



## **CODE OF BUSINESS ETHICS**

### **INTRODUCTION**

#### **Application**

This Code of Business Ethics (the “Code”) applies to all employees, officers and directors (collectively, “employees”) of BluMetric Environmental Incorporated (the “Company”).

#### **Employee Obligations**

The provisions of this Code are mandatory, and full compliance is expected under all circumstances. The Code affirms the commitment of the Company to uphold high ethical standards and to specify the basic norms of behaviour for those who are involved in representing the Company.

Employees should use this Code as a tool to provide direction and assistance in their business conduct in representing the Company. Where an employee has any doubts or questions concerning any of the principles set forth in this Code, he or she should seek advice as indicated below.

When considering their own conduct, employees should also be guided by some basic questions they can ask themselves, such as:

- Can I justify this action?
- Are my actions legal? Ethical?
- How would my actions appear if published on the front page of a newspaper?
- Would disclosure of my involvement in this situation be embarrassing to myself, my family, or the Company?

This Code does not, nor could it, address all forms of business conduct or employee activity. The matters expressly dealt with are indicative of the Company’s commitment to the maintenance of high standards of conduct and are to be considered prescriptive of the type of behaviour expected from employees in all circumstances. Employees are therefore expected to comply with the spirit and intent of this Code and to make themselves aware of, and comply with, relevant laws, Company policies and other standards governing their conduct.



## **Contractors**

All contractors engaged on behalf of the Company shall undertake, as a condition of their engagement, to adhere to principles and standards of business conduct consistent with those set forth in this Code.

## **No Right to Employment**

While the provisions of this Code are part of the terms and conditions of employment of all employees, the Code does not constitute a contract of employment or any assurance of continued employment.

## **Accountability**

Failure to comply with the Code can have severe consequences for both the employee and the Company. Appropriate discipline, up to and including dismissal, will be imposed by the Company for violations of the Code. Furthermore, conduct that violates the Code may also violate federal or provincial law and can subject both the Company and the employee to prosecution or other legal actions. The principles set forth in this Code are conditions of each employee's engagement with the Company. Employees continue to be bound by these conditions, as revised from time to time to reflect changes in business or organization. Any employee who does not comply with these conditions will be subject to the consequences set out above. The Company's senior officers and other managers are responsible for monitoring compliance with the Code within their respective areas of responsibility.

## **Approval and Reporting to the Board of Directors and the Corporate Governance and Nominating Committee**

The Code has been approved by the Board of Directors (the "Board"). The Office of the Corporate Secretary shall report periodically to the Board on the distribution and communication of this Code. Management shall also report periodically on issues relating to compliance with the Code to the Corporate Governance and Nominating Committee and, as necessary, to the Board.

## **Assistance and Reporting of Violations**

Any employee needing help or information concerning the Code may contact his or her manager or the Human Resources Department.

### **1. COMPLIANCE WITH LAWS**

**The Company and its employees shall comply fully with all legal requirements, domestic and foreign, applicable to the Company's business.**



Many of the Company's business activities are subject to complex and changing legal requirements. Employees must ensure that they are aware of the laws, rules and regulations governing the Company's business activities and that their conduct does not contravene these legal requirements.

## **2. CONFLICTS OF INTEREST**

### ***a) Personal Interests***

**Employees must avoid all actual or perceived conflicts of interest between their personal interests and their duties to the Company.**

Business decisions must be made in the best interest of the Company, not motivated by personal interest or gain. A conflict of interest arises when an employee's personal or private interest interfere, or appear to interfere, with their objectivity, judgment or ability to act in the best interest of the Company. A conflict of interest situation can arise when an employee, a member of his or her family, or someone who has a close personal relationship with the employee receives improper personal benefits as a result of the employee's position in the Company, regardless of whether such benefits are received from the Company or a third party. Loans to, or guarantees of obligations of, an employee, his or her family members or others with whom the employee has a close personal relationship are of special concern. In addition, interest or participation by employees in activities that may deprive the Company of the time or attention required to perform their duties or that may create an obligation or distraction that would affect their judgment or ability to act solely in the Company's best interests should be avoided.

In certain instances, ownership or other participation in a competing or complementary business enterprise by the employee, a member of his or her family, or someone who has a close personal relationship with the employee might create, or appear to create, such a conflict. Employees are required to disclose in writing to their managers all business, commercial and financial interests or activities that might reasonably be regarded as creating an actual or potential conflict with their duties of employment.

Employees must not attempt, directly or indirectly, to use their position in the Company to influence the bidding process or negotiating of contracts in any way.

Employees must ensure that actions taken and decisions made are free from the influence of any interest that might reasonably be regarded as conflicting with those of the Company and that their conduct can withstand close scrutiny.

If personal financial or other benefit is improperly gained by an employee, directly or indirectly, as a result of his or her employment or by the use or misuse of the Company's assets or property or of information that is confidential or proprietary to the Company, then the



employee will be subject to the consequences of breaching this Code, must account to the Company for any benefit received, and may be subject to criminal or other legal action.

### ***b) Gifts and Entertainment***

**Employees shall not provide, directly or indirectly, on behalf of the Company, expensive gifts or excessive entertainment or other benefits to other persons.**

The provision of expensive gifts or excessive entertainment or other benefits to other persons may also create, or be perceived to create, a conflict of interest situation. Such benefits can take many forms and include both tangible and intangible items. Employees whose duties permit them to do so may provide reasonable gifts, favours and entertainment to persons if all the following conditions are met:

- They are not in cash or other negotiable instruments;
- They cannot reasonably be interpreted as a bribe, payoff or other improper payment;
- They are made as a matter of general and accepted business practice;
- They do not contravene any law and are made in accordance with generally accepted ethical principles;
- If subsequently disclosed to the public, their provision would not in any way embarrass the Company or their recipients; and
- Proper accounting of the expenses is made.

### ***c) Personal Gain***

**Employees shall not use their employment status to obtain personal gain from those doing or seeking to do business with the Company.**

Seeking or accepting gifts, payments, services, fees, special privileges, pleasure or vacation trips or accommodations, loans (including guarantees, but excluding those loans which are on conventional terms and are from persons in the business of lending) or any other item of value from any person, organization or group that does, or is seeking to do, business with the Company, or from a competitor, may also create, or be perceived to create, a conflict of interest situation.

Employees should never seek such items, either for themselves or a family member or someone with whom they share a close personal relationship, and employees may accept for themselves or such other individuals only reasonable gifts, favours or entertainment where standards consistent with the conditions relating to the provision of gifts set out in Subsection 2 b) are met.



### 3. CORPORATE OPPORTUNITIES

**Employees owe a duty to the Company to advance its legitimate interest when the opportunity to do so arises.**

Employees are prohibited from taking for themselves personally opportunities that properly belong to the Company or are discovered through the use of the Company's property, information or position. Employees must not use corporate property, information or position for personal gain or compete with the Company.

### 4. DEALINGS WITH PUBLIC OFFICIALS

**All dealings between employees of the Company and public officials are to be conducted in a manner that will not compromise the integrity or reputation of any public official or the Company.**

Even the appearance of impropriety in dealing with public officials, whether domestic or foreign, is unacceptable. Any participation, whether direct or indirect, in any bribes, kickbacks, illegal gratuities, indirect contributions or other similar payments is forbidden, regardless of the effect they might have on the business interests of the Company.

### 5. POLITICAL CONTRIBUTIONS

**The use of the Company's funds, goods or services as contributions to political parties, candidates or campaigns is forbidden, unless authorized by the Chief Executive Officer within the guidelines established by the Board.**

Contributions include money or anything having value, such as loans, services, entertainment, trips and the use of Company facilities or assets. Further, employees are not to be reimbursed for any political contributions which they might make on their own behalf.

### 6. PROHIBITION AGAINST FRAUD

**Fraudulent activity of any kind is strictly prohibited.**

Fraudulent activity includes, but is not limited to, any act to defraud the Company, or any of its employees, customers, agents or other persons or entities with whom/which it has dealings, of money or property or any other thing or right. In addition to applicable legal penalties or prosecution, any employee who engages in fraudulent activity will be subject to disciplinary action up to and including dismissal.



## 7. DISCLOSURE, INSIDER TRADING AND CONFIDENTIALITY

### *a) Disclosure*

**Employees shall not use for their own financial gain or disclose for the use of others inside information obtained as a result of their employment with the Company.**

Employees may, in the course of their employment with the Company, have access to, or knowledge about, confidential information that an investor might consider important in deciding whether to buy, sell or hold securities of the Company, or which would reasonably be expected to have an effect on the market price or value of the Company's securities. Information may be important for this purpose even if it would not alone determine the investor's decision. All such information is considered material, and the disclosure of it is illegal, except in accordance with applicable securities laws.

Examples of some types of material information are: financial results; financial forecasts; changes in dividends; new securities issues; possible mergers, acquisitions, divestitures, joint ventures and other purchases and sales of or investments in companies; gaining or losing important contracts; significant discoveries; important product developments; major litigation developments; major changes in business direction; and major labour disputes.

The improper disclosure of material, non-public information can cause very serious legal consequences not only for the Company, but also for the employee making the disclosure and the person to whom any disclosure is made. Employees should not discuss material, non-public information with any other employees except on a "need-to-know" basis (i.e. the recipient requires the information in order to perform his or her employment function at the Company). Disclosure of such matters to other employees except on a "need-to-know" basis or to any persons not employed by the Company for any reason is prohibited unless approval is first obtained from senior management. Notwithstanding the foregoing, employees who become aware of material information or material changes in the Company's affairs that may not be known to senior management should promptly and confidentially communicate such matters to senior management, so that decisions can be made on a timely basis regarding public disclosure in accordance with applicable law.

### *b) Insider Trading*

**No employee shall engage in insider trading.**

No employee may buy or sell shares or other securities of the Company or exercise any put or call options or other rights to purchase or sell, or tip someone else to purchase or sell or to not purchase or sell, securities of the Company while in possession of material information relating to the Company that has not been generally disclosed to the public. The same prohibitions shall apply to all Company employees with respect to any other publicly traded entity about



which the employee is in possession of non-public material information by virtue of his or her employment at the Company. Insider trading and tipping are illegal and can have serious consequences for both the Company and individual employees. Apart from any disciplinary action that may be taken by the Company, they may also result in criminal prosecution.

### ***c) Confidentiality***

**Employees shall not, without proper authorization, reveal any information concerning matters which are considered by the Company to be confidential.**

Confidential information is any information that has not been made available to the public. It includes material non-public information of the kind discussed under Subsection 7 a) of this Code, as well as any other information that provides insight into the Company's current or anticipated business activities. It also includes important non-public information about firms or individuals with which the Company has dealings, including customers and suppliers. In some cases the disclosure of such information might violate the private or contractual rights of individuals or other enterprises or institutions.

Unless required by law, employees are prohibited from discussing or disclosing such confidential information internally or externally, except as prescribed under Subsection 7 a) or, in the case of other types of confidential information, unless the discussion or disclosure has been authorized by an appropriate senior officer of the Company given the subject matter to the information in question. This prohibition extends not just to all of the Company's records, reports, papers, devices, processes, plans, methods, apparatus and other forms of information but also to such information of or about others to which the Company has been permitted access.

Employees must also be aware that the responsibility for maintaining the confidentiality of information continues outside of the workplace. Employees should not discuss confidential matters in public places, such as elevators, public transportation (including airplanes) or restaurants.

Employees shall comply with the legal requirements relating to records retention and with the Company's Information, Security and Controls Policies and Standards.

## **8. ACCOUNTING AND INTERNAL CONTROLS**

**Employees shall comply with the Company's internal controls and accounting policies.**

The Company's internal controls are comprised of the corporate policies and procedures, financial and otherwise, designed to safeguard the Company's assets and ensure the integrity of accounting data and information on which business decisions are based. They are an essential part of accounting and the foundation of good business practice. They are also essential in preventing fraud, inefficiency and waste and assist in ensuring that the information



the Company conveys to its shareholders and potential investors about its business is accurate, complete, balanced and timely.

All transactions shall be authorized and executed in accordance with applicable Company policies and management delegations and recorded as necessary to permit the accurate preparation of financial statements and to maintain accountability for the assets of the Company. The Company's books and records shall reflect in an accurate, fair, and timely manner the transactions and disposition of assets of the Company. All funds and assets are to be recorded and disclosed in accordance with Company accounting policies.

The use of the Company's funds or assets for any unlawful or improper purpose is strictly prohibited, and those responsible for the accounting and record-keeping functions are expected to be vigilant in ensuring enforcement of this prohibition. Alteration of the Company's books or records or making false entries in books or records may constitute fraud and is subject to disciplinary action, up to and including dismissal, as well as criminal or other legal prosecution.

Employees must also comply with all Company policies relating to personal expenses incurred in the course of doing business on the Company's behalf.

## **9. RESPECTFUL WORKPLACE**

**Employees must ensure a work environment free of discrimination, harassment, and violence, in which individuals are accorded equity in employment processes, procedures and practices based on merit and ability.**

The Company is committed to providing and maintaining a work environment that supports the dignity of all individuals and will make every effort to ensure that no one at the Company is subjected to sexual or other forms of personal harassment or violence in the workplace. Such conduct will not be tolerated at any level.

The Company is also committed to the principles of diversity and employment equity. Company employees must strive to create and support an inclusive work environment that meets government-legislated requirements and respects and values the contributions of all employees and their individual differences. The Company will accommodate physical, mental and learning disabilities, religious requirements and certain personal circumstances in accordance with applicable law and Company policies.

Discriminatory practices based on prohibited grounds enumerated in applicable law and Company policies, including race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, family status, veteran status, disability, or conviction for which a pardon has been granted will not be tolerated. Discrimination and violent conduct against





suppliers, consultants, customers and other members of the public with whom the Company does business are also prohibited.

Decisions concerning hiring, promotion, retention, training, development and compensation are to be based on the ability, skill, knowledge and experience required to perform the job. Family or personal relationship should in no way be taken into consideration when determining an individual's suitability for a position. Applicants who have a family or personal relationship with anyone who has or had an employment relationship with the Company will be considered solely on their own merits. Persons involved in the selection process who have a conflict of interest should excuse themselves from the process.

All supervisory decisions involving an employee with whom a supervisor has a family or personal relationship that could lead to a real, potential or apparent conflict of interest must be referred to another supervisor or the next level of management. These decisions include promotions, salary increases, work assignments, training/development and overtime opportunities and performance appraisals.

#### **10. PRIVACY PROTECTION**

**The Company and its employees have a duty to protect the privacy of personal information.**

The protection of personal information is mandated by law. Employees shall protect the privacy of, and handle, personal information about employees of the Company and other individuals with whom it has dealings, in accordance with Company policies and applicable law.

#### **11. ENVIRONMENTAL PROTECTION**

**The Company and its employees shall treat the protection of the environment as an integral factor in all business activities.**

All employees shall conduct the affairs of the Company with a sincere, balanced and proper regard for the environment. This environmental ethic is part of the Company's business culture.

The Company will strive to be a good and responsible corporate citizen with proper regard for the public interest. Environmental and other legitimate social objectives shall be taken into account and balanced against other Company objectives in establishing policies and in the conduct of daily affairs. Environmental decisions will be predicated on the best available scientific and technical information and will be considered an integral factor in all business decisions.



## 12. COMPETITION AND FAIR DEALING

**The Company shall compete vigorously and creatively in its business activities, but its efforts in the marketplace shall be conducted in a fair and ethical manner in strict compliance with applicable competition and business practices laws and regulations.**

Under no circumstances should any employee of the Company participate in, or knowingly assist others in, conduct which is in violation of competition or business practices laws and regulations of any jurisdiction in which the Company does business. Prohibited activities include, but are not limited to:

- Agreements or activities with competitors that directly or indirectly affect prices or lessen competition in one or more markets;
- Agreements with one or more competitors not to buy from a supplier or sell to a customer; and
- Making facilitation payments or paying kickbacks.

In addition, employees must keep in mind that there are many different kinds of competition and business practices issues that can arise in the Company's business activities. Where an employee believes that such issues may exist, he or she should seek advice from legal counsel before proceeding.

In addition, all employees shall endeavour to deal fairly with the Company's customers, suppliers, competitors and other 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.

## 13. PROHIBITION AGAINST RETALIATION

**No retaliatory action shall be taken against an employee in respect of "whistleblowing".**

Neither the Company, nor any of its employees, contractors, subcontractors or agents may discharge, discipline, demote, suspend, threaten, harass, or in any other manner discriminate or retaliate against or penalize an employee:

- a) for making a good-faith report of violations of this Code or other illegal or unethical conduct; or
  - b) because of any lawful act done by the employee:
- to provide information, cause information to be provided, or otherwise assist in an investigation regarding any conduct the employee reasonably believes constitutes a legal, regulatory or similar violation, including a violation of any laws regarding



fraudulent conduct any rules or regulations applicable to the Company, when the information or assistance is provided to, or the investigation is conducted by, a regulatory or law enforcement agency or government body, including any member or committee or any legislation having jurisdiction with respect to the matter, or by a person with supervisory authority over the employee, or by such other person working for the Company who has the authority to investigate, discover, or terminate misconduct; or

- to file, cause to be filed, testify, participate in, or otherwise assist in a proceeding filed or about to be filed relating to an alleged legal, regulatory or similar violation, including a violation of any laws regarding fraudulent conduct and any rules or regulations of any applicable regulatory body.

For the Company to effectively implement this policy, it is critical that all employees respond to and report any concerns about retaliatory behaviour (threatened or actual). If an employee believes that he or she has been subject to retaliation or threatened retaliation because he or she has taken any of the actions referred to above, the employee should report such conduct to his or her manager or the "Appropriate Authority" as defined in the Company's whistleblower policy (Ombudsman for HR matters, Board Chair or Corporate Counsel for financial/legal matters). The Company will investigate promptly any complaint of retaliatory or other improper behaviour. Complaints and investigations will be handled in a confidential manner, consistent with any corrective action that is taken by the Company.

Employees should be aware that they personally may be subject to criminal liability if they retaliate against an individual because that individual provided truthful information to a law enforcement official regarding the commission or possible commission of a federal offence.

#### **14. PERSONAL LOANS**

**The Company's directors and executive officers may not receive personal loans from the Company.**

Subject to any exemptions provided by law, the Company shall not directly or indirectly extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any directors or executive officers

#### **15. USE OF ASSETS**

**Employees must protect the Company's assets and ensure their proper and efficient use.**

All of the Company's assets shall be used efficiently and for proper corporate purposes. In addition, subject to legal and regulatory requirements, the Company will protect and maintain the confidentiality, integrity and availability of its information assets by creating a safe and



secure environment for processing, handling, storing and transmitting Company information. The Company's information and other assets shall not be used for any activity that would expose the Company to liability, that would contravene any Company policies, including policies relating to business ethics, discrimination, harassment or privacy, or that would pose a risk to the Company's security.

**16. AMENDMENTS AND WAIVERS**

**Amendments and waivers of the Code applicable to directors or executive officers may only be made by the Board or the Corporate Governance and Nominating Committee.**