

CODE OF BUSINESS CONDUCT AND ETHICS

1. INTRODUCTION

Each director and officer owes Valeura Energy Inc. (the "**Corporation**") a fiduciary duty, including the obligation to act honestly and in good faith with a view to the best interests of the Corporation. This Code of Business Conduct and Ethics outlines a framework of guiding principles for directors, officers, employees and contractors of the Corporation and its subsidiaries.¹ As with any statement of policy, the exercise of judgment is required in determining applicability of this Code to each individual situation.

2. CONFLICTS OF INTEREST

- (a) Directors, officers, employees and contractors shall avoid situations that may result in a conflict or perceived conflict between their personal interests and the interest of the Corporation and situations where their actions as directors, officers, employees or and contractors are influenced or perceived to be influenced by their personal interests.
- (b) If directors, officers, employees or contractors perceived potential or apparent conflicts of interest arising from their responsibility to the Corporation, such conflict of interest shall be reported promptly in accordance with the procedures of the Code. The Corporation may direct directors, officers, employees or contractors to promptly terminate any relationship or interest that gives rise to a conflict of interest that cannot otherwise be resolved.
- (c) In general, a conflict of interest exists for those who use their position at the Corporation to benefit themselves, friends or families.
- (d) Full disclosure enables directors, officers, employees or and contractors to resolve unclear situations and gives an opportunity to dispose of conflicting interests before any difficulty arises.

3. COMPLIANCE WITH LAW

- (a) Each director, officer, employee and contractor must at all times comply fully with applicable law and should avoid any situation which could be perceived as improper, unethical or indicate a casual attitude towards compliance with the law.

¹ References to the Corporation in the Code of Conduct include the Corporation's subsidiaries, where applicable.

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- (b) Directors, officers, employees and contractors are expected to be sufficiently familiar with any legislation that applies to their directorship, office or employment and shall recognize potential liabilities, seeking legal advice where appropriate.

4. OUTSIDE BUSINESS INTERESTS

- (a) No director, officer, employee or contractor may hold a significant financial interest, either directly or through a relative or associate, or hold or accept a position as an officer or director in an organization in a relationship with the Corporation, whereby virtue of his or her position in the Corporation the director, officer, employee or contractor could in any way benefit the other organization by influencing the purchasing, selling or other decisions of the Corporation, unless that interest has been fully disclosed in writing to the Board.
- (b) A "significant financial interest" in this context is any interest in an organization that is substantial enough to yield a gain for the director, officer, employee or contractor as a result of decisions by the Corporation.

5. CONFIDENTIAL INFORMATION AND SECURITIES TRADING

- (a) Each director, officer, employee and contractor must comply with the Corporation's Confidential Information Policy, a copy of which is Appendix A to this Code.
- (b) Each director, officer, employee and contractor must comply with the Corporation's Insider Trading and Reporting Policy, a copy of which is Appendix B to this Code.

6. RETENTION AND DESTRUCTION OF RECORDS

Records should be retained or destroyed according to the Corporation's record retention policies or with the written approval or authorization of legal counsel in the absence of retention policies or practices dealing with the specific records. Directors, officers, employees and contractors must not alter, distort, conceal, or destroy any document, record, or object for the purpose of impeding or obstructing any investigation conducted by the Corporation or any government or regulatory agency.

7. ACCOUNTING AND AUDITING

- (a) The Corporation's books, records, accounts and financial statements must appropriately reflect its transactions, and include reasonable detail. These reports must also conform to applicable accounting and financial reporting standards as well as the Corporation's system of internal controls, including those contained in the Corporation's Anti-

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Corruption Policy Relating to Foreign Public Officials, a copy of which is Appendix C to this Code (the "**Anti-Corruption Policy**"). Officers, employees and contractors must ensure all transactions with which they are involved are authorized and executed in accordance with the Corporation's policies and procedures.

- (b) It is a contravention of the Code to fraudulently influence, coerce, manipulate, or mislead anyone engaged in the performance of an audit of the Corporation's financial statements.
- (c) Any employee or contractor who has concerns or complaints regarding questionable accounting or auditing matters should follow the guidelines in the Reporting of Inappropriate Activity Policy (see Tab 13).
- (d) If the employee or contractor submitting the concern or complaint requests confidentiality, including anonymity, this confidentiality will be protected to the extent permitted by and subject to applicable law.

8. ENTERTAINMENT, GIFTS AND FAVOURS

- (a) Directors, officers, employees and contractors may not offer or solicit gifts or favours in order to secure preferential treatment for themselves or the Corporation.
- (b) Gifts and entertainment may only be accepted or offered by a director, officer, employee or contractor in the normal exchanges common to established business relationships. An exchange of such gifts shall create no sense of obligation.
- (c) All gifts, entertainment or favours, whether being offered or accepted, which involve a "foreign public official" must comply with the Corporation's Anti-Corruption Policy. It must be noted, the term "foreign public official" is very broad and includes low-ranking employees of a government or a government controlled entity, such official's family members and political parties. A more comprehensive definition of "foreign public official" is contained in the Corporation's Anti-Corruption Policy, a copy of which is Appendix C to this Code.

9. IMPROPER PAYMENTS

- (a) The Corporation has a zero tolerance approach toward bribery and corruption, including facilitation payments, regardless of whether such conduct occurs in the public/government sector or the private/business sector.
- (b) The Corporation's directors, officers, employees and contractors are strictly prohibited from the, direct or indirect, payment, offer, promise or authorization of a bribe as well as

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the receipt or acceptance of a bribe, including for the purpose of (a) influencing any act or decision of a government official or private parties, (b) inducing such persons to do any act in violation of lawful duties, (c) securing an improper advantage from a public government official or private parties, or (d) improperly exercising influence with a government official, private parties or institution. "Bribe" means, directly or indirectly, giving someone a financial or other advantage or anything of value to encourage the person to perform his or her functions or activities improperly or to reward that person for having done so. It may include favours, loans, assets, profit sharing, guarantees, the use of property, job offers, political contributions or the payment of expenses or debts or other amounts.

- (c) The Corporation's directors, officers, employees and contractors are expressly prohibited from participation in or receipt of kickbacks, whether directly or indirectly. "Kickback" means the payment, promise to pay, or the authorization of the payment of a portion of contract consideration to a person employed by or associated with another contracting party. This includes the improper utilization of subcontracts, purchase orders, profit sharing, consulting agreements or gifts to channel payments to principals, employees or other representatives of another contracting party, or their relatives or associates.
- (d) Relations with government officials, as well as the relations of the Corporation's contractors, suppliers and agents with government officials, are to be conducted in a transparent manner that will not compromise the integrity or impugn the reputation of any government official or the Corporation.
- (e) Directors, officers, employees and contractors are required to comply with the Corporation's Anti-Corruption Policy (Appendix C) which prohibits the bribery and corruption of "foreign public officials".

10. ANTI-MONEY LAUNDERING

- (a) The Corporation has zero tolerance toward money laundering, which is the process of disguising the proceeds of crime in order to hide its illegal origins or otherwise dealing with the proceeds of crime, which proceeds include money, real estate, intangible property and all other forms of assets.
- (b) The Corporation's directors, officers, employees and contractors are strictly prohibited from engaging in any form of money-laundering and will at all times comply with all applicable anti-money laundering laws.

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11. FAIR DEALING

Directors, officers, employees and contractors must always deal fairly with the Corporation's shareholders, customers, suppliers, competitors and employees. No director, officer, employee or contractor should take unfair advantage of anyone (customers, contractors and even competitors) through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

12. NON-PROFIT AND PROFESSIONAL ASSOCIATION

- (a) The Corporation supports its directors, officers, employees and contractors who contribute to their communities through involvement with charitable, community service and professional organizations ("**Non-Profit Organization**"). If directors, officers or employees use the Corporation's facilities for such activities (meetings, copying, etc.) they should only do so with the prior consent of the President and Chief Executive Officer (the "**CEO**").
- (b) A director, officer, employee or contractor should ensure that if he or she speaks on behalf of a Non-Profit Organization, that he or she is seen as speaking for that organization in his or her individual capacity only, and not as a director, officer, employee, contractor or spokesperson of the Corporation advocating on behalf of the Corporation.

13. USE OF THE CORPORATION PROPERTY

No director, officer, employee or contractor should use the Corporation's property or resources for his or her own personal benefit or purposes.

14. POLITICAL PARTICIPATION

Directors, officers, employees and contractors engaging in the political process must take care to separate their personal activities from their association with the Corporation and to comply with the Corporation's Anti-Corruption Policy.

15. DISCLOSURE

- (a) Each individual being considered for nomination as a director of the Corporation must disclose to the Governance and Compensation Committee all interest and relationships of which the director is aware of at the time of consideration which will or may give rise to a conflict of interest. If such an interest or relationship should arise while the individual

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is a director, the individual shall make immediate disclosure of all relevant facts to the Corporate Secretary or the Board Chair.

- (b) If the Board is making decisions that may provide a benefit to a director's private interests, the director shall withdraw from the deliberations altogether.
- (c) Disclosure may cure a conflict of interest or allow the Corporation to appropriately avoid a potential conflict. However, a conflict may be so severe as to only be resolved by the director's resignation from one or both of the conflicting positions. Each director agrees that if the Board determines a potential conflict cannot be cured, the director will resign from the Board.

16. DISCRIMINATION

Discrimination or harassment against any individual with respect to race, religion, age, gender (including pregnancy and childbirth), marital status, family status, sexual orientation, national or ethnic origin will not be tolerated. Furthermore, discrimination against any activity specifically protected under the Code, such as expressing our good faith opposition to prohibited discrimination or harassment, or participating in making a good faith complaint of discrimination or harassment will not be tolerated.

17. WORKPLACE CONDUCT AND SAFETY

Safety and security are paramount in the Corporation's operations, and all operations will be conducted with the aim of creating a safe and secure workplace. Employees and contractors are responsible for taking all reasonable and necessary precautions to ensure their own safety as well as that of their colleagues. Directors, officers, employees and contractors must comply with all applicable safety laws and policies, procedures and standards to ensure the safety of the workplace at all times and must familiarize themselves with the emergency procedures that apply in their specific workplace. All employees and contractors are responsible for conducting the Corporation's work in a safe and responsible manner, including preventing and reporting, as soon as possible, all accidents, injuries and other incidents arising in connection with the Corporation's operations.

18. ENVIRONMENT

All operations will be conducted with the aim of preventing adverse effects on the environment and of safeguarding life and health. All directors, officers, employees and contractors must comply with government regulations and legislation or the Corporation's policies and standards, whichever are higher, with respect to environmental matters. All employees and contractors are responsible for conducting the Corporation's work in an environmentally responsible manner,

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including preventing and reporting spills or other releases of toxic materials from the Corporation's operations and disposing of any such materials in a safe and approved manner. In the event of any incidents, employees and contractors will respond in a manner which protects life and health and aims to minimize impact on the environment.

19. COMMUNITY RELATIONS

All directors, officers, employees and contractors shall consider how the Corporation's operations affect its social license to operate and shall strive to minimize adverse impacts on local communities. All directors, officers, employees and contractors shall strive to achieve solutions that are mutually beneficial, relevant to the Corporation's business needs and local conditions and comply with the Corporation's values, policies, local regulations and all applicable laws.

20. HUMAN RIGHTS AND UNITED NATIONS GLOBAL COMPACT

- (a) All directors, officers, employees and contractors shall adhere to the Corporation's commitment to promoting respect for internationally recognized human rights as set forth in the United Nations Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.
- (b) In addition to all of the foregoing, all operations will be conducted in accordance with the UN Global Compact and the Global Compact's ten principles in the areas of human rights, labour, environment and anti-corruption, which can be found at:

<https://www.unglobalcompact.org/what-is-gc/mission/principles>.

- (c) All directors, officer, employees and contractors shall conduct themselves in accordance with such principles.

21. REPORTING OF INAPPROPRIATE ACTIVITY

Employees and contractors should promptly report to their supervisors, or any member of senior management, any violations or imminent violations of the Code or other Corporation policies (including potential or apparent conflicts of interest), or any other illegal or unethical behaviour at the Corporation. If there is reluctance to make such reports to our supervisors or senior management, refer to the full Reporting of Inappropriate Activity Policy in the Employee Handbook. If concerns or complaints require confidentiality and anonymity is desired, confidentiality will be protected subject to applicable law. Reports can be made to the Chairman of the Board (Timothy Marchant) by email at marchant.tim@gmail.com or by telephone at (403) 283-6365, or to the Corporate Secretary (Stephanie Stimpson) by email at [sstimpson@torys.com](mailto:ssstimpson@torys.com) or by telephone at (403) 776-3748.

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22. NO RETALIATION

- (a) The Corporation will not permit retaliation of any kind against:
 - (i) individuals making good faith reports or complaints of violations of law or seeking advice regarding the same, this Code or other Corporation policies, or other illegal or unethical conduct; or
 - (ii) individuals cooperating in an investigation by a governmental authority or by the Corporation, where the person cooperating has a good faith belief that a violation of law, this Code, or other Corporation policies or other illegal or unethical conduct has occurred.

23. RESPONSIBILITY

- (a) Each director, officer, employee and contractor must adhere to the standards described in this Code of Conduct.
- (b) Any director, officer, employee or contractor who knows or suspects a breach of this Code of Conduct must report it to the Board Chair.
- (c) Each director officer, employee and contractor shall annually review, sign and deliver to the Corporation a copy of this Code of Conduct.

24. WAIVER, EXCEPTIONS AND CHANGES

Any waiver, exception or change to this policy for the benefit of any employee, contractor or non-executive officer of the Corporation must be in writing and signed by the Chief Executive Officer. Any exception or change to this policy for the benefit of any director or executive officer of the Corporation must be in writing and must be granted by the Board of Directors only.

25. VIOLATION OF THIS CODE

- (a) If the Board determines that a director, officer, employee or contractor has breached this Code of Conduct, the Board may sanction the individual, including asking for his or her resignation. In the case where the violation by an officer, employee or contractor is a fundamental breach of their employment or contract, such breach shall constitute grounds for immediate termination of such employment or contract for cause and without notice.

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- (b) Each director, officer and employee agrees that when the Board determines that the individual has violated this Code of Conduct and requests the individual's resignation, the individual shall resign as requested.

26. CLARIFICATION

A director, officer, employee or contractor should seek clarification of the Code of Conduct where necessary, from the Board Chair.

I ACKNOWLEDGE that I have read and considered the Code of Business Conduct and Ethics for directors, officers, employees and contractors of the Corporation and agree to conduct myself in accordance with the Code of Business Conduct and Ethics.

Signature

Print Name

Date

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APPENDIX A

CONFIDENTIAL INFORMATION POLICY

An underlying principle of securities legislation is that the public should have the opportunity to decide whether to buy or sell securities on the basis of information equally available to all. Directors, officers, employees and contractors of a corporation sometimes acquire knowledge of material information concerning the business and affairs of the corporation (or a related corporation) which has not yet been disclosed to the public. If that is the case they have an unfair advantage in purchasing or selling securities because the seller or purchaser on the other side of the transaction may have made a different investment decision had they been aware of that information.

Similarly, if such a person informs another person of undisclosed material information, and such person purchases or sells securities on the basis of that information, the seller or purchaser on the other side of the transaction is, once again, at a disadvantage.

Certain securities laws in Canada have been enacted so as to prevent and deter such inequitable trading in securities. The Corporation has formulated a policy to assist directors, officers, employees and contractors of the Corporation and its subsidiaries in complying with these laws. The purpose of this memorandum is to advise directors, officers, employees and contractors of such policy and some of the legal repercussions of failing to adhere to this policy. Persons who are "insiders" of the Corporation and other persons who regularly come into contact with confidential information must also adhere to the Corporation's Insider Trading and Reporting Policy attached as Appendix B to the Code of Business Conduct and Ethics.

In this policy, the term "the Corporation" includes the Corporation's subsidiaries and associated companies. Other italicized terms used in this policy have the meaning set forth in Schedule A to this policy.

POLICY

1. Access to *Undisclosed Material Information* shall be limited to *Employees* who have a "need to know" such information.
2. No *Employee* or other *Restricted Person* having knowledge of *Undisclosed Material Information* relating to, or involving, the Corporation or another party involved in an activity or a negotiation with the Corporation shall:
 - (a) disclose such information to a Tippee other than in the necessary course of business with the express written consent of the director, officer or manager responsible for the activity or negotiation;
 - (b) buy or sell, or acquire an option to buy or sell, any of the Corporation's securities or securities of a third party involved in such activity or negotiation; or

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- (c) participate in discussions regarding decisions by others about investments in the Corporation or other companies involved in the matter,
- before such material information has been fully disclosed to the public and a reasonable period of time for dissemination of such information has passed (which for the purposes of this policy shall be considered to be at least two trading days following the day of the disclosure to the public) or until the activity or negotiation giving rise to the *Undisclosed Material Information* has terminated. The foregoing shall not restrict the Corporation's President and CEO or CFO from discussing financial information with analysts and investors in accordance with the Corporation's Corporate Disclosure Policy following the public release of such information.
3. The director, officer or manager responsible for an activity or negotiation which, if known, might reasonably be expected to affect the market price or value of the Corporation's securities or that of other parties involved in such activity or negotiation shall be responsible for initiating adequate procedures and controls to restrict the knowledge of such event in accordance with this policy and applicable laws, including:
- (a) Restricting participation or knowledge of such project to the minimum number of *Employees* practicable;
 - (b) Notifying all involved *Employees and Restricted Persons* of their "insider status" and confidentiality obligations in writing;
 - (c) Maintaining a list of all persons who are aware of the activity; and
 - (d) Instituting necessary controls to provide adequate security and to monitor the observance of such controls.
4. In addition to any precautions which may be imposed on *Employees and Restricted Persons* by the person responsible for a matter, the following general precautions shall be adopted:
- (a) Make sure all correspondence concerning the matter is labelled "CONFIDENTIAL".
 - (b) Refrain from open discussions concerning the matter where other persons not "in the know" are in the vicinity.
 - (c) Refrain from using cellular phones to discuss in an overt manner any *Undisclosed Material Information*. Any conversation using a cellular phone should be made on the assumption that others are listening.
 - (d) Do not leave correspondence and other documents concerning the matter in plain view in your working area.
 - (e) If the matter has been assigned a code name, using the code name on all correspondence and refrain from using specific corporate names whenever possible.

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- (f) Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.
- (g) Transmission of documents by electronic means, such as by fax or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
- (h) Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
- (i) Report any information leaks or suspected information leaks to the person responsible for the matter.
- (j) Wireless phones and handheld devices should be password protected.

CONSEQUENCES OF NON-COMPLIANCE WITH THE POLICY

1. Strict compliance with this policy is required, or the following consequences may apply:
 - (a) An *Employee* who fails to adhere to this policy may be subject to disciplinary action by the Corporation, which could result in termination of employment.
 - (b) *Employees, Restricted Persons or Tippees* may, under some circumstances, be subject to prosecution which may result in fines of up to \$5,000,000 (or three times the profit made in the illegal trade) or to imprisonment for a term of up to two years, or both. In addition to fines, violation may result in liability to shareholders affected.
 - (c) The Corporation may be held liable for damages resulting from misleading or untrue statements or the failure to disclose information on a timely basis, and the reputation and standing of the Corporation and its *Employees* in the community may be tarnished.
 - (d) Securities exchanges could require the untimely disclosure by the Corporation of information to stop or confirm rumours.

FURTHER INFORMATION

Any questions concerning this policy should be directed to the Corporate Secretary.

CODE OF BUSINESS CONDUCT AND ETHICS**APPENDIX A - CONFIDENTIAL INFORMATION POLICY****SCHEDULE A**

The following definitions are used in the policy on confidential information:

"*Employee*" means all officers, employees and agents of the Corporation and its subsidiaries, whether such employees and agents be managers, accountants, maintenance and support personnel, salesmen, secretaries, clerks, drivers or contractors;

"*Restricted Person*" includes all directors, officers and other insiders of the Corporation as determined from time to time in accordance with Canadian securities laws;

"*Tippee*" means an individual who obtains or receives *Undisclosed Material Information* from an *Employee* or *Restricted Person* and any persons who subsequently receive such information, where such persons knew or ought reasonable to have known that the information originated from an *Employee* or *Restricted Person*; and

"*Undisclosed Material Information*" means any information relating to the business and affairs of the Corporation that, when released, would result in or would reasonably be expected to result in a significant change in the market price or value of the Corporation's shares (or the securities of other companies with whom the Corporation may be conducting confidential negotiations). Examples of information which may be *Undisclosed Material Information* include:

- (a) Changes in share ownership that may affect control of the Corporation;
- (b) Changes in corporate structure, such as amalgamations;
- (c) Take-over bids in respect of the Corporation's securities or securities of another company or bids by the Corporation for its own securities;
- (d) Major corporate acquisitions or dispositions;
- (e) Change in capital structure of the Corporation and dividend decisions;
- (f) Borrowing of a significant amount of funds;
- (g) Public or private sale of additional securities of the Corporation;
- (h) Significant development affecting the Corporation's resources, technology, products or markets;
- (i) Entering into or loss of significant licenses or contracts;
- (j) Firm evidence of significant increases or decreases in near term earnings prospects;

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- (k) Changes in capital investment plans or corporate objectives;
- (l) Significant changes in management;
- (m) Significant litigation;
- (n) Major disputes with major contractors, suppliers or customers;
- (o) Events of default under financing or other agreements; and
- (p) Any other developments relating to the business and affairs of the Corporation that would reasonably be expected to significantly affect the market price or value of any of the Corporation's securities or that would reasonable be expected to have a significant influence on a reasonable investor's investment decision.

CODE OF BUSINESS CONDUCT AND ETHICS**APPENDIX B****INSIDER TRADING AND REPORTING POLICY****APPLICATION OF THE POLICY**

This policy applies to all "Restricted Persons" and "Employees", as applicable (as such terms are defined in the Corporation's Confidential Information Policy), which, for certainty, includes contractors. If you received a copy of this policy you should assume, until informed otherwise, that you are a Restricted Person or Employee, as applicable. You should also make sure that all people who provide direct clerical support to you and who may be in receipt of confidential information are aware of and conform to this policy.

This policy should be read together with the Corporation's Confidential Information Policy.

SECURITIES SUBJECT TO THE POLICY

Trading of securities of the Corporation, owned either directly or indirectly or over which an insider (whether an insider or Reporting Insider) has control or direction over, is subject to insider trading rules. Securities include stock options, shares, bonds, debentures and other related financial instruments. Trades by Reporting Insiders which result in the acquisition or disposition of securities of the Corporation require reporting. Any of the below described interests in securities of the Corporation which are acquired, held, disposed of or otherwise altered must be reported by Reporting Insiders.

- (a) Direct ownership is when the insider holds the securities in his/her name or through a book-based depository such as the shares held in the Corporation's various savings plans.
- (b) Indirect ownership is when the insider is a beneficial owner of securities held through a nominee such as a brokerage or a family trust, a third person, an issuer, an affiliate or other legal entity such as a RRSP, or a holding company that the insider controls.

For greater certainty, an insider will be considered to have an indirect interest in securities held in a trust where the insider (i) has or shares a beneficial interest in the securities held in trust and has or shares voting or investment power over the securities, or (ii) has legal ownership of the securities held in trust and has or shares voting or investment power over the securities held in trust.

- (c) Having control or direction over securities is when the insider, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares voting power, which includes the power to vote, or direct the voting of, the securities, or investment power, which includes the power to buy or sell, or to direct the purchase or sale of such securities.

This would generally include securities held by a spouse or children who live in the insider's household, and securities held by estates or trusts over which the insider exercises control.

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It is recognized that there may be situations where persons living in the same household with an insider could own or trade in the Corporation's securities as a part of their professional responsibilities or endeavours. In such cases, additional care should be exercised to maintain the confidentiality of confidential information by all insiders who have such relationships as inadvertent disclosure of confidential information in such instances could be particularly likely.

- (d) Interest in, or right or obligation associated with, a related financial instrument involving a security of the Corporation, which includes, but is not limited to, forward contracts, futures contracts or stock purchase contracts or similar contracts involving securities of the Corporation, and stock-based compensation instruments including phantom stock units, deferred share units, restricted share awards, performance share units, stock appreciation rights and similar instruments.
- (e) Changes to a Reporting Insider's economic exposure to the Corporation by means of entering, materially amending or terminating any agreement, arrangement or understanding which involves, directly or indirectly, a security of the Corporation or a related financial instrument. This includes sophisticated tax planning arrangements such as equity monetization arrangements.

The securities of the Corporation and its associated corporations, and all other interests in securities of the Corporation described above are referred to in this policy as "Restricted Securities".

In addition, as noted in the Corporation's Confidential Information Policy, securities of other corporations with which the Corporation or its associated corporations have dealings may also be subject to trading and "tipping" prohibitions. If you are aware of any significant, non-public information or transactions involving third parties, you should consider that the trading and "tipping" prohibitions are in effect.

CLEARANCE OF TRADES

In order to assist in preventing even the appearance of an improper insider trade, Restricted Persons must clear all trades in Restricted Securities through the Corporation's CFO before placing a buy or sell order or otherwise committing to complete a trade. In addition to the prescribed blackout periods referred to below, trading in certain Restricted Securities may be prohibited from time to time as a result of there being undisclosed material information relating to such securities. Restricted Persons who request clearance for a trade in Restricted Securities in respect of which there is undisclosed material information will be advised by the Corporation's CFO that trading in such securities is currently prohibited. No further explanation as to the reason for the trading prohibition will be provided.

BLACKOUT PERIODS

In addition to the blackout periods which may be prescribed from time to time, the Corporation may also establish on an annual basis blackout periods for the trading in securities of the Corporation. Such scheduled blackout periods relate to periods when financial statements have been prepared but have not yet been widely disseminated to the public. The blackout period for all Employees and the board of

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directors of the Corporation commences (i) on February 15th of each year in respect of the year-end results, and (ii) two weeks prior to a meeting of the board of directors of the Corporation to approve any quarterly financial statements, and in each case ends at the end of the second trading day following the issuance of a news release disclosing the annual or quarterly results. All Employees and members of the board of directors of the Corporation will be provided with a schedule of the blackout periods each year.

The board of directors of the Corporation will not approve the issuance of securities during any blackout period, except in compliance with applicable Canadian securities laws and regulatory requirements.

INSIDER REPORTING REQUIREMENTS

Applicable securities laws require a person who is a "reporting insider" of the Corporation to disclose in an insider report any direct or indirect beneficial ownership of or control or direction over Restricted Securities.

A "reporting insider" includes: (a) the CEO, CFO and COO of the Corporation (or any other individual who acts in a similar capacity) or a significant shareholder of the Corporation (that being a person or company that has beneficial ownership of, or control or direction over, securities of the Corporation carrying more than 10 percent of the voting rights attached to all the Corporation's outstanding voting securities) (a "**Significant Shareholder**"); or a major subsidiary (that being a subsidiary with 30 percent or more of the consolidated assets or consolidated revenues of the Corporation) of the Corporation (a "**Major Subsidiary**"); (b) a director of the Corporation, of a Significant Shareholder or of a Major Subsidiary; (c) a person or company responsible for a principal business unit, division or function of the Corporation; (d) a Significant Shareholder; (e) a Significant Shareholder (based on post-conversion beneficial ownership of the Corporation's securities) and the CEO, CFO, COO and every director of the significant shareholder based on post-conversion beneficial ownership; (f) a management company that provides significant management or administrative services to the Corporation or a Major Subsidiary, every director of the management company, every CEO, CFO and COO of the management company, and every Significant Shareholder of the management company; (g) an individual performing functions similar to the functions performed by any of the insiders described in paragraphs (a) to (f); (h) the Corporation itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security; or (i) any other insider that: (i) in the ordinary course receives or has access to information as to material facts or material changes concerning the Corporation before the material facts or material changes are generally disclosed; and (ii) directly or indirectly, exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the Corporation.

"Insider" includes all directors and "senior officers" of the Corporation and its subsidiaries, as well as certain other employees of the Corporation and its subsidiaries. A "senior officer" includes the chairman or vice-chairman of the board of directors, the president, vice-president, secretary, comptroller, treasurer or the general manager of the Corporation or certain of its subsidiaries or any other individual who performs functions for the Corporation or such subsidiaries similar to those normally performed by an individual occupying that office. Employees who are "insiders" will be notified of their status.

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Filing of insider reports is the responsibility of each insider. The Corporation's legal counsel will assist in the preparation and filing of insider reports, as requested. All Reporting Insider's transactions must be filed via the System of Electronic Disclosure by Insiders, known as SEDI. Reporting Insiders may use an agent to file insider reports on SEDI or the Reporting Insider must register directly as a SEDI user. The two types of insider reports are listed below.

(a) Initial Insider Report

Securities regulations stipulate that, within 10-calendar days of becoming a Reporting Insider, Reporting Insiders of the Corporation must file an initial insider report via SEDI. You should be aware that the obligation to file insider trading reports is the responsibility of the individual. The Corporation does not file insider reports on behalf of Reporting Insiders.

(b) Subsequent Insider Reports

Subsequent insider reports must be filed within 5-calendar days of the transaction date (not the settlement date). This includes transactions concerning the granting or exercise of stock options, a change in the nature of ownership (e.g., transferring shares to a spouse, rolling into an RRSP, holding company etc.), acquisition/withdrawal of shares in the Corporation's automatic securities purchase plan, etc. There are additional deadlines regarding the annual reporting of the automatic securities purchase plans shares. Please contact the Corporation's legal counsel if you do your own insider filings or have questions.

To subsequently arrange to file an insider report (if applicable), please contact the Corporation's legal counsel.

A reporting insider who files his/her own insider reports is asked to provide a copy of all reports to the Corporation's CFO.

PROHIBITION ON TRADING WITH MATERIAL UNDISCLOSED INFORMATION

The provisions of the Confidential Information Policy should be carefully adhered to by all Restricted Persons.

As noted in the Confidential Information Policy, both penal sanctions and civil liability may result from violation of these restrictions.

Failure to observe these rules may result in adverse publicity for the Corporation.

Accordingly, strict compliance with this policy and the Corporation's Confidential Information Policy is required.

Failure to adhere to these policies may result in disciplinary action, including termination of employment.

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FURTHER INFORMATION

Any questions concerning this policy should be directed to the Corporate Secretary.

CODE OF BUSINESS CONDUCT AND ETHICS**APPENDIX C****ANTI-CORRUPTION POLICY RELATING TO FOREIGN PUBLIC OFFICIALS****Introduction**

Valeura and its subsidiaries are committed to strict compliance with all applicable anti-corruption legislation and to maintaining the highest ethical standards in their business dealings and relationships with foreign public officials. Valeura's commitment is set out in this Anti-Corruption Policy Relating to Foreign Public Officials (this "**Policy**").

In this Policy, any reference to "you" means any person subject to this Policy.

This Policy is intended to provide you with basic knowledge and concepts relating to the bribery of foreign public officials. This Policy cannot and will not provide definitive answers to every bribery related question. Instead, this Policy aims to provide you with the tools to identify potential bribery issues. When these issues arise, immediately contact the Chief Financial Officer or the Chief Executive Officer for further guidance.

Non-compliance with this Policy may result in severe criminal or civil penalties which will vary according to the offence and could include imprisonment. Anyone acting in contravention of this Policy may also face immediate disciplinary action up to and including termination for cause.

Interpretation/Definitions

"Associated entities" includes, but is not limited to any subsidiaries, agents, intermediaries, contractors, suppliers, representatives or any other outside parties acting on behalf of Valeura (individuals or organizations).

"Corruption" involves the misuse of power by someone to whom it has been entrusted, for personal gain.

"Foreign public official", for purposes of this Policy, should be interpreted broadly and includes a person who:

- (a) holds a legislative, administrative or judicial position in a foreign government (including any political subdivision, department, branch or agency of that government or its political subdivisions);
- (b) performs public duties or functions for a foreign government, including a person employed by a board, commission, corporation or other body or authority that is established to perform a duty or function on behalf of the foreign government, or is performing such a duty or function;
- (c) is an official or agent of a public international organization (such as the United Nations);
or

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- (d) is a relative or close associate of the officials referred to above.

Purpose of Policy

The purpose of this Policy is to prevent bribes and improper payments and to establish procedures to ensure that Valeura's business is conducted in an honest and ethical manner in compliance with relevant laws, regulations and the Organization for Economic Co-operation and Development's Guidelines for Multinational Enterprises relating to bribery.

Scope of Policy

This Policy extends across all of Valeura's business dealings and in all countries and territories in which Valeura operates. This Policy applies to all employees (whether permanent or temporary), officers, directors, agents, consultants and managers of Valeura and other associated entities who conduct business on Valeura's behalf.

It is the responsibility of every director, officer and employee of Valeura and any third party or associated entity acting on behalf of Valeura to understand this Policy and to seek help from the Chief Financial Officer or the Chief Executive Officer when there is any question or doubt as to how these rules apply in a given situation.

Statement of Policy

Bribery is strictly prohibited. Valeura has a zero tolerance approach toward bribery and corruption of foreign public officials. You must comply with all Canadian anti-corruption laws and all other applicable anti-corruption laws. Although a particular action may be lawful under Canadian law, it might not be lawful under the local laws and regulations of a particular foreign country, and vice versa.

For purposes of this Policy "bribery" is defined in reference to the *Corruption of Foreign Public Officials Act* (Canada) ("CFPOA"), as:

- (a) a payment, offer or promise of anything of value;
- (b) given directly or indirectly;
- (c) in order to obtain or retain an advantage in the course of business;
- (d) to a foreign public official or to any person for the benefit of a foreign public official;
- (e) as consideration for an act or omission by the official in connection with the performance of the official's duties or functions or to induce the official to use his or her position to influence any acts or decision of the foreign state or public international organization for which the official performs duties or functions.

The following sections describe the above elements of the definition of bribery in detail.

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Payment, Offer or Promise of Anything of Value

An offer or promise can constitute a bribe, even if the foreign public official (or intended recipient) does not actually receive the payment. Likewise, an offer or promise can be a bribe, regardless of whether or not the official accepts or agrees to the payment. "Anything of value" should be interpreted broadly to include anything (whether monetary or non-monetary) that provides a benefit to the public official. It may include favours, loans and loan guarantees, kickbacks, the use of property, job offers, political contributions or the payment of expenses or debts.

Given Directly or Indirectly

This definition of bribery covers bribes given directly to a foreign public official or indirectly through third parties (e.g. agents) or other means (e.g. share offerings).

Advantage in the Course of Business

An "advantage in the course business" should also be interpreted broadly to cover bribes intended to secure or retain business or improper advantages in the course of business.

Foreign Public Official or Person for the Benefit of a Foreign Public Official

Foreign public official is defined in the interpretation section of this Policy. It is key to understand that "foreign public official" should be interpreted broadly to include all manner of persons acting for and related to governments and international organizations, including low-ranking employees of a government and government controlled entities and consultants who hold government positions. It is often difficult to determine whether a person (or entity) is a foreign public official. You should contact the Chief Financial Officer or the Chief Executive Officer if you are unsure whether a particular person is a foreign public official. As noted in the definition section, for purposes of this Policy, bribes paid to relatives and close associates of foreign public officials are treated as though they were payments made to the foreign public official and are therefore prohibited. Likewise, this definition of bribery covers the situation where a payment of anything of value is made to a third party and the person making the payment knows, believes, suspects, is aware or has information that would indicate that any part of such payment will be offered, given or promised, directly or indirectly, to a foreign public official.

This definition of bribery also covers the situation where a foreign public official might not receive the benefit himself or herself, but instead directs that the benefit be given to a family member, to a political party association, or to any other person for the benefit of the official.

As Consideration for an Act or Omission by the Official or Use of the Official's Influence

This element addresses the "quid pro quo" aspect of acts of bribery. The CFPOA requires that the improper payment or offer occur in exchange for some sort of action or inaction (or promised action or inaction). The CFPOA prohibition on improper payments to secure any improper advantage covers virtually any improper payment in a business context. To that end, this Policy strictly prohibits the payment, offer or authorization of a bribe, including for the purpose of:

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- (a) influencing any act or decision of a foreign public official in connection with the performance of the official's duties or functions;
- (b) inducing a foreign public official to do any act in violation of lawful duties (including the use of the foreign public official's position to influence acts or decisions of the foreign state or public international organization, whether or not within the official's authorised competence);
- (c) securing an improper advantage from a foreign public official; or
- (d) improperly exercising influence with a foreign public official.

If you are asked by a foreign public official or any individual to provide something of value in return for influencing an official act, inducing a decision to obtain, retain or direct business from or to any person or securing any improper advantage, you must:

- (a) decline or state that it is not within your authority to accommodate the foreign public official or individual; and
- (b) immediately report the incident to the Chief Executive Officer (in writing), who will consult with the Chair of the Audit Committee, the Corporate Secretary and other such directors and advisors, as deemed appropriate, to determine the action to be taken.

If you become concerned that a foreign public official is not operating within the scope of his or her duties, report it to the Chief Executive Officer. Protect yourself in any further dealings from allegations that you have offered improper consideration by bringing a witness to subsequent conversations.

Facilitation Payments Are Prohibited

Facilitation payments are typically small payments made to foreign government officials to secure or expedite a routine action or service to which an individual or company is otherwise legally entitled (such as speeding up the processing of a visa application). Although some countries provide a narrow exception for facilitation payments in their anti-corruption legislation, facilitation payments are risky for Valeura and its personnel because, even when such payments are technically legal, they can easily be construed as bribes and/or lead to allegations of bribery. In many jurisdictions, facilitation payments are not legal under the local laws. While legal prohibitions on facilitation payments vary by jurisdiction, Valeura does not condone facilitation payments and it is Valeura's policy that facilitation payments are prohibited.

When Valeura personnel and associated entities encounter demands for facilitation or other similar payments they should immediately report the incident (in writing) to the Chief Executive Officer, who will consult with the Chair of the Audit Committee, the Corporate Secretary and other such directors and advisors, as deemed appropriate, to determine the action to be taken, if any. All requests for facilitation payments must be reported in this manner.

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Payments to Protect Your Safety are Permitted

When you face extortion demands that involve explicit or implicit threats to your personal safety, you may make payments which would otherwise be prohibited. In such circumstances, these payments must be:

- (a) recorded in Valeura's books and records accurately as extortion payments made to preserve personal safety; and
- (b) reported as quickly as reasonably practicable to the Chief Executive Officer, who will immediately consult with the Chair of the Audit Committee, the Corporate Secretary and other such directors and advisors, as deemed appropriate, to determine the action to be taken.

Valeura may also make payments to protect the safety of its employees and other personnel when it faces extortion demands or implicit threats relating to the personal safety of such persons. Again, these payments must be recorded and reported as described above.

Gifts, Meals and Entertainment

Gifts, meals and entertainment provided to foreign public officials can constitute bribes. Such gifts or benefits will be considered to be bribes where it appears the gift or benefit was intended to influence the recipient in order to obtain or retain an advantage in the course of business. Therefore, gifts, meals, and entertainment must not be given to foreign public officials as a reward or encouragement for preferential treatment or provided, directly or indirectly, with the intention or effect of improperly obtaining, retaining or directing business from or to any person or securing any improper advantage.

In certain limited circumstances, customary gifts and reasonable expenses for meals and entertainment may be provided to public officials. Any such gifts or benefits should be modest and reasonably related to the nature of the business relationship. Good judgment is required when making such gifts and paying such expenses, taking into account all relevant factors, including local custom and context and the appearance and character of the gift, meal or entertainment. You should avoid giving gifts, meals or entertainment to public officials unless it is legal and customary in the relevant country and unless such gift, meal or entertainment is reasonable and not excessive in amount or frequency. In no case may you provide gifts or benefits in money or cash equivalents.

All gifts, meals and entertainment provided to or received from foreign public officials must be reported to the Chief Financial Officer and must be properly documented in Valeura's books and records. If the value of a gift exceeds \$100 CDN, you must obtain prior approval from the Chief Financial Officer (in writing) before giving such gift. Bona fide expenses for meals and entertainment are permitted so long as they are reasonable and appropriate in amount and frequency.

Bona Fide Business Expenditures

Payment of reasonable and *bona fide* business expenditures to foreign public officials is permitted in certain circumstances. These expenditures must be for a *bona fide* and legitimate business purpose and

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directly relate to the promotion, demonstration or explanation of Valeura's business products or services, or the execution or performance of a contract with a foreign government or agency. Such payments must be reasonable and appropriate under the circumstances, incurred in good faith, based on industry norms, in compliance with applicable laws and regulations and transparent. In no case may such a payment be made with the intent to improperly influence the foreign public official. Any such expenses (including travel) must be pre-approved by the Chief Financial Officer (in writing) and accurately recorded in Valeura's books and records.

Political Involvement and Charitable Donations

Valeura does not participate in party politics and does not make contributions to political parties or politicians. Persons subject to this Policy may not, in any manner, participate in politics on behalf of Valeura. Of course, Valeura does not restrict or prohibit you from participating in the political process as an individual citizen.

Valeura's policy is not to make charitable donations or sponsorships that might be construed or characterized as a bribe. Sponsorships must be transparent and documented in an agreement with the relevant organization and must be accurately recorded in Valeura's books and records.

Private-to-Private Corruption

"Private-to-private corruption" is corruption that does not involve public officials. Although the CFPOA does not address the issue of private bribery and corruption, such conduct is strictly prohibited under Valeura's *Code of Conduct and Business Ethics*.

Top Level Commitment, Review, Oversight and Training

The Board of Directors of Valeura is committed to this Policy and will provide the necessary leadership, resources and active support for management's implementation of this Policy.

The Chief Executive Officer is responsible for the implementation and oversight of this Policy, ensuring it is carried out consistently with clear lines of authority. The Chief Executive Officer shall regularly report to Audit Committee and the Board of Directors concerning the implementation and effectiveness of this Policy.

The Audit Committee is responsible for reviewing the adequacy of this Policy and regularly reporting on its implementation and matters arising thereunder to the Board of Directors of Valeura taking into account relevant developments and evolving international laws and industry standards. The Audit Committee will oversee the development, maintenance and testing of Valeura's anti-corruption standards and procedures designed to evaluate and improve their effectiveness.

Valeura's commitment to this Policy will be reflected in human resources practices including recruitment, promotion, training, performance evaluation, remuneration and recognition.

Valeura will provide periodic anti-corruption training to Valeura personnel and associated entities (where appropriate) on this Policy and its associated anti-corruption standards, procedures and preventative

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measures. The nature and frequency of the training will vary depending on the role of the individual (or associated entity) and the likelihood that such person or entity will confront corruption issues. The nature and frequency of such training will be established by the Chief Executive Officer, in consultation with the Audit Committee and Board of Directors from time to time.

Valeura's executives, directors, officers, managers, employees and contractors must ensure that they complete any anti-corruption training that they are required to undertake as directed by Valeura's Board of Directors and management, from time to time.

Employees and Contractors

Employees and contractors are expected, as part of their normal duties, to do the following:

- (a) familiarize themselves with this Policy and related policies;
- (b) participate in any anti-corruption training provided by Valeura;
- (c) familiarize themselves with and comply with any policy and procedure manuals which apply to their jobs; and
- (d) immediately report any actual or suspected bribe, allegation of bribery made by a third party or breaches of policies and procedures which come to their attention in accordance with the Reporting and Escalation section below.

Associated Entities/Agents

It is a violation of this Policy to make any corrupt payments through associated entities or to make any payment to a third party where there is any reason to believe that all or a portion of the payment will go towards a bribe.

Prior to Valeura retaining, or entering an agreement with, an associated entity (including agents and intermediaries), Valeura's management and legal counsel shall conduct appropriate risk-based due diligence, including without limitation, researching and documenting in writing the reputation, background and past performance of the prospective associated entity as appropriate in the following areas: management information, ownership information, affiliations, qualifications, financial information, reputation, references, compliance with local law, compensation and manager certification (i.e. the manager proposing retention of the associated entity certifying that he or she has conducted due diligence, that relevant persons from the associated entity have been personally interviewed and that there is no reason to believe that the associated entity has violated this Policy or will violate this Policy in regard to future activities on behalf of Valeura). Following the above due diligence, Valeura may only retain an agent, intermediary or other similar associated entity with approval from Valeura's Chief Executive Officer and the Chair of the Audit Committee.

Relationships with such associated entities must be fully and appropriately documented using terms and conditions approved by the Chief Executive Officer that may include obligations to comply with (and a right to terminate for breach of) anti-corruption laws and/or this Policy, prohibitions against making or

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receiving any bribes on Valeura's behalf, anti-corruption related representations and warranties, requirements to keep proper books and records and the right to conduct audits of the books and records. Valeura should in all instances inform associated entities of its commitment to complying with anti-corruption laws and this Policy, take measures reasonably within its power to ensure that its business partners and other associated entities comply with anti-corruption laws and practices and seek reciprocal compliance commitments from such associated entities. Any violation by such business partners, associated entities or their representatives related to services performed for Valeura or assets in which Valeura has an interest must be immediately reported to the Chief Executive Officer (in writing), who will consult with the Chair of the Audit Committee, the Corporate Secretary and other directors and advisors to determine the appropriate action to be taken.

In particular, Valeura will take measures reasonably within its power to ensure that:

- (a) any payment made to an associated entity represents no more than the amount outlined in the written agreement with the associated entity and is an appropriate remuneration for legitimate services rendered by such associated entity;
- (b) no part of any such payment is passed on by the associated entity as a bribe or is otherwise in contravention of applicable laws or this Policy;
- (c) it maintains a record of the names and contract terms for all associated entities who are retained by it in connection with transactions with foreign public officials; and
- (d) the activities of the associated entity are monitored to ensure that there is no breach of applicable laws or this Policy.

The employment or retention of individuals related to, dependent on, recommended by or requested by foreign public officials, agents and other associated entities can lead to a violation of this Policy and anti-corruption/conflict of interest laws. Valeura will take reasonable steps within its power to ensure that associated entities acting on its behalf do not hire or retain such employees and candidates.

Risk Assessment and Due Diligence and Warning Signs

Standard business risk assessments will be conducted periodically to determine the level of controls necessary for a particular aspect of Valeura's operations, including in relation to procurement and tender processes. Specific policies and procedures will be adapted and implemented to proportionately address risks as they arise. Records and documentation must be kept of each risk assessment as part of the system of internal controls and record keeping.

Valeura will conduct appropriate due diligence to inform risk assessments and ensure compliance with this Policy.

While the list is not exhaustive, and warning signs will vary by the nature of the transaction, expense/payment request, geographical market or business line, common warning signs that should be considered as part of any due diligence include:

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- (a) that an associated entity has current business, family or some other close personal relationship with a foreign public official, has recently been a foreign public official or is qualified only on the basis of his influence over a foreign public official;
- (b) a foreign public official recommends or insists on the use of a certain business partner or associated entity;
- (c) an associated entity refuses to agree to anti-corruption contractual terms, uses a shell company or other unorthodox corporate structure, insists on unusual or suspicious contracting procedures, refuses to divulge the identity of its owners, or requests that its agreement be backdated or altered in some way to falsify information;
- (d) an associated entity has a poor reputation or has faced allegations of bribes, kickbacks, fraud or other wrongdoing or has poor or non-existent third-party references;
- (e) an associated entity does not have an office, staff or qualifications adequate to perform the required services; or
- (f) an expense/payment request by an associated entity is unusual, is not supported by adequate documentation, is unusually large or disproportionate to products to be acquired, does not match the terms of a governing agreement, involves the use of cash or an off-the-books account, is in a jurisdiction outside the country in which services are provided or to be provided, or is in a form not in accordance with local laws.

In the early stages of any potential merger or acquisition, the Chief Executive Officer will review and assess the appropriate level of due diligence requirements in order to ensure anti-corruption compliance is adequately considered and addressed in due diligence and integration efforts.

Records and documentation must be kept of due diligence as part of the system of internal controls and record keeping.

Reporting and Escalation

You must immediately report in accordance with the procedures set out in this Policy when you:

- (a) uncover an instance of bribery;
- (b) suspect that a bribe has been, or is in the process of being, paid or received or merely discussed; or
- (c) receive or otherwise become aware of information which suggests that a bribe is in the process of being paid or received or merely discussed.

When you become aware of or suspect that bribery or a breach of this Policy has taken place, you must immediately report that information (in writing) to the Chief Executive Officer (or, if you prefer you may report it confidentially in accordance with Valeura's Reporting of Inappropriate Activity Policy). Reports

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of non-compliance with this Policy must be escalated to the Chair of the Audit Committee and Valeura's Board of Directors.

All reports will be treated in confidence and fully investigated with legal counsel. Every effort will be made to provide anonymity if it is requested, consistent with legal requirements to report to appropriate legal authorities or comply with investigations.

Once you have reported a suspicion or concern, the matter should not be discussed with any person other than those responsible for investigating it until otherwise notified or the information is made public.

You will not suffer demotion, penalty or other adverse consequences for refusing to pay bribes even if such refusal may result in Valeura losing business.

You are entitled to raise concerns about the violations or potential violations of this Policy in confidence and without risk of reprisal. The "no retaliation" provisions in Valeura's *Code of Business Conduct and Ethics* applies to reports made pursuant to this Policy and retaliation by anyone as a consequence of Valeura personnel or associated entities making a good faith report of a possible violation of the law or this Policy is strictly prohibited.

Non-compliance with this Policy may result in severe criminal or civil penalties which will vary according to the offence and could include imprisonment. Anyone acting in contravention of this Policy may also face immediate disciplinary action up to and including termination for cause.

The Chief Financial Officer will provide a quarterly report to the Audit Committee based upon information provided by appropriate managers, employees and associated entities. Such report will include, but not be limited to:

- (a) a list of gifts, meals and entertainment provided to foreign public officials (and their relatives or close associates) including a confirmation that such costs have been disbursed in compliance with Valeura's policies and procedures. This can also include a lump sum cost for small promotional items;
- (b) a list of business expenditures and promotional costs provided to foreign public officials (including travel costs) and a confirmation that such costs have been disbursed in compliance with Valeura's policies and procedures;
- (c) a list of existing associated entities that interact with foreign public officials (including agents and intermediaries), the status of their due diligence and amounts paid to them from Valeura or related entities/associations;
- (d) a list of charitable contributions, social program contributions or sponsorships, the recipients' names and titles or political parties the recipient is affiliated with, the amount of the contributions and confirmation that such contributions have been made in compliance with Valeura's policies and procedures; and
- (e) any payments to protect health and safety made pursuant to this Policy.

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Internal Control and Record Keeping

As part of Valeura's system of record keeping, Valeura will maintain an effective system of internal controls to counter violations of this Policy, including financial and organizational checks and balances over Valeura's accounting practices and other business processes.

Valeura must make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of Valeura's assets and funds. All transactions must be executed in accordance with management's general or specific authorizations. Transactions must be recorded as necessary to permit preparation of financial statements in conformity with International Financial Reporting Standards and to maintain accountability for assets. To the extent possible, all business partners of Valeura should have in place internal controls and procedures that fit these criteria and enhance compliance with this Policy, and Valeura should encourage these practices.

Valeura will maintain available for inspection accurate books and records, in reasonable detail, that accurately and fairly document all financial transactions, risk assessments and due diligence.

The use of false documents and invoices is prohibited, as is the making of inadequate, ambiguous or deceptive bookkeeping entries and any other accounting procedure, technique or device that would hide or otherwise disguise illegal payments. There must be no off-the-books or secret accounts.

To ensure the effectiveness of internal controls, business and finance personnel of Valeura will review transactions and expense/payment requests for warning signs that signal an inadequate commercial basis or present excessive risks.