

## NANOXPLORE INC.

**Responsible Function: NANOXPLORE LEGAL DEPARTMENT**

<b>POLICY NAME:</b>		<b>CODE OF ETHICS</b>	
<b>Policy No.:</b> P-03-V1-2019	<b>Revision Number:</b> 1	<b>Last Revised/Adopted on:</b> February 20, 2019	Page 1 of 5
<b>Policy Scope:</b> ALL LOCATIONS		<b>ISSUED AND APPROVED BY:</b> BOARD OF DIRECTORS	

Professional integrity is a cornerstone of the way we do business at NanoXplore Inc., its operating divisions, subsidiaries and sponsored joint ventures (collectively, the "**Corporation**"). The Corporation's corporate history demonstrates a strong commitment to ethical business conduct, professionalism, trust and honesty in its dealings with its employees, investors, customers, suppliers, advisors as well as governmental and regulatory authorities. These core values are the foundation of the Corporation's success, and must be protected and reinforced by our words, actions and business practices.

Each of us, as part of the Corporation, occupies a position of trust in our relations with fellow employees, customers, competitors, suppliers, government authorities, investors and the public. Whatever the area of activity, we should, of course, be honest and responsible in our relations with others.

The Corporation expects all of its directors, officers, employees, independent contractors, consultants and agents to comply with the laws, regulations and corporate policies governing its conduct and further is committed to promoting integrity and maintaining the highest standard of ethical conduct in all of its activities.

If there are any doubts as to whether a course of action is proper, or about the application or interpretation of any legal requirement, discuss it with your immediate supervisor. You may also discuss it with the Corporation's Director, Legal affairs and Corporate Secretary or the Chief Executive Officer.

This is not a complete Code of Ethics. No statement can offer a complete guide to cover all possible situations that might be encountered. It is therefore important that we all exercise good judgment and common sense in all circumstances. There are some areas, however, which because of their special importance, deserve particular attention and these are set out in what follows.

### **Hiring and Employment Practices**

The Corporation is committed to non-discriminatory hiring and employment practices. It is the Corporation's policy to make employment-related decisions without regard to race, gender, religion, marital status, sexual orientation or disability. All employment decisions at the Corporation are based on merit and performance.

This policy applies to recruitment, hiring, training, promotion, and all other personnel actions and conditions of employment, including compensation, benefits, layoffs and reinstatements, training and disciplinary measures.

### **Conflict of Interest**

Each director, officer or employee, including senior financial officers (collectively the "**Employees**") of the Corporation must avoid any conflict, or perception of conflict, between his or her personal

interests and the interests of the Corporation in transacting the Corporation's business. All actions and decisions by Employees in the performance of work must be based on impartial and objective assessments of the Corporation's interests in the situation, totally without regard to any gifts, favors, or similar benefits from outside parties that could affect (or be seen by others to possibly affect) their judgment.

No Employee shall have any financial interest or position with any entity that transacts business with or competes with the Corporation, other than the ownership of less than 10% of shares in a public company, without immediately disclosing these interests and obtaining the approval of the Chief Executive Officer or, in the case of directors or officers, the board of directors of the Corporation (the "**Board**").

### **Corporate Opportunities**

Employees are prohibited from (a) taking for themselves personally corporate opportunities that are discovered through the use of corporate property, information or position; (b) using corporate property, information or position for personal gain; and (c) competing with the Corporation. Employees owe a duty to the Corporation to advance its legitimate interests when the opportunity to do so arises.

### **Fair Dealing**

Each Employee should endeavor to deal fairly with the Corporation's customers, suppliers, competitors and employees. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

Bribes and improper gratuities are strictly prohibited in all circumstances. Bribes and improper gratuities are anything of present or future material value given with the intent to induce, influence, or provide compensation for an official act (or failure to act) or to obtain favorable treatment.

### **Protection and Proper Use of Corporation Assets**

All Employees should protect the Corporation's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Corporation's profitability. All of the Corporation's assets should be used for legitimate business purposes.

Among the Corporation's most valuable assets is its intellectual property. Intellectual property includes software, documentation, methodologies, business processes and know-how. This intellectual property is used in the development, marketing and delivery of the Corporation's products and services. Other proprietary and confidential information includes business strategies, pricing, customer lists, contracts, employee information and financial plans. Such intellectual property must be closely guarded and Employees must take appropriate steps to avoid unauthorized disclosures.

### **Fraud**

The Corporation strictly prohibits fraudulent activities by Employees of the Corporation or by any person or entity affiliated with or acting on behalf of the Corporation. Fraudulent behavior is behavior that is willfully or intentionally deceptive, misleading, false, dishonest, or committed in bad faith, and may occur through direct words or actions, or by silence, concealment and/or a failure to act.

Examples of fraudulent activities include the falsifying, forging or altering of Corporation records or financial instruments (including cheques and drafts); providing false or intentionally misleading information in connection with the business affairs of the Corporation; providing false or intentionally misleading information in connection with expense accounts; and embezzlement, misappropriation or conversion to personal use of the Corporation's assets, cash, supplies or securities.

In addition to disciplinary action taken by the Corporation, including termination of employment, an Employee committing a fraudulent act may face possible criminal prosecution.

### **Electronic Communications, Computer Systems and Network Accounts**

The Corporation operates an electronic communications system, including, but not limited to computer equipment, software, operating systems, storage media, network, network accounts providing electronic mail, voice mail, fax, telephone, cell phone, web browsing, instant messaging, FTP and other technologies that may be adopted by the Corporation (the "**System**"). This System is to be used only for business purposes. Employees are responsible for using the System in a professional, lawful and ethical manner.

The System and the messages, files, data, software and other information stored and transmitted on it are, and remain at all times, the property of the Corporation. The Corporation reserves the right, at all times, and without prior notice to the Employee, to inspect and search all components of the System and any and all information contained therein to determine whether this policy or any other policy has been complied with. Such inspections may be conducted during or outside business hours and in the presence or absence of the Employee. Employees may be given an electronic password when granted access to the System, and Employees may change such passwords from time to time, but such passwords do not create any right of privacy in employee computers, telephone systems or any information stored or sent with the System.

Unauthorized use, installation, copying or distribution of copyrighted, trademarked or patented material on the System is prohibited. This includes, but is not limited to, any software products for which the Corporation does not have an active license.

### **Compliance with Laws, Rules and Regulations (including insider trading laws)**

The Corporation will proactively promote compliance with laws, rules and regulations, in Canada and in all other countries in which the Corporation does business. Such laws, rules and regulations include insider trading laws. The Corporation views insider trading as both unethical and illegal and will deal with it decisively. In this regard, Employees are referred to the Corporation's Disclosure, Confidentiality & Trading Policy.

### **Confidentiality**

Employees will be required to maintain the confidentiality of information entrusted to them by the Corporation or its trading partners as required by the Corporation's Disclosure, Confidentiality and Trading Policy. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Corporation or its trading partners, if disclosed.

### **Privacy**

The Corporation is committed to respecting the privacy of its Employees, its customers and other third

parties. The Corporation maintains personal information about its employees only as necessary for employment-related purposes. Personal information will not be released to outside parties without the Employee's approval, except as strictly necessary for business purposes or as required by law. Within the Corporation, access to such information is restricted to authorized personnel who have a business need to know such information.

The Corporation recognizes that Employees may choose to keep personal property in a Corporation office or to occasionally use the System on a limited basis for personal, non-business purposes. It is the Corporation's policy to respect employee privacy to the extent possible, consistent with the proper and efficient operation of the System, however, Employees should not expect privacy when using the Corporation's System, equipment or facilities.

### **Fair Financial Reporting and Public Communications**

Information in the Corporation's public communications, including periodic financial reports required to be filed by the Corporation and communications with shareholders, must be full, fair, accurate, timely and understandable. All Employees who are involved in the Corporation's disclosure process, including the senior financial officers (which include the Chief Executive Officer, the Chief Financial Officer and the Corporate Controller) are expected to act in furtherance of this Policy. In particular, these individuals are required to be familiar with the disclosure requirements for the Corporation and are prohibited from knowingly misrepresenting, omitting, or causing others to misrepresent or omit, material facts about the Corporation to others, whether within or outside the Corporation, including the Corporation's independent auditors. Additionally, any Employee with a supervisory role in the Corporation's disclosure process is required to discharge his or her responsibilities diligently.

The Board has adopted a Whistle Blowing Policy with regard to accounting, internal accounting controls and auditing matters, for the reporting of fraud, deliberate error, deficiencies in or non compliance with the Corporation's internal accounting controls, misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of the Corporation, and deviation from full and fair reporting of the Corporation's financial condition. This policy is administered by the Audit Committee of the Corporation.

### **Harassment**

The Corporation strives to provide a work environment free of discrimination and intimidation. The Corporation prohibits harassment on the basis of race, gender, religion, marital status, sexual orientation or disability. This commitment to a harassment-free work environment bars not only harassment by the Corporation employees but also by third parties whom Employees encounter on the job, such as customers, suppliers, consultants and advisors. Behavior prohibited by this policy includes any conduct that creates an intimidating, hostile or offensive working environment.

The Corporation will not tolerate threats or acts of violence. Threats or acts of violence include comments or behaviors that a reasonable person may perceive as causing or having the possibility of causing physical harm.

Sexual harassment by an individual, regardless of seniority, is regarded as unacceptable conduct, and all Employees must comply with applicable legislation. Sexual harassment includes making unwelcome and/or unsolicited sexual advances or requests for sexual favors or engaging in other verbal or physical conduct of a sexual nature.

To the fullest extent possible, consistent with performing a thorough, complete and fair investigation, the privacy and identity of Employees who report a known or suspected incident of discrimination or harassment, or who participate in an investigation in any manner, will be protected.

### **Disclosure**

In the event that a breach of this Policy has occurred or if an Employee is concerned that a breach has or may occur, the Employee has an obligation to immediately disclose the situation and facts to his supervisor, the Director of Legal Affairs and Corporate Secretary, the Chief Executive Officer or to the Chief Financial Officer for their counsel and direction. Potential conflicts of Board members shall be disclosed to the Board itself in accordance with Board guidelines and obligations. Every Employee has an obligation to provide full and complete disclosure. An undisclosed breach is a more serious violation of trust than an early and full disclosure of the situation.

If any Employee believes that he or she may have a personal interest which could be construed or perceived by others to be in conflict with their position as an Employee they have an obligation to make full and complete disclosure as noted above.

The Chief Executive Officer, the Chief Financial Officer or the Board may, if a conflict is disclosed fully and in advance, permit the conflict in certain instances, if deemed reasonable.

The Corporation prohibits any kind of retaliation against any individual who, in good faith, reports a known or suspected violation of the Corporation policies or any law, or who has participated in any manner in an investigation by the Corporation of any such complaint.

### **Waiver**

Any waiver of this Policy for executive officers or directors of the Corporation may be made only by the Board or a committee of the Board and must be promptly disclosed to the Corporation's shareholders.

### **Compliance**

A violation of this Policy will result in disciplinary action and could result in dismissal for cause or removal from the Board, as the case may be.

Approved by the Board on February 20, 2019