

**DILI CAPITAL CORP**

# Code of Business Conduct and Ethics

20 March 2020

Version 0.1



# CODE OF BUSINESS CONDUCT AND ETHICS

## A. INTRODUCTION

Dili Capital Corp. ("DiliCapital" or the "Corporation") has adopted this Code of Business Conduct and Ethics (the "Code") to assist all employees, officers and directors (the "DiliCapital Representatives") of the Corporation and its subsidiaries to maintain the highest standards of ethical conduct in corporate affairs. This Code is intended to comply with applicable Canadian Law requirements. Specifically, the purpose of this Code is to encourage among DiliCapital Representatives a culture of honesty, accountability, and fair business practice. Each DiliCapital Representative must adhere to this Code and cooperate fully in any investigations initiated by DiliCapital under this Code or by securities regulators or other competent legal authorities.

## B. ADMINISTRATION

The Board of Directors of the Corporation (the "Board") is ultimately responsible for the implementation and administration of this Code and has designated the Chief Compliance Officer of DiliCapital (the "Compliance Officers") for the day-to-day implementation and administration of this Code. From time to time, the Board may change this designation and may also designate one or more Assistant Compliance Officers to fill in at times when the Compliance Officers may be otherwise unavailable, such as during their vacation. The Board's current designations, together with contact information, are set out in Schedule "A" to this Code. DiliCapital Representatives should direct questions concerning this Code to one or both of the Compliance Officers.

While this Code is designed to provide helpful guidelines, it is not intended to address every situation. Dishonest or unethical conduct or conduct that is illegal will constitute a violation of this Code, regardless of whether such conduct is specifically referenced in this Code. DiliCapital Representatives should conduct their business affairs in such a manner that the Corporation's reputation will not be impugned if the details of their dealings should become a matter of public discussion. DiliCapital Representatives shall not engage in any activity that adversely affects the reputation and integrity of DiliCapital.

It is not intended that there be any waivers granted under this Code. In the unlikely event that a waiver is considered, to be granted, it must receive the prior approval by the Board (or a Board committee). Any waiver or amendment will be disclosed promptly, if required, under applicable laws and DiliCapital's Disclosure Policy.

DiliCapital will take such disciplinary or preventive action as it deems appropriate to address any existing or potential violation of this Code brought to its attention. Any DiliCapital Representative in a situation that he or she believes may violate or lead to a violation of this Code should follow the reporting procedures described in the section entitled "Reporting of Violations Procedure" below.

### **C. OVERVIEW**

It is the policy of DiliCapital to apply high standards of courtesy, professionalism, and honesty in its interactions with, among others, shareholders, customers, suppliers, co-workers, and the community. This Code governs the business-related conduct of all DiliCapital Representatives, including, but not limited to, the Chief Executive Officer and the Chief Financial Officer and all other directors, officers and employees of DiliCapital.

### **D. COMPLIANCE WITH LAWS**

A variety of laws apply to DiliCapital and its operations. It is DiliCapital's policy to comply with all applicable laws, including employment, discrimination, health, safety, antitrust, securities, banking and environmental laws. Each DiliCapital Representative has a duty to know, understand and comply with all such laws.

### **E. CONFLICTS OF INTEREST**

DiliCapital Representatives are expected to make or participate in business decisions and actions in the course of their relationship with the Corporation based on the best interests of DiliCapital and not based on personal relationships or benefits. A conflict of interest, which can occur or appear to occur in a wide variety of situations, may compromise a DiliCapital Representative's ability to act ethically.

Generally speaking, a conflict of interest occurs when the personal interest of a DiliCapital Representative, an immediate family member of a DiliCapital Representative or a person with whom a DiliCapital Representative has a close personal relationship interferes with or has the potential to interfere with, the interests or business of the Corporation. A conflict of interest could make it difficult for a DiliCapital Representative to perform corporate duties objectively and effectively because he or she is involved in a competing interest.

Conflicts of interest may arise in several ways and may include the following categories or situations. However, a conflict of interest can occur in a variety of situations.

- A personal interest in a proposed business transaction involving DiliCapital or in a business activity also conducted by DiliCapital;
- Use of DiliCapital's name in connection with outside political, charitable or other business activities;
- For a DiliCapital Representative or an immediate family member of a DiliCapital Representative to seek or accept from, or to offer or provide to, a third party (individual, client, broker, trustee or a bank, financial institution or company representative doing or seeking to do business with DiliCapital) services, payments, excessive entertainment and travel, vacation or pleasure trips, any gift of more than nominal value, or gifts of money in any amount;

- For a DiliCapital Representative or an immediate family member to have any interest, direct or indirect, in any organization which has business dealings with DiliCapital, if such interest would be likely to affect adversely wither the person's ability to exercise independent professional judgment on behalf of DiliCapital or the quality of such person's work;
- For a DiliCapital Representative to serve as an officer, director, employee or consultant of another company or organization which is a competitor of DiliCapital or which is doing or seeking to do business with DiliCapital except that, with the knowledge and consent of the Board, such DiliCapital Representative may serve as a director of a corporation which is doing business with DiliCapital where no competitive situation is present; and
- For a DiliCapital Representative to use or reveal, without authorization, to a third party, any confidential product information, data on decisions, plans, financial data, or any other information concerning DiliCapital which might be prejudicial to the interest of DiliCapital.

DiliCapital Representatives must be able to recognize any situation that may raise conflict of interest issues. Any DiliCapital Representative who becomes aware of a conflict or potential conflict should bring it immediately to the attention of the Compliance Officers and/or the Board, following the procedures described in the section entitled "Reporting of Violations Procedure". If a DiliCapital Representative is uncertain as to whether a conflict of interest exists or could arise, the matter should be discussed with the Compliance Officers. Where there is still uncertainty, the Compliance Officer(s), with the Board, will determine whether a conflict of interest exists and what steps should be taken to address it.

#### **F. INVENTIONS, BOOKS, AND PUBLICATIONS**

DiliCapital Representatives must receive written permission from the Board before developing, outside of DiliCapital, any products, software or intellectual property that may be related to DiliCapital's current or potential business.

#### **G. BRIBERY AND OTHER IMPROPER PAYMENTS**

No DiliCapital Representative may, directly or indirectly, give, offer, demand, solicit or accept a bribe to or from anyone in the course of conducting business on behalf of the Corporation, including obtaining or retaining business, or for any other advantage. Improper payments include, without limitation, any gift other than a nominal gift, gratuity, reward, advantage or benefit of any kind (monetary or non-monetary). For greater certainty, a third-party intermediary, such as an agent or family member, cannot be used to further any bribe or improper payment or otherwise violate the spirit of this Code.

DiliCapital may make corporate contributions to political parties or committees or individual politicians only in accordance with applicable law and all such payments must be reported to the Board.

#### **H. PUBLIC DISCLOSURE**

DiliCapital has an obligation in compliance with applicable laws to make full, fair, accurate, timely and understandable disclosure in its financial records and statements, in reports and documents that it files with or submits to securities regulatory authorities and in its public communications.

In furtherance of this obligation, each DiliCapital Representative in performing his or her duties

shall act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated, to ensure that to the best of his or her knowledge DiliCapital's books, records, accounts, and financial statements are maintained accurately and in reasonable detail, appropriately reflect DiliCapital's transactions, are honestly and accurately reflected in its publicly available reports and communications and conform to applicable legal requirements and DiliCapital's system of internal controls, including DiliCapital's Disclosure Policy.

## **I. HANDLING OF CONFIDENTIAL INFORMATION**

In addition to the general restrictions regarding material non-public information outlined in DiliCapital's Disclosure Policy, DiliCapital Representatives should observe the confidentiality of information that they acquire under their relationship with DiliCapital, including information concerning DiliCapital and its customers, suppliers and other DiliCapital Representatives, except where disclosure is approved by an executive officer of DiliCapital or otherwise legally mandated. Also, DiliCapital Representatives must safeguard proprietary information, which includes information that is generally known to the public and has commercial value in DiliCapital's business. Proprietary information includes, among other things, business methods, analytical tools, software programs, source and object codes, trade secrets, ideas, techniques, inventions (whether patentable or not) and information relating to economic analysis, designs, algorithms, and research. It also includes information relating to marketing, pricing, clients, and terms of compensation for DiliCapital Representatives. The obligation to preserve proprietary information continues even after service with the Corporation ends.

## **J. USE OF DILICAPITAL ASSETS**

DiliCapital assets, including facilities, funds, materials, supplies, time, information, intellectual property, software, corporate opportunities and other assets owned or leased by DiliCapital, or that are otherwise in DiliCapital's possession, may be used only for legitimate business purposes of DiliCapital. DiliCapital assets are not to be misappropriated, loaned to others, donated, sold or used for personal use, except for any activities that have been approved in writing by the Board in advance, or for personal usage that is minor in amount and reasonable. DiliCapital Representatives are to report any theft or suspected theft by following the procedures described in the section entitled "Reporting of Violations Procedure". No DiliCapital Representative should knowingly invoke a program or code that could damage DiliCapital's assets.

## **K. FAIR DEALING**

Each DiliCapital Representative should deal fairly and in good faith with other DiliCapital Representatives, security holders, customers, suppliers, regulators, business partners, and competitors. No DiliCapital Representative may take unfair advantage of anyone through manipulation, concealment, misrepresentation, inappropriate threats, fraud, abuse of confidential information or any other intentional unfair dealing practice.

## **L. HEALTH AND SAFETY**

DiliCapital strives to provide each DiliCapital Representative with a safe and healthy work environment. While every attempt is made to meet and exceed the health and safety requirements for each jurisdiction it is each DiliCapital Representative's responsibility to help in this effort by following all safety and health rules and practices and promptly reporting accidents, injuries and

unsafe equipment, practices and conditions. Violence and threatening behavior will not be tolerated. DiliCapital Representatives should report to work in condition to perform their duties, free from the influence of illegal drugs or excessive alcohol. The use of illegal drugs or excessive alcohol in the workplace will not be tolerated.

## **M. DISCRIMINATION AND HARASSMENT**

DiliCapital is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate illegal discrimination or harassment of any kind. Examples of conduct that will not be tolerated include derogatory comments based on racial, ethnic or religious characteristics and unwelcome sexual advances or comments.

## **N. REPORTING OF VIOLATIONS PROCEDURE**

DiliCapital Representatives have a duty to report any contravention of this Code that comes to their attention and to co-operate in any investigation relating to possible breaches of this Code. Any DiliCapital Representative who becomes aware of any violation of this Code must report it to the Compliance Officers and/or the Board.

## **O. COMPLIANCE**

All DiliCapital Representatives have a responsibility to understand and follow this Code. Besides, all DiliCapital Representatives are expected to perform their work with honesty and integrity in all areas not specifically addressed in this Code.

Records of all violations of this Code and the disciplinary action is taken will be maintained by the Compliance Officers and will be placed in the DiliCapital Representatives' personnel file.

Violations of this Code may result in a DiliCapital Representative being disciplined by DiliCapital. Discipline will depend on the circumstances and can including, but is not limited to:

- Oral or written warning or reprimand;
- Profits disgorged/losses assumed;
- Change in responsibilities or demotion;
- Suspension from employment;
- Termination; and/or
- Referral to regulatory and/or law enforcement authorities.

DiliCapital will notify and cooperate with the police or other governmental authorities regarding acts of DiliCapital Representatives involving violations of law. Also, some violations may result in DiliCapital bringing suit against employees or former employees to defend its rights vigorously.

## **P. COMMUNICATIONS**

DiliCapital strongly encourages dialogue among DiliCapital Representatives and their supervisors to make everyone aware of situations that give rise to ethical questions and to articulate acceptable ways of handling those situations. The Compliance Officers shall provide an annual report to the

Board on investigations and other significant matters arising under this Code, including any breach of this Code and the action taken in each situation.

**Q. RELATED DILICAPITAL POLICIES**

This Code should be read in conjunction with DiliCapital's other related policy documents, including the Whistleblower Policy and the Disclosure Policy. This Code supplements any contractual obligation any person may have under the terms of any agreements with the Corporation. This Code is not intended to create any contract (express or implied) with any person, including, without limitation, any employment or consulting contract, or to constitute any promise that a person's employment or consulting arrangement will not be terminated except for cause.

**R. APPROVAL**

This Code was approved and adopted by the Board on March 23rd, 2020. DiliCapital is committed to reviewing and updating its policies and procedures continuously. This Code may be revised, changed or amended at any time by the Board and amendment to this Code will be disclosed promptly to DiliCapital Representatives and will be disclosed publicly in accordance with applicable laws.



23rd March, 2020.

Name

Date



**SCHEDULE "A"**

The Board has made the following designation:

**Compliance Officer:**

