



## CODE OF BUSINESS CONDUCT AND ETHICS

Amended and Adopted by the Board of Directors on June 14, 2021

### 1 PURPOSE

VerticalScope Holdings Inc. (including any subsidiaries thereof, "**VerticalScope**" or the "**Company**") has a reputation as an honest, ethical, high-quality company, employer and partner. As such, it is to the benefit of all shareholders, officers, employees, contractors and partners that the Company adheres to and upholds high ethical values. The Company strives to adhere to high ethical standards in all of its business activities, and all of the Company's officers, employees, consultants and members of its board of directors (the "**Board**") are expected to maintain these standards. VerticalScope's directors, officers, employees, consultants and agents acting on behalf of the Company (collectively, "**VerticalScope Team Members**") are expected to strive to deal fairly with the Company's securityholders, customers, suppliers and competitors.

VerticalScope and the VerticalScope Team Members shall comply with all laws and regulations applicable to the Company's activities. However, due regard for the ethical conduct of the Company's activities must also underlie all business decisions. While no policy can offer a complete guide to cover all possible situations that might be encountered, this Code of Ethics and Business Conduct (the "**Code**") provides an overview of key areas and scenarios in which compliance is required. The Code is not a complete statement of conduct expected from VerticalScope Team Members. The Code is supplemented by the Company's other policies, policy statements, procedures, protocols, programs, standards and guidelines implemented by the Company from time to time.

In view of the ever-increasing complexity of the law affecting the Company's business activities, whenever a VerticalScope Team Member is in doubt about the application or interpretation of any legal requirement, the director, officer, employee or consultant should seek the advice of their manager or a member of the executive team.

As an overarching principle of this Code, each VerticalScope Team Member is accountable for observing rules of conduct that are normally accepted as standard in a business enterprise. They shall give precedence to ethical principles and obligations in their decisions and actions. They shall respect all ethical obligations deriving from applicable laws, rules and regulations and listing requirements (the "**Applicable Laws**") and shall not condone unethical conduct.

### 2 ADHERENCE TO THE CODE AND CORPORATE POLICIES

The Company expects all VerticalScope Team Members to comply and act in accordance with, at all times, the provisions of this Code and any other policies, policy statements, procedures, protocols, programs, standards and guidelines implemented by the Company, from time to time.

The Company shall ensure that each officer, employee, consultant and member of the Board is provided with a copy of this Code, and officers and employees shall be required to sign or furnish an acknowledgement, substantially in the form set attached herein as Exhibit "A" or Exhibit "B", as applicable. Such acknowledgement will be obtained upon the start of an employees employment at the Company and on an annual basis afterwards.

### **3 INDUCEMENTS, GIFTS AND ENTERTAINMENT**

The exchange of gifts and entertainment is a common practice in most business communities and is designed to develop and foster goodwill among business partners. Accepting gifts and entertainment can cause problems when they compromise or appear to compromise a VerticalScope Team Member's ability to make fair and objective business decisions. No gift or entertainment should be accepted or offered if it will unfairly influence a business relationship.

There are many factors that influence whether a gift or entertainment is normal and customary. Gifts or entertainment should be moderate, reasonable, in good taste and of a style or value commonly accepted for business occasions and should not be unusual for the recipient's job or community. The exchange must create no obligation or expectation and should occur infrequently.

Business entertainment can present situations where discretion is required since some commonly accepted business invitations can include recreational opportunities or event tickets that are of significant value. In these cases, the recipient should ensure that there is a valid business development reason for attending. If the invitation is for an event where the value being received may be significant, senior officer approval is required or, in the case of a senior officer of the Company, approval by the chair of the Nominating and Governance Committee.

VerticalScope Team Members shall not solicit, accept or pay bribes or other illicit payments for any purpose. Situations must be avoided where judgment might be influenced by, or appear to be influenced by, such unlawful or unethical behaviour. Payment or acceptance of any "kickbacks" from a contractor or other external party is strictly prohibited.

Subject to the restrictions and limitations set out above, VerticalScope Team Members may accept unsolicited gifts, other than money, that conform to the reasonable ethical practices of the marketplace, including flowers, fruit baskets and other modest presents that commemorate a special occasion and gifts of nominal value, such as calendars, pens, mugs, caps and t-shirts (or other novelty, advertising or promotional items). VerticalScope Team Members may not accept compensation, honoraria or money of any amount from entities with whom the Company does or may do business.

A VerticalScope Team Member may be required to discuss and disclose the details of any business courtesies received by him/her to their manager or a member of the executive team.

Employees who receive product(s) from suppliers for purposes of testing/reviewing such product(s) are required to disclose the item(s) received to their manager upon receipt, regardless of the value of such product(s), if such product(s) may not be returned to the supplier(s).

### **4 OUTSIDE ACTIVITIES**

Employees of the Company shall disclose to, and where applicable, seek the approval of, their manager or the Director of Human Resources prior to accepting or engaging in any supplementary or additional employment or engagements outside of his/her employment with VerticalScope, including board memberships, consulting engagements, and actively engaging in or carrying on a business that is not the business of VerticalScope.

### **5 INAPPROPRIATE USE OF STATUS**

VerticalScope Team Members shall not use their status with the Company to obtain personal gain from those doing or seeking to do business with the Company.

## **6 POLITICAL ACTIVITIES AND CONTRIBUTIONS**

The direct or indirect use of the Company's funds, goods or services as contributions to political parties, campaigns or candidates for election to any level of government requires approval of the chair of the Audit Committee of the Board.

All dealings between VerticalScope Team Members and public officials are to be conducted in a manner that will not, and will not appear to, compromise the integrity or impugn the reputation of any public official or the Company.

## **7 RELATIONSHIPS WITH CUSTOMERS AND OTHERS**

The day-to-day operations of the Company require the co-operation and continuing goodwill of regulatory authorities, provincial and federal governments and other authorities and agencies. It is essential that relationships with suppliers, governments, regulators, shippers, customers, partners, the general public and other stakeholders are, and are perceived to be, honest, fair, courteous, respectful and conducted with integrity and with due regard for the protection of the other interests involved. The Company will strive towards meaningful and transparent consultation with stakeholders and, as a good corporate citizen, will strive to integrate its corporate activities with local communities and stakeholder groups so that they may benefit from the Company's presence.

## **8 CONFLICTS OF INTEREST**

VerticalScope Team Members who become involved in a situation in which their personal interests conflict or might conflict with their duties to the Company must immediately report the situation to their direct supervisor, a member of the Human Resources team or a senior executive officer or, in the case of senior executive officers or directors, to the chair of the Nominating and Governance Committee of the Board.

VerticalScope Team Members have an obligation to promote the best interests of the Company at all times. They should avoid any action which may involve a conflict of interest with the Company. VerticalScope Team Members should not have any undisclosed or unapproved financial or other business relationships with suppliers, customers or competitors that might impair the independence of any judgment they may need to make on behalf of the Company. Conflicts of interest would also arise if a director, officer, employee or consultant, or a member of his or her family, receives improper personal benefits as a result of his or her position with the Company.

VerticalScope Team Members should also avoid apparent conflicts of interest, which occur where a reasonable observer might assume there is a conflict of interest and, therefore, a loss of objectivity in their dealings on behalf of the Company. For example, no VerticalScope Team Member can be under the direct supervision of a relative or own or have a significant interest in a business that supplies products or services to the Company, or that competes with the Company's business.

Where conflicts of interest arise, VerticalScope Team Members must provide full disclosure of the circumstances and not be involved in any related decision-making process.

## **9 ACCURACY OF CORPORATE RECORDS AND REPORTING**

The books and records of VerticalScope must reflect in reasonable detail all of its business transactions in a timely, fair 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 and transactions must be supported by accurate documentation

in reasonable detail and recorded properly. Documents or records shall never be altered or destroyed so as to hide the documents or an individual's actions.

No information may be concealed from the Company's external auditors, the senior officers of the Company, the Board or any committee thereof. In addition, it is illegal to fraudulently influence, coerce, manipulate or mislead an external auditor who is auditing the Company's financial statements.

Business records and communications often become public through legal or regulatory investigations or the media. This applies to email, voicemail or memos and hence all directors, officers, employees and consultants should avoid recording inappropriate notes or comments that would embarrass them or the Company, should they be made public.

## **10 INSIDER TRADING**

VerticalScope Team Members must strictly adhere to the terms outlined in the Company's Insider Trading Policy to ensure compliance with Applicable Laws governing trading in securities of the Company while in possession of material non-public information concerning the Company and tipping or disclosing material non-public information to outsiders and to avoid embarrassment by preventing the appearance of improper trading or tipping.

As a publicly traded entity, the Company has an obligation to comply with Applicable Laws relating to disclosure of material information under the relevant Canadian securities legislation and the standards, rules, policies and guidance of the stock exchange(s) on which the Company's securities are listed.

Speculation in business, shares and other securities, land or other ventures of any kind on the basis of confidential information obtained in the course of a VerticalScope Team Member's duties with the Company is prohibited. This includes, but is not limited to, shares or securities of any company which the Company is evaluating or is studying as a possible acquisition or joint venture partner or with whom a material contract may be concluded. Use or disclosure of such information may result in civil or criminal penalties, for both the individuals involved and the Company.

## **11 OWNERSHIP, PROTECTION AND PROPER USE OF ASSETS**

VerticalScope Team Members are involved in leading edge and technically advanced forward-thinking work which could result in new inventions and discoveries. VerticalScope encourages employees to utilize their expertise and talent to assist the Company in reaching its long-term business goals. It is important that employees and consultants of the Company understand that, unless specifically excepted in the terms of employment or engagement, the work that they produce in service to the Company is the sole and exclusive property of the Company. This includes, but is not limited to, writings, works of authorship, technology, inventions, discoveries, processes, techniques and methods that are created and prepared by such person individually or jointly with others during the period of his or her employment in the case of employees, the term of the consulting contract with the Company in the case of consultants and during their term as directors or officers in the case of directors and officers of the Company.

In addition, each VerticalScope Team Member is entrusted with Company assets that they must protect from loss, damage, misuse or theft. The Company's assets may only be used for legitimate business purposes and may never be used for illegal purposes. The obligation to protect the Company's assets is not limited to physical assets but extends to proprietary information. Proprietary information includes any information that is not generally known to the public, would be helpful to the Company's competitors or harmful to the Company's competitive positions.

All VerticalScope Team Members are responsible for protecting the Company's assets, and managers are specifically responsible for establishing and maintaining appropriate internal controls to safeguard the Company's assets against loss from unauthorized use or disposition.

## **12 CONFIDENTIALITY**

VerticalScope Team Members shall maintain the confidentiality of information entrusted to them by the Company and its customers, suppliers and partners, except when disclosure is expressly authorized or legally required. Confidential information includes any proprietary information and any information that is not generally known to the public, would be helpful to the Company's customers, suppliers and partners' competitors or harmful to the Company's customers, suppliers and partners' competitive positions.

## **13 HUMAN RIGHTS IN THE WORKPLACE**

The Company is committed to providing a workplace free of harassment, violence and discrimination. All VerticalScope Team Members are expected to foster a respectful work environment that adheres to the requirements of applicable human rights law and related workplace legislation. The Company will not tolerate acts of discrimination based on age, ancestry, colour, race, citizenship, ethnic origin, creed, disability, family status, marital status, gender, sex, sexual orientation or any other ground of discrimination prohibited by law. The Company and VerticalScope Team Members are all responsible for contributing to a workplace and harboring relationships where mutual respect, civility and cooperation are the norm. The Company does not tolerate, ignore or condone comments, conduct, actions, gestures or any other behaviour that would be reasonably be considered to create an intimidating, humiliating, hostile or offensive work environment.

## **14 PRIVACY PRACTICES**

The Company is committed to protecting the privacy and security of VerticalScope Team Member's personal information. VerticalScope collects and maintains personal information relating to and for purposes of administrating the relationship between VerticalScope Team Members and the Company (including for payroll, benefits, internal reporting and equipment distribution). Access to such information is restricted to those individuals on a need-to-know basis. VerticalScope Team Members with access to employee information are required to ensure strict confidentiality is maintained, ensure that such information is kept secure, and take proper safeguards to prevent any unauthorized access, use or disclosure. The Company may share personal information with third parties only (i) where required by law, if approved by the applicable VerticalScope Team Member, (ii) if required to administer the employment or engagement relationship with the VerticalScope Team Member, (iii) during emergencies or where necessary to protect the safety of other persons or such VerticalScope Team Member, (iv) where the personal information is publicly available, and (v) in connection with a strategic transaction, business transfer or change in ownership of the Company.

## **15 WAIVER OF THE CODE**

Any waiver of this Code for directors or officers may be made only by the Board, who will consider whether such waiver constitutes a material departure from the Code. If any waiver from the Code by directors or officers is determined to constitute a material departure from the Code, the Board will additionally consider whether the granting of such waiver constitutes a "material change" (as such term is defined under applicable securities laws).

Any waiver of this Code in respect of employees or consultants may be given by the CEO who shall report any such waivers given to the Board at its next meeting.

## **16 COMPLIANCE WITH THE CODE**

All VerticalScope Team Members are responsible for abiding by this Code. All VerticalScope Team Members are encouraged to report violations of this Code an executive officer or, in the case of non-compliance by an executive officer or director, to the chair of the Nominating and Governance Committee of the Board. Violations of this Code will result in the Company taking effective remedial action

commensurate with the severity of the violation. This action may include disciplinary measures up to and including immediate termination for cause in the case of an employee or officer or termination of the consulting contract in the case of a consultant and, if warranted, the initiation of appropriate legal proceedings. If determined appropriate, a matter may also be referred to the appropriate authorities for investigation and prosecution.

The Company does not support or tolerate acts of retaliation, including demotion, discharge, discipline, discrimination, harassment, suspension or threats, against any VerticaScope Team Member who makes a good faith report of known or suspected acts of misconduct or other violations of this Code.

This Code is not intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, other security holders, customers, suppliers, competitors, employees or other persons or to any other liability whatsoever on their part.

## **17 AMENDMENT**

The Board may, from time to time, review and amend the Code.

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**Exhibit "A"**

**Acknowledgement of Receipt and Understanding for NEW VerticalScope Team Members**

I, (insert name) \_\_\_\_\_ hereby acknowledge having read the Code of Ethics and Business Conduct (the "**Code**") of VerticalScope Holdings Inc. (including any of its subsidiaries, the "**Company**") and I fully understand its provisions and will comply with the Code and all other policies of the Company at all times and in all respects.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Exhibit "B"**

**Acknowledgement of Receipt and Understanding for EXISTING VerticalScope Team Members**

I, (insert name) \_\_\_\_\_ hereby acknowledge having read the Code of Ethics and Business Conduct (the "**Code**") of VerticalScope Holdings Inc. (including any of its subsidiaries, the "**Company**") and I fully understand its provisions. I have not violated the provisions of the Code and, after due enquiry, am not aware of any violations of the Code by other persons within my area of responsibility. I will comply with the Code and all other policies of the Company at all times and in all respects.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date