



# NAMASTE TECHNOLOGIES

## **Code of Business Conduct and Ethics**

Namaste Technologies, Inc.

Effective as of and from April 28, 2020

## **I. GENERAL**

### **1. Purpose of the Code**

The board of directors (the "Board") of Namaste Technologies Inc. (the "Company") has adopted this Code of Business Conduct and Ethics (the "Code"), which is designed to provide guidance on the conduct of the Company's business in accordance with high ethical standards. As a public company, the Company must not only conduct, but must also be seen to conduct, its business in accordance with such high ethical standards. The Code constitutes written standards that are reasonably designed to promote integrity, to deter wrongdoing and to address, at a minimum, the fundamental principles set out below.

### **2. Application of the Code**

The Code applies to all directors, officers and employees of the Company and its subsidiaries (who are referred to collectively as "Company Personnel") and operates in all countries in which the Company and its subsidiaries conduct business. Company Personnel are required to be familiar with and adhere to the Code. Suppliers and partners are also expected to adhere to the Code when dealing with the Company.

### **3. Monitoring Compliance**

The Board is ultimately responsible for monitoring compliance with the Code. The Board has delegated this responsibility to the Corporate Governance and Nominating Committee.

### **4. Waivers from the Code**

A waiver of the Code will be granted only in exceptional circumstances. Any waivers from the Code that are granted for the benefit of the Company's directors or executive officers will be granted by the Board only. Any waiver of the Code for executive officers or directors must be disclosed pursuant to applicable securities laws, which disclosure may require the filing of a current report or the inclusion of such information in the Company's next annual report.

## **II. FUNDAMENTAL PRINCIPLES**

### **1. Conflicts of Interest**

Company Personnel must act honestly and in good faith, with a view to the best interests of the Company. Company Personnel must avoid situations involving a conflict or the potential for a conflict or the appearance of a conflict between their personal interests and the interests of the Company.

The following are specific conflicts that may arise in the course of carrying out the Company's business:

#### **(a) Outside Business Interests**

Company Personnel are free to take on employment and other activities outside of their work responsibilities with the Company. However, in doing so, Company Personnel must ensure that any "outside" activities do not present a real or perceived conflict with the interests of the Company or with their duties as Company Personnel.

**(b) Public Statements**

Before publicly expressing views on matters that relate to the Company, Company Personnel should discuss the information with the Chief Executive Officer. Company Personnel must not claim to speak on behalf of the Company without prior authorization. Reference should be made to the Corporate Disclosure Policy.

**(c) Outside Directorships**

Company Personnel are free to take on directorships; however, Company Personnel must be aware of any potential for conflicts with the interests of the Company.

**(d) Financial Interests in Suppliers, Contractors or Competitors**

Any proposed affiliation between Company Personnel and any entity that has a relationship with the Company is subject to review by the Board.

**(e) Obtaining a Personal Loan or Guarantee from the Company**

Company Personnel who are directors or officers may not accept, whether directly or indirectly, any loan or guarantee of obligations from the Company for personal benefit. Company Personnel who are not directors or officers may receive loans from the Company in certain circumstances, provided that those loans do not, or do not appear to, create conflicts of interest or otherwise constitute improper benefits.

**(f) Hiring Relatives of Current Company Personnel**

The hiring of relatives of any Company Personnel is prohibited without the prior consent of management.

**(g) Giving and Receiving Gifts**

Company Personnel are prohibited from soliciting or receiving any gift, loan, reward or benefit from a supplier or customer in exchange for any decision, act or omission by any Company Personnel in the course of carrying out their functions, with the exception that directors and executive officers may occasionally give or receive small gifts as tokens of appreciation, provided:

- it is not a cash gift;
- it is consistent with customary business practices;
- it is not excessive in value;
- it does not violate any laws; and
- it does not violate any internal Company policy.

Similarly, Company Personnel should not try to influence the decisions of a supplier or customer by giving gifts.

**(h) Director and Officer Conflicts of Interest**

Each director or officer of the Company who has an interest in a material contract or material transaction, whether made or proposed, with the Company will disclose the nature and extent of that interest in the manner, at the time and in the circumstances required by the Business Corporations Act (British Columbia) and any other applicable laws. A director making that disclosure will, among other things:

- abstain from voting on any resolution to approve the contract or transaction if prohibited from voting under the Business Corporations Act (British Columbia); and

- if abstaining from voting on the contract or transaction, excuse himself or herself from all Board or Board committee deliberations in respect of the contract or transaction.

## **2. Protection and Proper Use of Corporate Assets and Opportunities**

### **(a) Use of Company Assets**

All Company Personnel must handle the physical and intellectual assets of the Company with integrity and with due regard to the interests of all of the Company's stakeholders. Such assets should be used only for legitimate business purposes. Any suspected incident of fraud or theft should be reported for investigation immediately. Unauthorized use or distribution of the intellectual assets of the Company is prohibited and could also be illegal and result in civil or criminal penalties.

### **(b) Corporate Property and Opportunities**

Company Personnel cannot appropriate a corporate opportunity or corporate property, arising out of their relationship with the Company, for their own personal benefit.

### **(c) Corporate Transactions**

Company Personnel must have authorization to enter into business transactions on behalf of the Company.

### **(d) Accounting**

All corporate transactions must be accounted for in the Company's books. Records must not be manipulated or destroyed for the purpose of impeding or obstructing any investigation undertaken by the Company or a governmental body.

### **(e) Audits**

No action will be taken to fraudulently influence or mislead anyone engaged in the performance of an audit of the Company's financial statements.

### **(f) Corporate Disclosure Policy**

All Company Personnel are required to comply with the Corporate Disclosure Policy.

### **(g) Use of Email and Internet**

Email and Internet systems are provided primarily for business use. Personal use of these resources should be kept to a minimum. As email may not be entirely secure, Company Personnel must exercise caution and etiquette when sending email correspondence.

## **3. Confidentiality of Corporate Information**

### **(a) Meaning of Confidential Information**

Confidential information is any information relating to the Company that is not known to the general public and includes, without limitation, business research, market plans, strategic objectives, unpublished financial information, customer, supplier and personnel lists and all intellectual property, including trade secrets, software, trademarks, copyrights and patents.

### **(b) Release of Confidential Information**

Confidential information may not be given or released without proper authority and appropriate protection to anyone not employed by the Company. Company Personnel are

prohibited from discussing, disclosing or using any confidential information for their own personal purposes without prior consent of an executive officer. In addition, confidential information should only be disclosed to other Company Personnel on a “need to know” basis.

Notwithstanding the foregoing, nothing contained in the Code shall limit the ability of Company Personnel, including any consultants, to file a charge or complaint with a governmental agency in the United States and communicate with any such agency or otherwise participate in any investigation or proceeding that may be conducted by any such agency, including by providing documents or other information in connection therewith, without notice to the Company.

**(c) Insider Trading**

Company Personnel are prohibited from trading or encouraging others to trade in the securities of the Company when in possession of material non-public information. Company Personnel are prohibited by Canadian and United States securities laws from insider trading and tipping.

**(d) Personal Information**

Personal information, as it relates to Company Personnel, including medical and benefits information, is only to be released to non-Company individuals after receiving prior permission from the affected Company Personnel, except if the information will be used to verify employment or to satisfy legitimate legal requirements.

**4. Fair Dealing**

**(a) Competitor’s Information**

Company Personnel will not undertake any activities that could reasonably be expected to result in an unreasonable restraint of trade, unfair trade practice or any other anti competitive behaviour in violation of any law. However, in the normal course of business, it is not unusual for Company Personnel to acquire information about other organizations. In doing so, Company Personnel must not use illegal means to acquire a competitor’s trade secrets or other confidential information.

**(b) Competition Laws**

Company Personnel are expected to be sensitive to situations in which competition law issues may exist and to comply with all competition laws that apply in all countries in which the Company and its subsidiaries carry on business. When participating in joint ventures and industry associations involving competitors, Company Personnel must limit communication to that reasonably required for the legitimate business purposes of the arrangement.

**(c) Harassment**

The Company undertakes to deal fairly with all Company Personnel, customers and suppliers. There is a “no tolerance” policy in place for any form of discrimination or harassment against any individual, including Company Personnel, customers and suppliers, with respect to race, religion, age, gender, marital and family status, sexual orientation, ethnic or national origin or disability or any other grounds enumerated in applicable human rights legislation.

**5. Policy to Prevent the Corruption of Public Officials**

Both Canada and the United States have laws making it illegal to corrupt officials of foreign governments or to engage in certain related acts. In Canada, the law is entitled Corruption of

Foreign Public Officials Act and in the United States the law is entitled Foreign Corrupt Practices Act. In the discussion that follows, we have always adopted the more stringent requirement of the two laws. Because the Canadian law applies to dealings with United States officials and the United States law applies to dealings with Canadian officials, the following policy applies equally to dealings with officials in Canada, the United States, and other countries.

**(a) Persons to Whom the Laws Apply.**

Both laws apply to the Company and its subsidiaries; their employees, officers and directors; and their agents and representatives. For these purposes, action by an agent or representative is the equivalent of action by the Company.

The laws may apply in whole or in part to other companies and joint ventures if a U.S. or Canadian company controls the other company or joint venture or otherwise authorizes, directs or participates in activity by the other company or joint venture. Deciding whether activities of a company or joint venture are authorized, directed or participated in by the Company in any particular instance will be an uncertain exercise with uncertain results. In addition, allegations of illegal conduct by any company or joint venture in which the Company has a significant interest can only cause damage to the reputation of the Company. For this reason, you should assume that any action of any company and joint venture in which the Company has a significant interest, including the actions of the employees and agents of such other company and joint venture, will be attributable to the Company.

**(b) Prohibition.**

The laws and this policy prohibit offering or providing money or anything of value for the personal benefit of any "Public Official." For purposes of this policy, Public Official means (i) any government official or any official of a public international organization (such as the International Monetary Fund, regional development banks or other multilateral organizations) or (ii) any political party or its officials or any political candidate for the purpose of: influencing that official in the exercise of his or her duties (or non-exercise of those duties); having any such person influence government activity; or otherwise securing an improper advantage for the purpose of aiding the Company in obtaining, retaining or directing business. The laws and this policy may be violated if the Company knows, or if it should have been obvious to the Company, that the payments were made for an illegal purpose.

The laws and this policy also apply to indirect payments, i.e., where the Company offers or provides money or anything of value to any person with the knowledge that the person will make a payment to a Public Official for such a prohibited purpose.

The laws and this policy also prohibit the possession of property or proceeds from property known to have been obtained as a result of the bribery of a Public Official or to "launder" (i.e., deal with intent to conceal) property or proceeds from property obtained as a result of the bribery of a Public Official.

Government-owned corporations and other instrumentalities are generally treated as if they are governments, and their employees, officers and directors are treated as government officials.

**(c) Facilitating Payments.**

"Facilitating payments" are payments made to expedite routine governmental action that does not involve obtaining, retaining or directing business. Example include payments to (i) secure processing of papers such as visas, work orders and permits, (ii) induce customs officials to process legally transmitted goods, (iii) obtain police protection, (iv) obtain installation and

maintenance of utility connections, and (v) induce minor government functionaries (government employees without discretionary authority over a project or transaction) to complete their jobs in the manner required and where the situation does not involve the securing of business. Effective in 2013, the law of Canada prohibits facilitating payments to foreign Public Officials. For this reason, the policy of the Company is that no facilitating payments may be made to any Public Official, foreign or domestic.

**(d) Exceptions to Prohibitions.**

There are three exceptions to the laws and this policy:

- It is an affirmative defence if it can be shown that the payment was legal under the written laws and regulations of the country. As an example, in some foreign countries, the Company may be required by law to hire as an agent a national of that country who also is connected to the government of that country in some way or other.
- It also is an affirmative defence if it can be shown that the payment was a reimbursement of travel, lodging and other reasonable and bona fide expenses directly related to the business promotion, demonstration or explanation of the Company's business, or the execution or performance of a contract with the government. As an example, payment of the travel expenses of a government official to visit one of our distribution centres, as a part of an effort to promote the Company in that country, would fit into this category.
- Unconditional gifts having nominal value, when made openly and as a social amenity, or as a token of esteem, regard or gratitude in accordance with local custom, generally will not be regarded as a bribe.

**(e) Company Policy.**

The Company's policy is firm and unconditional. Under no circumstances will the Company ever pay a bribe to a Public Official. If you are ever solicited for such a bribe, or if you become aware of any instance where any Company employee, officer, director, agent or representative of the Company or its subsidiaries or its joint ventures proposes to offer such a bribe or is otherwise involved in such illegal activity, you are to report the matter to your immediate superior, or directly to the CEO or CFO of the Company. Any employee, officer, director, agent or representative who participates in any scheme to pay such an illegal bribe will be terminated immediately.

With respect to payments that fall within the exceptions noted above:

- No payment that would otherwise be an illegal bribe may be made on the basis that it is legal under the written laws and regulations of the foreign country without the prior written approval of the CEO.
- No payment that would otherwise be an illegal bribe may be made on the basis that it is a reimbursement of travel, lodging or other reasonable and bona fide expenses directly related to the business promotion, demonstration or explanation of the Company's business or the execution or performance of a contract with the government without the prior written approval of the CEO.
- With respect to unconditional gifts of nominal value made openly and as a social amenity, or as a token of esteem, regard or gratitude in accordance with local custom, the CEO will establish a monetary limit on the value of any such gift. Any gifts with a value in excess of that limit must be approved in advance by the CEO.

**(f) Accounting Requirements.**

The Company and its affiliated companies and joint ventures must:

- Keep financial records which, in reasonable detail, accurately and fairly reflect transactions; and
- Maintain a system of internal accounting controls sufficient to provide reasonable assurances that:

- (i)** transactions are executed in accordance with management authorization,
- (ii)** transactions are properly recorded as needed to permit preparation of financial statements and to maintain accountability for assets,
- (iii)** all assets are recorded on the books of the Company and access to assets is only permitted in accordance with management authorization, and
- (iv)** periodic auditing is done at reasonable intervals and action is taken to resolve discrepancies.

As an example, the accounting provisions require that the Company properly record all payments and prohibit their characterization in some other form. The accounting provisions also prohibit the Company from maintaining off-record cash "slush" funds or cash that may be accessed without senior management authorization.

## **6. Compliance with Laws, Rules and Regulations**

### **(a) Company Policies**

All Company Personnel must comply with all Company policies.

### **(b) Compliance with Laws**

All Company Personnel, in discharging their duties, must comply with all the laws and regulations of the countries in which the Company and its subsidiaries carry on business.

### **(c) Knowledge of Laws**

All Company Personnel are charged with the responsibility for acquiring sufficient knowledge of the laws involved in each area relating to their particular duties.

### **(d) Dealings with Public Officials**

Company Personnel are prohibited from making payments or giving gifts to a public official in any country in which the Company and its subsidiaries operate, in order to obtain a business advantage.

## **7. Reporting of Any Illegal or Unethical Behaviour**

### **(a) Compliance and Reporting**

Company Personnel are each responsible for being aware of, understanding and complying with the Code when making business decisions. Company Personnel must promptly report any problems or concerns and any actual or potential violation of the Code. To do otherwise will be viewed as condoning a violation of the Code.

### **(b) No Reprisal**

There will be no reprisal or other action taken against any Company Personnel who, in good faith, bring forward concerns about actual or potential violations of laws or the Code. Anyone engaging in any form of retaliatory conduct will be subject to disciplinary action, which may include termination.

**(c) Process**

Company Personnel should first raise a complaint or concern with his or her supervisor. If that is not possible for some reason or if this does not resolve the matter, Company Personnel must take the matter up the chain of management within the Company. Ultimately, unresolved complaints and concerns should be referred to the Chief Executive Officer who will treat all disclosures in confidence and will involve only those individuals who need to be involved in order to conduct an investigation. If a complaint regarding accounting, internal accounting controls or auditing matters or a concern regarding questionable accounting or auditing matters is not effectively addressed after being raised internally, then that complaint or concern should be referred to the Chair of the Audit Committee. Company Personnel are expected to cooperate in any internal investigation of misconduct.

**(d) Public Complaints**

Company Personnel who receive complaints from a member of the public, including complaints regarding accounting, internal accounting controls or auditing matters, should advise the complainant to raise those complaints with the Chief Executive Officer.

**(e) Accounting Complaints**

Company Personnel or members of the public wishing to refer a complaint regarding accounting, internal accounting controls or auditing matters or a concern regarding questionable accounting or auditing matters to the Chair of the Audit Committee on a confidential and anonymous basis may do so in writing. The complaint or concern should be specified in detail in a letter, which should be delivered to the chairman of the Board in a sealed envelope marked "Confidential—For the Chair of the Audit Committee". The Chairman of the Board will forward the sealed envelope to the Chair of the Audit Committee.

**8. Consequences of Violating the Code**

Failure to comply with the Code will be considered by the Company to be a very serious matter. Depending on the nature and severity of the violation, disciplinary action may be taken by the Company, up to and including termination. In addition, the Company may make claims for reimbursement of losses or damages and/or the Company may refer the matter to the authorities. Anyone who fails to report a violation upon discovery or otherwise condones the violation of the Code may also be subject to disciplinary action.

**III. APPENDIX I**

**BOARD DELEGATION POLICY**

**MATTERS REQUIRING BOARD APPROVAL (NON-DELEGATION POLICY)**

This Policy identifies items that must be approved by the Board or a committee of the Board and are not delegated to management without Board approval. A general overriding consideration is that the directors are required under law to manage, or supervise the management of, the business and affairs of the Company. Accordingly, even if an action might fall outside these guidelines, management should consider whether the matter, nevertheless, should be referred to the Board for consideration.

The following is a list of items that officers must refer to the Board, or an appropriate committee thereof, for consideration. Under these guidelines, the "Threshold Amount" is equal to \$2,000,000 and an "Out of Budget Transaction" is a transaction that exceeds the Threshold Amount and that is not otherwise already part of the Company's approved operating budget.

1. The approval of annual corporate budgets.
2. The approval of all financial information and other disclosure documents that are required by law to be approved by the Board before they are released to the public.
3. Allotment of any securities. This includes shares, options, warrants or other convertible or debt securities, and the payment of a commission to any person as consideration for purchasing securities of the Company or providing purchasers for any such securities. Securities may be issued by executive officers where previously allotted by the Board (e.g. exercise of previously allotted options and warrants).
4. Entering into transactions of a fundamental nature such as amalgamations, mergers and material acquisitions or dispositions.
5. Agreeing to redeem, purchase or otherwise acquire any of the Company's shares.
6. Entering into any agreement or commitment to acquire or dispose of assets that are material to the Company including, but not limited to, those that are an Out of Budget Transaction.
7. Entering into, or making a material modification of, any agreement or commitment to become liable for any indebtedness, including the granting of a guarantee or similar standby obligation, if:
  - (a) The amount of such indebtedness is an Out of Budget Transaction
  - (b) Or any assets of the Company are made subject to a security interest in an Out of Budget Transaction.
8. Committing to making any capital expenditure which is an Out of Budget Transaction.
9. Entering into any contract, agreement or commitment out of the ordinary course of business if such agreement involves a commitment of financial resources which exceeds the Threshold Amount.
10. Adoption of hedging policies.
11. Approval of insurance policy limits.
12. Entering into any agreement with an officer, director or 10% shareholder of the Company or any parent or subsidiary of the Company outside of the ordinary course of business.
13. Terminating, suspending or significantly modifying any material business activity or business strategy of the Company.
14. Undertaking a new business activity that requires an allocation of resources that exceed the Threshold Amount.
15. Making any material change to a business or strategic plan that has been approved by the Board.
16. Initiating or settling any legal proceeding involving a payment that may exceed the Threshold Amount.
17. Employing or terminating the Company's independent auditor.
18. Hiring or terminating the employment, or determining the compensation, of any person who is an executive officer of the Company.
19. Offering any material employment or consulting terms to any individual or entity which are not customary for the Company. This determination is to be made by reference to terms of

employment or consultancy that have generally been offered to other employees or consultants in similar positions or with similar status.

20. The approval of a request by the CEO or the CFO of the Company to serve on the board of another entity, other than not-for-profit entities or family businesses that in no material way compete with the Company or do any material business with the Company.
21. Any other matter specified by the Board as requiring its prior approval.

#### **IV. APPENDIX 2**

##### **RELATED PARTY INVESTMENT PROTOCOL**

###### **1. Purpose**

The purpose of this Protocol is to establish a procedure to manage investments by the Company in circumstances involving a Related Party.

###### **2. Process and administration**

- (a) If management identifies a potential investment in a Related Party, the matter will be presented to the Lead Director.
- (b) The Lead Director will consult with members of management who are independent of the transaction ("Independent Management Personnel") and the independent directors and will establish a Special Committee of independent directors to review the potential investment. The Special Committee will appoint a chairman of the Special Committee.
- (c) The Special Committee may perform due diligence with respect to the potential investment, and may use the services of Independent Management Personnel and/or outside advisors. The Special Committee is empowered, without further action by the Board, to cause the Company to pay appropriate compensation to outside advisors engaged by the Committee.
- (d) If the Special Committee determines that it is appropriate to proceed to negotiate the terms of an investment, the Special Committee will establish parameters for Independent Management Personnel and outside advisors in negotiating arms' length terms of any transaction. A good indicator of arms' length terms is whether the proposed terms are comparable to those applicable to an unrelated party transaction.
- (e) Any negotiated investment terms will be presented to the directors who do not have an interest in the transaction for their approval or disapproval.
- (f) The Lead Director and the members of the Special Committee will be compensated for their services in connection with the investment in amounts determined by the directors who do not have an interest in the transaction. They also will be reimbursed for expenses reasonably incurred in connection with their services. The Special Committee is empowered, without further action by the Board, to cause the Company to pay such compensation and expense reimbursement.