company.

(e) Receiving Gifts

*Directors, officers and employees must not accept expensive gifts or other benefits from persons doing or seeking to do business with the Company.*

As a director, officer or employee, you cannot solicit, encourage or receive bribes or other payments, contributions, gifts or favours that could influence your or another person’s decisions in connection with the Company. It is acceptable to accept modest gifts, entertainment or other benefits from persons doing or seeking to do business with the Company, provided the benefits are given in accordance with generally accepted ethical business practices and in accordance with the CFPOA (please see “Compliance with the CFPOA - Guidelines” below).

For example, a pair of tickets to a baseball game may be accepted from a supplier. However, it is not appropriate to accept a trip from a supplier, unless there is a specific business purpose and the trip has been approved by the Chief Executive Officer.

#### **4. COMPLIANCE WITH THE CFPOA - GUIDELINES**

##### **(a) Application of the CFPOA**

The CFPOA is a Canadian statute that implements the Organization for Economic Co-operation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. The statute is aimed at preventing improper efforts to induce Foreign Public Officials (defined below) to act in connection with a party's business activities through bribery.

The CFPOA applies to both: (i) corporations; and (ii) individuals.

##### **(b) Anti-Bribery Prohibitions under the CFPOA**

The CFPOA anti-bribery provisions prohibit every person from directly or indirectly giving, offering or agreeing to give or offer a loan, reward, advantage or benefit of any kind to any Foreign Public Official or to any person for the benefit of a Foreign Public Official:

- i. as consideration for an act or omission by the official in connection with the performance of their duties or functions; or
- ii. to induce the official to use his or her position to influence any acts or decisions of the foreign state or public international organization for which the official performs duties or functions,

in order to obtain or retain an advantage in the course of business.

##### ***Offering, Promising, Giving, Paying, or Authorizing the Payment***

Payments and offers or agreements to make a payment are sufficient to constitute a violation under the CFPOA. The CFPOA bars payments even if the Foreign Public Official (defined below) suggested the payment. In addition a violation can arise even if the bribe is not accepted, it is never actually received, or the object of the bribe is not obtained. As this is a criminal offence, conspiring, attempting, or having an intention in common to bribe a Foreign Public Official is an offence, as are aiding and abetting in, and counseling of bribery of a Foreign Public Official.

##### ***Benefits***

Currency or other forms of immediately available funds are the most obvious forms of benefit, but gifts that go beyond this are prohibited as well. Any form of payment, either directly or indirectly, is expressly prohibited. Examples would include gifts, entertainment, paying or reimbursing expenses, excessive promotional activities, investment opportunities, subcontracts, stock options, in-kind contributions, and other things of value that could be considered economic benefits that are being used to improperly influence a Foreign Public Official. It is not limited to tangible items of economic value. It can include anything a recipient would find useful. Trips or jobs offered to family members, charitable contributions, and other less obvious benefits may

constitute violations. There is no minimum or threshold value under the CFPOA, and even things of modest value can trigger a violation; however there are limited exceptions which are set out below (please see “Exceptions to the CFPOA”).

### *Facilitation Payments*

Effective October 31, 2017, amendments to the CFPOA removed the exemption for facilitation payments and makes such payments illegal. It is now unlawful under the CFPOA to make payments to expedite or secure the performance by a Foreign Public Official of any “act of a routine nature” that is part of the Foreign Public Official’s duties or functions. This includes the practice of “expediting” payments, which are “tips” in the form of gratuities or gifts in small amounts to bureaucratic employees to expedite permits, licenses or official documents like visas, functions like police protection or inspections, and services like telephone installation and repair, power and water supply, or loading and unloading cargo.

### *Foreign Public Official*

A “**Foreign Public Official**” under the CFPOA is broadly defined as:

- a. a person who holds a legislative, administrative or judicial position of a foreign state;
- b. a person who performs public duties or functions for a foreign state, including a person employed by a board, commission, corporation or other body or authority that is established to perform a duty or function on behalf of the foreign state, or is performing such a duty or function; and
- c. an official or agent of a public international organization that is formed by two or more states or governments, or by two or more such public international organizations.

### *Required Intent*

No particular mental element is expressly set out in the CFPOA; however this offence will be interpreted in accordance with common law principles of Canadian criminal law. The criminal intent or *mens rea* is subjective knowledge. The act must have been committed intentionally or recklessly with either knowledge of the facts or willful blindness to them.

### *Influencing an Official Act*

The types of behavior that are prohibited may include (1) influencing the Foreign Public Official to act in his or her official capacity; (2) inducing the Foreign Public Official not to act, which inaction constitutes a violation of his or her official duties; (3) inducing the Foreign Public Official to use his or her position to influence an act or decision of the government or public international organization for which the Foreign Public Official performs duties or functions; or (4) securing any improper advantage.

### *Obtaining or Retaining Business Advantage in the Course of Business*

By using the words “in order to obtain or retain an advantage in the course of business,” the CFPOA seeks to prohibit payments made to either obtain or retain an improper advantage in business. The word “**business**” is defined broadly in the CFPOA as “any business, profession,

trade, calling, manufacture or undertaking of any kind carried on in Canada or elsewhere for profit.” The CFPOA thus targets bribery in situations where a transaction is being carried out for profit. It is also important to note that the CFPOA prohibits the bribery of Foreign Public Officials in the course of business, and that the offence does not require the crossing of actual borders for conduct to be prohibited; for example, it is an offence under the CFPOA to bribe a Foreign Public Official in Canada to obtain a business advantage in Canada.

### *Jurisdiction*

Canada has jurisdiction over the bribery of Foreign Public Officials when the offence is committed in whole or in part in its territory. There will be a sufficient basis for jurisdiction when there is a real and substantial link between the offence and Canada, for example, when a significant portion of the activities constituting the offence have taken place in Canada. Canadian courts also have jurisdiction over activities constituting an offence perpetrated anywhere in the world, regardless of whether there is any connection to Canada, if committed by a Canadian citizen, a permanent resident or a Canadian organization.

#### (c) Procedure for Making Agreements with Third Parties

The CFPOA establishes liability for payments made indirectly to a Foreign Public Official. The Company and the Regulated Parties may be liable for payments made through a third party, such as an agent, consultant, contractor, distributor, or sales representative (each, a “**Third Party**”).

The Company has an established procedure for engaging a Third Party, which includes, but is not limited to, reference checks, review of the business practices of a Third Party, and explanation of these Guidelines to the prospective Third Parties. All new Third Parties are subject to this procedure and must be approved by the relevant business managers.

There are “red flags” that should alert you to potential problems with a Third Party and which must be investigated before entering into an agreement with such Third Party. “Red flags” may include: (i) requests for payments in cash instead of by cheque; (ii) payments made to some party other than the Third Party; (iii) lack of standard invoices; (iv) unusual credits granted to customers; (v) unusual bonuses paid to managers of foreign operations; (vi) comments or suggestions that bribery has occurred; (vii) the reputation of the country in which the Third Party operates; (viii) requests for political or charitable contributions; (ix) objections to CFPOA compliance; (x) the desire by the Third Party to keep his representation of the Company secret; and (xi) any relationship between the Third Party and a Foreign Public Official.

After signing an agreement with a Third Party, the Company should monitor the Third Party’s activities and expenses for continued compliance with the CFPOA. If the Third Party makes an improper payment or gift to a Foreign Public Official, the Company may be held liable under the CFPOA even if it did not expressly authorize the payment. To guard against liability, the Company requires documentation before paying or authorizing unusual or excessive invoices or expenses.

The Company may also be held accountable for bribes paid by foreign subsidiaries or joint ventures in which it participates. The Company may be held accountable if the subsidiary or joint venture engages in illegal conduct of which it should have been aware as may be evidenced by a seat on the board of directors. As a publicly-traded Canadian company, the

Company faces an additional risk of prosecution by the Canadian Securities Administrators ("**CSA**") for violating accounting rules if a payment is made by a foreign subsidiary, but it is improperly labeled in the Company's financial statements.

With respect to joint ventures, the Company must monitor the joint venture's activities, as well as those of the joint venture partners. When the Company has a majority interest in the venture, it is required to comply with the CFPOA. When the Company has a minority interest, it is required to make a good-faith effort to cause the venture to comply with the CFPOA. To protect itself, the Company should ensure that the joint venture agreement contains representations and warranties that the venture partners will comply with the CFPOA and that no improper payments will be made to Foreign Public Officials to obtain business. The Company should also insert an escape clause in the joint venture agreement that would allow it to exercise its right to withdraw from a joint venture with non-Canadian participants upon the occurrence of any prohibited conduct. The escape clause should also provide for an indemnity for any losses or damages incurred by the Company that are caused by the improper actions of the other joint venture partner(s).

(d) Accounting

On June 19, 2013, the CFPOA was amended to create a new books and records offence which prohibits:

- Unrecorded or improperly recorded accounts;
- Unrecorded or inadequately identified transactions;
- Records of non-existent expenditures;
- Incorrectly identified liabilities;
- Using false documents; and
- Early destruction of accounting books and records.

(e) Exceptions to the CFPOA

*Promotional and Marketing Expenses*

A payment to a Foreign Public Official to pay for reasonable *bona fide* expenses incurred in good faith by or on behalf of the Foreign Public Official (i) in the promotion, demonstration or explanation of the Company's products or services; or (ii) in the execution or performance of a contract between the Company and the foreign state for which the Foreign Public Official is acting, are exceptions to the CFPOA. Such expense may include meals, travel and lodging expenses for a Foreign Public Official directly related to promoting the Company's products and services. Such expenses should only be made if permitted by the laws of the foreign country.

*Payments that are Legal Under Local Laws*

Payments that are permitted or required under the laws and regulations of the foreign country or foreign public organization for which the Foreign Public Official performs duties or functions do not constitute violations under the CFPOA. However, recognized customs or practices are not sufficient, nor is it a defense that "everyone does it". Should you have any questions with respect to any payments permitted or required under local laws, please contact the Chief Financial Officer of the Company.

### *Emergencies*

If a payment is made under threat of serious harm, the payment would not be covered by the CFPOA. True extortion situations, where payment is made to keep someone out of jail, would not be held to be a “bribe” because of a lack of intent.

Please note that even though the CFPOA allows these exceptions, Regulated Parties are also subject to the Company’s Code of Business Conduct and Ethics which states that: “It has always been the policy of the Company that all of our activities should be conducted with the highest standards of honesty and integrity and in compliance with all legal and regulatory requirements.” Additionally, some customers to whom the Company provides products and services may have higher standards than the law requires.

#### (f) Penalties for Violating the CFPOA

Under the CFPOA:

- the Company may be fined. The amount of any fine is at the discretion of the judge, and there is no maximum;
- an individual may be guilty of an indictable offence and may be imprisoned for a term of up to fourteen years; and
- as bribery of a Foreign Public Official is an extraditable offence there is no limitation period.

## **5. COMPLIANCE WITH THE CODE**

Each director, officer and employee of the Company will be provided with a copy of this. The Code is intended to serve as a guide for your own actions and decisions and for those of your co-workers.

#### (a) Reports and Complaints

*Each of us is obligated to report any violation of the Code, any law or any regulations to the appropriate representative of the Company.*

As an employee, if you believe that a violation of the Code or any law, rule or regulation has been or is likely to be committed by you or someone else who is a representative of the Company, you have an obligation to promptly report the relevant information to your supervisor. Your supervisor will generally be in the best position to resolve the issue. However, if you feel uncomfortable approaching your supervisor with your concern, or if you have any specific or general questions, you may contact the Chief Financial Officer. Alternatively, you can utilise the Company’s “Whistleblower” hotline, described in greater detail in the Whistleblowing Compliance Hotline memorandum.

If you believe it is inappropriate to raise your complaint or report of a violation with either your supervisor, the Chief Financial Officer or to the Company’s “Whistleblower” hotline, you can write to the Chairperson of the Audit Committee (for issues related to accounting controls, auditing or disclosure) or the Chairperson of the Compensation, Corporate Governance and Nominating Committee (for all other types of issues such as harassment or discrimination, misuse of the internet, conflicts of interest or inappropriate gift giving or receiving).

Directors should promptly report violations to the Chairperson of the Board, or to the relevant committee Chairperson.

Directors, officers and employees can raise concerns either orally or in writing although reports to the Chairpersons of the Board or of the committees can only be made in writing.

The most important thing to remember when dealing with these types of questions or concerns is: When in doubt, ask.

(b) Treatment of Reports and Complaints

*Confidentiality of reported violations will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review and subject to law.*

You may make a report anonymously: you should write a letter and include as many specific details as possible, including back-up documentation where feasible, in order to permit adequate investigation of the concern or conduct reported. Vague, non-specific or unsupported allegations are inherently more difficult to pursue. It is recommended that you use the "Whistleblower" hotline for this purpose.

The party receiving the complaint must make a record of its receipt, document how the situation was dealt with and file a report with the Chief Financial Officer. The Chief Financial Officer will retain all such reports, but will also maintain a separate log that will track the receipt, investigation and resolution of reported complaints specifically related to accounting controls, auditing and disclosure matters. Based on this log, the Chief Financial Officer will periodically compile a comprehensive summary of all of these types of complaints and the corrective actions taken and will bring the summary to the attention of the Chairperson of the Audit Committee for his or her review, since the Chairperson of the Audit Committee is ultimately responsible for the Company's compliance with the accounting, auditing and disclosure-related aspects of this Code. The Chief Financial Officer will bring any other complaints or reported violations that are not related to accounting controls, auditing or disclosure but are significant to the attention of the Chairperson of the Compensation, Corporate Governance and Nominating Committee.

(c) Penalties for Violating the Code

*We will not discharge, demote or suspend you if you, in good faith, report concerns about actual or potential violations of laws, rules or regulations, or this Code.*

Retaliation is prohibited; however, the Company reserves the right to discipline you if you make an accusation without a reasonable, good faith belief in the truth and accuracy of the information or if you knowingly provide false information or make false accusations. "Good faith" does not mean that you have to be right - but it does mean that you must believe you are providing truthful information.

If you believe that you have been unfairly or unlawfully retaliated against, you may file a complaint with your supervisor or the Company's Chief Financial Officer. If you are a director, an executive officer or an employee and you believe your complaint concerning retaliations cannot be appropriately addressed by your supervisor or the Chief Financial Officer, you should file a report with the Chairperson of the Compensation, Corporate Governance and Nominating Committee.

(d) Disciplinary Action for Code Violations

*We will impose discipline for each Code violation that fits the nature and particular facts of the violation.*

If you fail to comply with laws or regulations governing the Company's business, this Code or any other policy or requirement of the Company, you may be disciplined up to and including immediate termination. Where warranted, legal proceedings may also be brought against you.

(e) Waivers

Waivers of the Code for employees may be granted only in writing by the Company's Chief Financial Officer. Any waiver of the Code for executive officers or directors of the Company may only be granted in writing by the Board or by the Compensation, Corporate Governance and Nominating Committee and will be promptly disclosed to shareholders to the extent required by law, regulation or stock exchange requirement.

## **6. LEGAL NOTICE**

This Code serves as a reference to you. The Company reserves the right to modify, suspend or revoke this Code and any and all policies, procedures, and programs in whole or in part, at any time. The Company also reserves the right to interpret and amend this Code and these policies in its sole discretion as it deems appropriate. Any amendments to the Code will be disclosed and reported as required by law.

Neither this Code, these policies nor any statements made by any employee of the Company, whether oral or written, confer any rights, privileges or benefits on any employee, create an entitlement to continued employment at the Company, establish conditions of employment, or create an express or implied employment contract of any kind between employees and the Company. In addition, all employees should understand that this Code does not modify their employment relationship, whether at will or governed by a written contract.

**The version of this Code that appears online at [www.standardlithium.com](http://www.standardlithium.com) may be more current and up to date and supersedes any paper copies, should there be any discrepancy between paper copies and what is posted online.**

*Approved by the Board of Directors on March 15, 2021*