



## **CODE OF BUSINESS CONDUCT AND ETHICS**

### **Introductory Statement**

Automodular Corporation (“Automodular” or the “Company”) has adopted a Code of Business Conduct and Ethics (the “Code”) to affirm the Company’s commitment to business practices in accordance with applicable laws, rules and regulations and the highest ethical and professional standards. The Code applies to all directors, officers and employees of Automodular and its subsidiaries.

The Code addresses the following issues:

- conflicts of interest;
- protection and proper use of Company assets and opportunities;
- confidentiality of Company information;
- fair dealing with the Company’s shareholders, customers, suppliers, competitors and employees;
- compliance with laws, rules and regulations; and
- reporting of any illegal or unethical behaviour.

### **1. CONFLICTS OF INTEREST**

A conflict of interest occurs when an individual’s private interest interferes, or appears to interfere, with the interests of the Company. A conflict situation can arise when a director, officer or employee takes actions or has interests which may make it difficult to perform their work effectively. Directors, officers and employees are expected to avoid situations where personal interests could conflict with the interests of the Company including the receipt of personal gifts, promises or services which could influence their ability to exercise independent and objective business judgment. Automodular personnel will neither give to nor receive gifts from its customers or suppliers. A director or officer must also disclose to the Company any interest they might have in a material contract or material transaction made or proposed and a director must refrain from voting at any meeting where that transaction or contract is discussed.

### **2. PROTECTION AND PROPER USE OF COMPANY ASSETS AND OPPORTUNITIES**

Company assets, such as equipment, supplies or documents, provided to directors, officers and employees in the course of their office or employment remain the property of Automodular and must be returned to the Company upon termination of office or employment. Company assets may never be used for personal gain or illegal purposes.

Automodular's computer resources and information technology systems are for business purposes. Limited and occasional use of these tools for personal reasons is permitted. Company resources must not be used to access or download information that contains offensive or obscene material, to send e-mails that are derogatory or harassing to another person or for gaming or internet gambling. Permission must be obtained before installing any software on any Company computer or connecting any personal laptop to Automodular's network and care must be taken to ensure the Company's networks are not compromised.

The Company's name and goodwill as well as confidential information which is not known to the public and would help Automodular's competitors or damage Automodular's customers, are assets and must not be used for personal advantage or economic gain.

Any suspected incidents of misuse of any assets must be reported to the Company's CEO.

### **3. CONFIDENTIALITY OF COMPANY INFORMATION**

Automodular has a Corporate Disclosure Policy in place which covers the conduct of all directors, officers and employees of the Company, and those authorized to speak on its behalf. It covers disclosures in documents filed with the securities regulatory authorities, financial and non-financial disclosure, including management's discussion and analysis ("MD&A"), written statements made in the Company's annual and quarterly reports, news releases, letters to shareholders, presentations by senior management and information contained on the Company's website and other electronic communications. It extends to oral statements made in individual or group meetings and in telephone conversations with analysts and investors, in interviews with the media and in speeches, press conferences and conference calls.

Any officer, director or employee privy to confidential information is prohibited from communicating such information to anyone else, unless it is necessary to do so in the "necessary course of business". Efforts should be made to limit access to such confidential information to only those who need to know the information and such persons must be advised that the information must be kept confidential.

Communication by e-mail leaves a physical track of its passage that may be subject to later decryption attempts. All confidential information being transmitted over the Internet must be secured by the strongest encryption and validation methods available. Where possible, officers, directors and employees should avoid using e-mail to transmit confidential information.

It is illegal for anyone to purchase or sell securities of any public company with knowledge of material information affecting that Company that has not been publicly disclosed. Except in the necessary course of business, it is also illegal for anyone to inform any other person of material non-public information. Therefore, officers, directors, employees and other insiders or persons in a special relationship with the Company, who have knowledge of confidential material information about the Company or about counter-parties in negotiations of material potential transactions, are prohibited from trading in securities of the Company or of any counter-party until the information has been fully disclosed and a reasonable period of time has passed for the information to become widely disseminated.

#### **4. FAIR DEALING WITH THE COMPANY'S SECURITY HOLDERS, CUSTOMERS, SUPPLIERS, COMPETITORS AND EMPLOYEES**

Automodular expects all directors, officers and employees to deal with its shareholders, investors, customers, suppliers and competitors in good faith. No director, officer or employee will take unfair advantage of any other person through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unjust business practice. Automodular's financial reports to security holders and the regulatory authorities will accurately reflect all corporate transactions and will conform to all legal and accounting requirements.

Automodular has adopted an "Employment Related Sexual Harassment Policy" which affirms the Company's commitment to providing a working environment in which all individuals are treated with respect and dignity. Automodular believes every employee has the right to work in a professional atmosphere, which promotes equal opportunities and prohibits discriminatory practices.

#### **5. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

Automodular expects each director, officer and employee to comply with all applicable laws, rules and regulations. These include but are not limited to federal and other securities laws, including insider trading laws, federal and provincial environmental rules and regulations and health and safety rules and practices.

Automodular is governed by the terms of the Ontario Occupational Health and Safety Act, the Workplace Safety and Insurance Act as well as the Occupational Safety and Health Act in the US. These acts are designed to protect employees against health and safety hazards in the workplace. The Company's health and safety committees meet regularly and undertake regular workplace inspections so as to identify potentially dangerous or hazardous situations.

Trading "blackout periods" during which trading in the Company's securities is prohibited applies to those directors, officers and employees who have access to material undisclosed information. "Material" information is explained in detail in Automodular's "Corporate Disclosure Policy". Violation of this policy may also constitute a violation of securities laws and if it appears such laws have been violated, the matter will be referred to the appropriate securities regulatory authorities.

#### **6. REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOUR**

It is the responsibility of directors, officers and employees to comply with the Code and any violations or suspected violations should be reported to Automodular's CEO who will make a report to the Chairman of Automodular's Corporate Governance Committee. A waiver of any provision of the Code for a director or executive officer can only be granted by the Board of Directors and a press release providing particulars will be filed on SEDAR.

Automodular has established an independent 24-hour "Whistleblower" hotline which provides the Company's employees with a confidential means to submit concerns or suggestions regarding accounting, internal accounting controls or auditing matters and which ensures that such reports are investigated promptly.