

CODE OF CORPORATE ETHICS AND BEHAVIOR

The Company (which term includes the Company and its subsidiaries, including but not limited to Hardwoods Specialty Products LP, Hardwoods Specialty Products US LP, Paxton Hardwoods LLC, Novo Building Products Holdings, LLC, Novo Building Products, LLC, Novo Manufacturing, LLC, Novo Distribution, LLC, Mid-Am Holdings LLC, Rugby Holdings LLC and Hardwoods Specialty Products (Washington) Corp.) will operate its business and conduct its affairs in keeping with proper business and ethical standards. The Company's reputation for honesty, fair dealing, faithful performance of contracts and strict compliance with legal duties is one of its most valuable assets. All, directors, officers and employees must remember that the Company's good reputation is in their hands and must be preserved and enhanced by what they do when representing the Company.

The Code of Corporate Ethics and Behavior (the "Code") as approved by ADENTRA's Board of Directors (the "Board") prescribes the minimum standards of conduct governing all directors, officers and employees of the Company and, where applicable, directors of subsidiaries of the Company, in the performance of their duties ("Company Personnel").

The provisions of this policy are mandatory and apply to the Company, its subsidiaries, and those companies in which the Company has invested to the extent that it is able to exert its influence over matters of this kind. All rulings and interpretations made under the Code will be in accordance with the spirit and intent of the Code.

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This Code cannot and is not intended to anticipate every issue that may arise. As with any statement of policy, the exercise of judgment is required in determining applicability of the Code to each individual situation. References in this Code to the Company include its subsidiaries and partnerships through which the business of the Company is conducted.

I. STANDARDS OF BEHAVIOR

The following rules state the minimum standards of behavior. These rules may not be broken under any circumstances.

RULES

Rule 1: Every transaction between the Company and those with whom it deals, and every payment, receipt and asset must be reflected on the books of the Company promptly, accurately and in the normal financial reporting channels.

Rule 2: The Company will not indulge in bribery or knowingly be associated with a transaction involving bribery.

Rule 3: Any transaction involving a contribution of intangibles from a person or Company with whom the Company is dealing must be approved by the Chief Financial Officer.

Rule 4: An immoderate gift, favor or any form of entertainment ("benefit") is prohibited if its effect is:

- a. to give the Company as donor an improper preference; or
- b. to give some third party, as donor to a Company employee, an improper preference that might be to the detriment of the Company.

Rule 5: The Company will not make a political contribution.

Rule 6: No officer or employee may have any business interest which conflicts with the Company's interests. Each officer or employee who becomes aware of an actual, potential or apparent conflict of interest must report such conflicts to a senior officer or the Board.

Rule 7: No officer or employee may make any agreement or arrangement contrary to the competition laws of Canada, the United States, or the country in which business is done.

Rule 8: All officers and employees must comply with the laws, rules and regulations to which the Company and they are subject.

Rule 9: Any event or circumstance affecting the Company that any officer or employee believes should be disclosed to the Company's stakeholders or to regulatory agencies shall be reported by such officer or employee to the Chief Financial Officer. Those officers and employees responsible for disclosure will ensure full, fair, accurate, timely and understandable disclosure in reports and documents released to the public or filed with regulatory agencies.

II. PAYMENTS TO AGENTS AND REBATES TO CUSTOMERS

All payments to agents and customers shall be by way of check or bank transfer made out in the name of the agent or customer for forwarding directly to the payee or his bank within the jurisdiction in which his business is carried on. Exceptions are allowed in only very special circumstances and should be governed by the considerations outlined in the Appendix.

III. CULTIVATING HEALTHY WORKPLACES

Diversity and Inclusion

ADENTRA is committed to creating a diverse, equitable and inclusive workplace where everyone who works for the Company feels safe and valued.

ADENTRA is committed to providing equal opportunities to people without regard to age, gender, ethnicity, religion, sexual orientation, physical ability, nationality, ethnic affiliation, political or other opinion, family/friend relationships or any other characteristic protected by local law as applicable.

Respectful Workplace

ADENTRA supports and promotes a work environment in which everyone is treated with respect and dignity, provided with equal opportunity based on merit and kept free of all forms of discrimination and harassment. Our employees have a right to work in an environment free from violence and threats. The Company prohibits all acts of unwelcomed conduct or comments, verbal or written, which detrimentally affect an employee's work environment or lead to adverse job-related consequences.

Employment Practices

ADENTRA's employment practices, including job postings, recruiting, interviewing, compensation, benefits and employee programs and performance evaluations are in accordance with ethical principles and in compliance with human rights and employment laws in the regions where we operate.

Fair Labor Practices

ADENTRA respects employees' right to freedom of association, freedom of speech and collective bargaining and is committed to upholding fair labor practices at all our workplaces.

IV. BUILDING ENVIRONMENTAL AND MATERIAL STEWARDSHIP

Environmental Management

ADENTRA is committed to ethical and sustainable harvesting and sourcing of materials, accounting for both the environmental impacts of the products we sell as well as our vendors' commitment to ethical compliance. We ensure our products are derived from legally and sustainably harvested sources and manufactured in facilities that operate ethically.

ADENTRA is committed to sound environmental practices in all of its activities and is resolved on examining and reducing the environmental impact of our facilities and operations.

Human Rights

ADENTRA respects internationally recognized human rights and takes responsibility for avoiding or mitigating any adverse human rights impacts related to our activities and to engage in processes to address such impacts if they occur. Child or forced labor will not be tolerated at any of the Company's operations or in its supply chain.

Relationships with Local Communities

ADENTRA respects the rights, interests, beliefs and traditions of people in the countries and regions in which we conduct business and where we source our products, including the rights of indigenous peoples. The Company will engage with local communities in a respectful and culturally appropriate manner. We ask our foreign manufacturers to supply us a statement of compliance with all government regulations regarding fair wages and labor unions' rights to collective bargaining, as well as contribute to the laborers' social insurance benefit programs as enforced by their local governments.

V. CHAMPIONING PRIVACY, ETHICS AND TRANSPARENCY

Data Privacy and Security

Directors, officers and employees must deal with ADENTRA's assets, including all data, information (confidential or otherwise), records, products, materials, facilities, inventories, trade-secrets, trademarks, copyrights and other intellectual property with the strictest integrity and with due regard to ADENTRA's interests.

Confidentiality

ADENTRA's records, reports, papers, devices, processes, plans, methods and apparatus which are not in the public domain, are considered to be confidential and employees are prohibited from revealing information concerning such matters without proper authorization and without obtaining a non-disclosure agreement from the receiving party prior to disclosure.

IV. IMPLEMENTATION

It is the responsibility of all officers and managers to ensure that the provisions of the Code and the policies that support the Code (including but not limited to the Whistle Blowing Policy and Disclosure of Material Information and Insider Trading Policy), are communicated to Company Personnel. Company Personnel are required to annual review and acknowledge the Code.

Management annually reviews the Code. The Board approves any revisions to the code and the Audit Committee monitors compliance with the Code. Primary responsibility for monitoring compliance with the Code rests with the Board through the Audit Committee.

VII. COMPLIANCE PROCEDURES

The President and Chief Executive Officer shall institute and maintain a compliance program to ensure as far as possible that Company Personnel are familiar with the ramifications of the Code and that they are observing and complying with it.

This program shall include the following procedures:

- a. the publication of policy statements to explain or amplify any aspect of the Code or its application in particular circumstances;
- b. interpretation, consultation, and application of the Code to specific situations encountered by directors, officers and employees as they arise from time to time, especially for those in jobs connected with sales and purchasing, so that they may be familiar with the application of the Code and the law in their jurisdiction; and
- c. the annual review of the Code and completion of compliance certificates by all employees.

All employees shall have access at all times to a copy of the Code, Whistle Blowing Policy and Insider Trading Policy all of which are available on the Company's website and intranet SharePoint homepage.

VIII. QUESTIONS AND REPORTING VIOLATIONS

Compliance with this Code is compulsory. All Company Personnel and Third Party Representatives are encouraged to raise any questions or concerns regarding applicable laws, this Code, or the propriety of any transaction to a senior officer or the Board.

Any Company Personnel or Third Party Representative who become aware of, or reasonably believe there is, or imminently will be, a violation of applicable law and/or the Code shall report such violation to a senior officer or the chair of the Audit Committee following the Whistle Blowing Policy. The Company does not tolerate any act of retaliation against Company Personnel who report potential or actual violations of the Code or of applicable law in good faith. Any violation of the Code will lead to disciplinary action, up to and including termination of employment.

Company Personnel can report concerns to their manager or directly to:

Faiz Karmally

Vice President and Chief Financial Officer

(604) 881-1988

fkarmally@adentragroup.com

Emails should be marked “PRIVATE AND CONFIDENTIAL”.

Or mail confidentially and anonymously to:

Chair of the Audit Committee

c/o ADENTRA Inc.

20161 86th Avenue, Building B – Suite 340

Langley, BC V2Y 2C1

APPENDIX TO CODE OF CORPORATE ETHICS AND BEHAVIOUR

I. PURPOSE

The purpose of this Appendix is to amplify the standards prescribed in the Code, to establish authorities and procedures for the interpretation of the Code, to give guidance and direction where the Code is silent or where the proper business or ethical standard to be applied is uncertain.

AMPLIFICATION OF THE RULES IN THE CODE

The rules set out in the Code are repeated here and amplified for ease of reference.

Rule 1

Every financial transaction between the Company and those with whom it deals, and every payment, receipt and asset must be reflected on the books of the Company promptly, accurately and in the normal financial reporting channels.

Comment

The objective is to ensure that everyone who makes business decisions is accountable for those decisions and is required to report the results promptly through channels which will eventually lead to the Board. Confidentiality is sometimes required to protect the Company's interest, but this can never justify the creation of any secret fund or financial records which are capable of being used to mislead the Company's auditors or anyone else entitled to know the facts.

Amplification

The true character of every financial transaction should be reflected accurately and completely in the Company's records which include the accounts and supporting documents. Any action which has as its motivation the covering-up of an illegal act, either on the part of a Company official, or anyone else, is clearly prohibited under this rule. Any deception or other improper circumvention of accepted accounting standards is also prohibited. While it may be necessary for reasons of competitive secrecy or internal confidentiality to treat certain accounts or transactions in a confidential way, the true nature of these transactions must always be made clear to higher management, the Company's auditors (both internal and external), and other persons, including governmental, regulatory and tax authorities entitled to investigate the Company's activities and records.

Examples of circumstances or transactions, which are clearly prohibited, are as follows:

- (a) maintenance of any account, fund or other asset which is not reflected in the books or records of the Company;

transactions which are not individually recorded in the Company's books (e.g. in-out bank transfer transactions);

documentation which intentionally misrepresents the transaction (e.g. dummy or false receipts or invoices, false declarations, misleading reports); and

imprest accounts which are not supported by adequate and accurate receipts and explanations for withdrawals.

Rule 2

The Company will not tolerate in bribery or knowingly be associated with a transaction involving bribery.

Comment

The Company is subject to various anti-bribery and anti-corruption (“ABAC”) laws, including the United States Foreign Corrupt Practices Act (“FCPA”). ABAC laws and this Code strictly prohibit all Company Personnel and Third Party Representatives from giving, offering, promising, or authorizing a payment or anything of value, either directly or indirectly, to any person with the corrupt intent to obtain or retain business or a business advantage.

Employees that travel to foreign markets or have direct interaction in procuring from overseas companies on behalf of ADENTRA are required to complete an additional compliance program outlining and reviewing additional specificities regarding the FCPA.

By adhering to these principles, the ADENTRA demonstrates its commitment to conducting business with integrity and fairness. By taking additional steps to train employees who deal in higher risk markets, the Company shows its dedication to mitigating potential risks and maintaining ethical standards. It also sends a strong message to employees, agents, and business partners that any involvement in unethical or illegal practices will not be tolerated and may have severe consequences.

Amplification

Compliance with ABAC laws and requires that all Personnel and Third Party Representatives understand the following:

- **Recipient of Bribe** — The FCPA prohibits giving bribes or other improper payments or things of value to any non-U.S. government official, non-U.S. political party or political party official, or candidate for non-U.S. political office. The Code prohibits giving improper payments or things of value to any person, whether or not such person is a Government Official (as defined below).
- **Government Official** — “Government Official” is broadly interpreted under the FCPA and other global anti-corruption laws. For the purposes of the Code, the term “Government Official” includes:
 - Any officer or employee of any federal, state, municipal, or other government, including elected or appointed officials, members of the military, members of the royal family, and low-level bureaucrats of government departments and agencies (e.g., customers and import regulators);
 - A candidate for public office or any employee or individual acting on behalf of a political party;

- Any employee, contractor, agent, or other individual acting on behalf of a state-owned or state-controlled entity (e.g., a healthcare professional employed by a government-owned hospital); and
 - Any employee or individual acting for or on behalf of a public international organization (e.g., World Bank, United Nations, International Monetary Fund).
- **Anything of Value** — “Anything of value” is broadly interpreted to include items other than money, including but not limited to, entertainment, travel, gifts, favors, charitable donations, educational placement, tax advantages, and employment. There is no de minimis exception.
 - **Corrupt intent** — To constitute bribery under the FCPA, the illicit payment must have been made or offered “corruptly”—that is, the payment, promise, or offer must be intended to induce the recipient to misuse his official position.
 - **Improper Purpose** — ABAC laws prohibit payments or transfers of things of value made to assist in obtaining or retaining business for or with, or directing business to any person or company, or to obtain a business advantage. Thus, a bribe or corrupt transfer of anything of value given to any person for a business-related purpose is likely prohibited by ABAC laws.
 - **A Bribe Need Not Be Successful** — An improper or corrupt act need not succeed for there to be a violation — even an offer or promise of a corrupt payment can violate ABAC laws.
 - **Indirect Payments and “Knowledge”** — ABAC laws also prohibit indirect payments or transfers of anything of value made through an agent, sales representative, consultant, joint venture partner, or other third party when the company or individual knows or should have known that the payment or thing of value will subsequently be given to a Government Official to obtain or retain business or a business advantage. A company or individual has “knowledge” if the company or individual actually knows or is willfully blind to the high probability that the payment or thing of value will be given to a Government Official to obtain or retain business or a business advantage.

Because of the broad “knowledge” standard defined above, particular caution and attention is warranted when dealing with Third Party Representatives. Additional guidance regarding Third Party Representatives and other topics relevant to compliance with ABAC laws can be found in the supplemental ABAC training program.

Rule 3

Any transaction involving a contribution of intangibles from a person or Company with whom the Company is dealing must be approved by a Vice-President.

Comment

Any joint venture with a person who will contribute less than his fair share of tangible assets, or the engagement of any agency or brokerage at an excessive commission, is capable of abuse and must be scrutinized by the Vice-President responsible. If the transaction exceeds his authority, he must seek the approval of the President and Chief Executive Officer.

Amplification

This rule is not a prohibition but it stands as a warning that some transactions by their nature require careful scrutiny. The following are examples of facts from which an inference could be drawn that bribery, kickback or other improper conduct has occurred. However, with additional facts or assurances the transaction might be found to be quite proper.

- (a) The Company is planning a new joint venture through a subsidiary in a foreign country and it is proposed to issue a block of shares in the subsidiary to a government official or other prominent person to facilitate the commencement of business, but the consideration for the issuance of the shares is either nominal or unreasonably low.

The normal agent's commission for the sale of a product by the Company usually ranges up to 5%, depending on market circumstances and conditions. An agent in a country with a questionable reputation for bribery demands a commission well in excess of the normal commission paid by the Company for the sale of the same product in other countries.

In a line of business where we normally sell direct we are asked by a customer to place the business through a broker and to pay the broker a commission.

A person represents that he can turn a good piece of business our way and demands a finder's fee or commission although he would not be acting as the Company's agent in the transaction.

The careful scrutiny of such proposals may turn up additional facts which confirm an inference of improper conduct and accordingly would justify the Company in not proceeding.

Rule 4

An immoderate gift, favor or any form of entertainment ("benefit") is prohibited if its effect is:

- (a) **to give the Company as donor an improper preference; or**
- (b) **to give some third party, as donor to a Company employee, an improper preference that might be to the detriment of the Company.**

Comment

The overriding principles are that benefits received by and given to employees are permissible if they are:

- (c) consistent with accepted business practice;
- (d) immaterial in value and in a form that could not be construed as a bribe, payoff or improper or illegal payment by an impartial observer;
- (e) not in contravention of any applicable law and ethical standards generally accepted in the particular area; and
- (f) of such kind that public disclosure of the facts would not embarrass the Company.

Amplification

A distinction should be drawn between receiving and giving benefits.

This policy applies also to benefits received by persons in the immediate family of an employee of the Company.

A. Benefits Received

Under no circumstances may an employee of the Company receive a cash benefit.

A non-cash benefit is presumed to be material if the benefit has a monetary value in excess of \$350. Even where a benefit has a value in excess of \$350, an employee may retain it if acceptance has been approved in writing by a Vice-President as being the custom in the trade. In this Code “benefit” includes property, sponsorship in or of sports events, and invitations to sports events, cultural events or vacation tours.

Any benefit received having an estimated value in excess of \$350 should be reported to the Chief Financial Officer.

Any gift retained by an employee and apparently not prohibited under this rule, unless obviously of no value, must be reported at once to the recipient’s immediate superior.

This does not mean that any benefit costing less than \$350 is permissible: the purpose behind it must in all cases be proper. Gifts, favors and entertainment that can be fairly characterized in the circumstances as being immoderate, excessive or extravagant, whatever their purpose, are prohibited. However, judgment must be brought to bear in interpreting what is prohibited by this rule taking into account five factors:

- (a) the position and authority of the recipient;
- (b) the custom in the trade;
- (c) whether the gift is in isolation, repetitive or recurring;
- (d) the number of recipients; and

any other factor that would tend to cause the motive or purpose to be questioned by an objective and impartial observer.

Benefits offered to an employee of the Company that are prohibited under this rule should be refused or returned unless the circumstances are such that to do so would be either impractical or impolitic. In such event, the gift should be turned over to the Company, and where circumstances allow, a letter should be written to the donor advising him that it has been accepted on behalf of the Company.

B. Benefits Given

With respect to the giving of benefits by the Company to others, which do not have as their primary purpose the obtaining of an improper preference, application of the five factors outlined in the above comments will vary among the various marketing functions in the Company depending

upon such things as tradition (custom of the trade), precedents, product, amount of sale, and marketing philosophy.

Any benefit given having an estimated value in excess of \$350 should be reported to the Chief Financial Officer, unless it is disclosed in an expense account and approved by a vice-president in the normal course of business.

Rule 5

The Company will not make a political contribution.

Comment

No contribution (whether in money, property or services) may be made to any political party or candidate for office, and no contribution may be made to assist anyone to remain in office.

Amplification

It is important to recognize that the term “political contribution” may be given a very broad legal interpretation. In some countries, indirect payments or assistance to political candidates or parties are deemed to be political contributions and might, therefore, be illegal. The line between legality and illegality is often thin. For example, in the United States, if a company allows an employee paid leave of absence so that the employee can independently campaign for a candidate or party, that allowance is deemed to be an illegal political contribution by the company, whereas if the employee campaigns on his or her paid vacation time, it is deemed to be a political contribution by the employee and, therefore, not an illegal act by the company. Similarly, in the United States, tickets to political functions such as testimonial dinners which are paid for by the company, even when charge through employee expense accounts, are illegal political contributions. It is the responsibility of every officer and employee to be aware of legal implications, if any, concerning political contributions in his or her country, province or state and to advise the Board accordingly when submitting proposed contributions for approval, as stipulated by this rule.

Rule 6

No officer or employee may have any business interest which conflicts with the Company’s interests. Each officer or employee who becomes aware of an actual, potential or apparent conflict of interest must report such conflicts to his or her immediate superior, a senior officer or the Board.

Comment

Any officer or employee of the Company who accepts a bribe in connection with a transaction involving the Company or receives any material benefit therefrom without the knowledge and consent of the Company is guilty of the most flagrant form of conflict of interest. The duty of loyalty to the Company extends to avoiding potential conflicts of interest such as owning directly or indirectly a significant interest in a firm with which the Company deals or competes. If a conflict of interest does arise by accident it must be disclosed promptly and appropriate steps must be taken to avoid embarrassing the Company. This rule does not prohibit the purchase in the market of less than a significant interest in the shares of any public Company, whether or not the Company deals with it or competes with it.

Amplification

Officers and employees are required to take note of the following:

- (e) employees shall not speculate or deal in materials purchased or commodities produced or sold by the Company;
- (f) employees must not have any material personal business or financial interest with any person, firm or Company with whom the Company does business. This rule must be strictly applied to every employee who buys or sells or has any recommendation in, control or supervision of, buying or selling, with respect to the persons, firms or companies with whom the employee does business on behalf of the Company;
- (g) employees must not borrow from the Company's customers or suppliers of goods or services, except that credit or charge account privileges, normally available, may be accepted;
- (h) each employee must report (except as noted below) to his or her immediate superior the existence of any financial interest held by the employee or members of his or her immediate family in a business (whether operated by a person, a firm or Company) with which the Company or any of its subsidiaries could have business dealings. This duty does not extend to reporting and investment in the securities of a public Company or a reporting Company amounting to less than a controlling interest even though the Company has business dealings with it; and
- (i) Vice-Presidents must review these rules on a periodic basis by and with all levels of management reporting to them.

Rule 7

No officer or employee may make any agreement or arrangement contrary to the competition laws of Canada, the United States, or the country in which the business is done.

Comment

An illegal agreement or arrangement is frequently inferred from the conduct of the parties. Therefore, any communication with competitors directly or indirectly about prices or market sharing is prohibited unless the circumstances are such that it is abundantly clear not only to the employee concerned but to his immediate superiors that no illegal agreement has been made. Disclosure of market information to an organization for publication to the trade is a sensitive matter in some jurisdictions and should not be done without legal advice.

Amplification

In some countries, and especially the United States, Canada and the European Economic Community (EEC), the laws affecting competition are so complex and subtle that the Company's employees may have difficulty comprehending them. Without a full appreciation of those laws, the Company may be drawn into expensive litigation or even prosecution by misguided, ill-conceived or naive activities of its employees. The best safeguard is sound legal advice. Accordingly, all managers and sales staff must have a clear understanding of the basic competition laws applicable to the markets in which they deal and must clear all doubtful activities in advance with the Chief Financial Officer.

Any agreement with a competitor to fix prices, allocate markets, bar entry or boycott suppliers or customers is clearly unlawful, and even conduct that could lead to the inference of any such agreement must be scrupulously avoided. The following is a checklist of more ordinary business transactions which might give rise to competition problems and which should be cleared through Chief Financial Officer unless the manager responsible is satisfied that no breach of the law will occur:

- (a) joining a consortium of competitors for sales to export markets;
- (b) buying or selling the products of competitors;
- (c) exchanging production or market information with competitors or through trade associations and marketing consultants;
- (d) tied sales, where the sale of one product is made conditional upon the purchase of another product;
- (e) averaging of freight expense or arbitrary freight zones, so that buyers pay neither the actual freight cost nor a uniform delivered price;
- (f) suggesting or recommending resale prices to customers;
- (g) reciprocal buying and selling;
- (h) refusal to sell and exclusive dealings; and
- (i) price discrimination between customers in a like position.

In addition, the Chief Financial Officer will be responsible for initiating and maintaining an advisory and compliance programme throughout the Company, keeping all managers and marketing personnel up-to-date on the relevant competition laws.

Rule 8

All Company Personnel must comply with the laws, rules and regulations to which the Company and they are subject.

Comment

The Company will be harmed by breaches of law, rules and regulations by its officers and employees acting personally and on its behalf. Breaches of law may also adversely impact other officers and employees and will ordinarily also result in penalties against the person who broke such law, rule or regulation.

Rule 9

Any event or circumstance affecting the Company that any officer or employee believes should be disclosed to the Company's stakeholders or to regulatory agencies shall be reported by such officer or employee to the Chief Executive Officer Those officers and employees responsible for disclosure will ensure full, fair, accurate, timely and understandable disclosure in reports and documents released to the public or filed with regulatory agencies.

Comment

As a public entity, the Company has an obligation to provide certain information relating to the Company's business and its finances to the public and to regulatory agencies to which it is subject. The objective is to ensure that the Company meets its disclosure obligations to the public and regulatory agencies in accordance with applicable law.

Amplification

The Company and certain of its officers and directors are liable for the accuracy and timeliness of the disclosure that the Company makes to the public and to regulatory agencies to which the Company is subject. For example, in certain jurisdictions, lawsuits may be brought against the Company and certain of its officers and directors if statements made in the reports or registration statements the Company makes with the applicable securities regulatory authorities are false or misleading with respect to any material fact. Consequently, any officer or employee that becomes aware of material information affecting the Company should report this information to the Chief Financial Officer. The Chief Financial Officer and other officers and employees responsible for disclosure must ensure that this information, and any other information of which they are aware, is fully and accurately disclosed to the public and to the applicable regulatory agencies, as required by law. These persons shall also comply with the Company's Standing Procedures for disclosure. Because of the severe consequences to the Company and its officers and directors in the event of non-disclosure or false disclosure, including criminal penalties in some cases, it is imperative that material information is reported to the appropriate person and disclosed in due course and that advice is sought if necessary.

GUIDELINES WITH RESPECT TO PAYMENTS TO AGENTS AND REBATES TO CUSTOMERS

The propriety of a payment properly due to an agent or customer may be questioned as a result of the manner in which the payment is made. For example, an agent may legally direct the Company to pay his commission to a bank outside his own country, thereby raising the question whether he or she is evading his own country's tax or foreign exchange control laws. The risk is that the Company may be accused by his country of conniving with the agent or customer to achieve an illegal purpose.

To avoid any such accusation the general rule is that all payments to agents or customers shall be by way of a check or bank transfer made out in the name of the agent or customer for forwarding directly to the payee or his bank within the jurisdiction in which his business is carried on. Exceptions should be governed by the following considerations:

- (a) checks made payable to an agent may be picked up by the agent (if an individual) or a responsible officer (if a Company) when attending the Company's offices on business. Checks made out to customers may also be picked up in the same way. However, in either event, checks should only be handed to an individual where the Company is satisfied, by appropriate certification or otherwise, that such an arrangement has as its primary motivation business convenience and is not an arrangement to assist that party to avoid either the foreign exchange or income tax laws of the country in question;

the Company will not pay money to a bank account outside the payee's country unless the payee represents in writing:

- (i) that such payment is not illegal;
- (ii) that such payment does not expose the Company to liability;
- (iii) that such payment is not part of a scheme to evade taxation; and
- (iv) there are legitimate business reasons for this manner of payment;

the Company will not pay the money to a third party without an enforceable, written assignment of the obligation (in whole or in part). If the assignee is outside the payee's country the representations in paragraph (b) must be obtained;

an agent will not be put in funds with instructions to pay the customer, unless the customer's entitlement is conditioned upon the happening of some event which the agent must check. In that event only the agent may be put in funds and instructed to pay the customer against delivery of a proper receipt from the customer, which must be returned to the Company;

payments must be made in their entirety and not split between different parties or jurisdictions unless the representations in paragraph (b) are obtained. This applies to employees' salaries as well; and

a request by a customer to be over-invoiced and rebated the difference, whether to the customer or another party, must be refused unless the Chief Financial Officer is satisfied that:

- (v) the rebate is payable to the same party at the same address set out in the pertinent invoice;
- (vi) from the Company's perspective the transaction is reasonable and has a legitimate business purpose in the sense of meeting a competitor's price, and
- (vii) the Company has no notice from any official of the foreign country where the customer carries on business indicating any violation of the laws of that country.

ADENTRA's Whistle Blower Policy is available to all employees on the ADENTRA SharePoint homepage.