



## CHARTWELL TECHNOLOGY INC.

### CODE OF BUSINESS CONDUCT AND ETHICS

#### 1. Introduction

This Code of Business Conduct and Ethics is applicable to all employees, officers, consultants and directors (collectively, “**Employees**”) of Chartwell Technology Inc. (the “**Corporation**”) and its subsidiaries. The word “Corporation” should be read to refer to Chartwell Technology Inc. and its subsidiaries. We require the highest standards of professional and ethical conduct from our Employees. The reputation of the Corporation for honesty and integrity among its stakeholders is key to the success of its business. No Employee will be permitted to achieve results through intentional violations of law or regulation, or through unscrupulous dealings. All Employees of the Corporation must respect and comply with the letter and spirit of all of the laws, rules and regulations of Alberta and Canada applicable to the Corporation and of any jurisdiction in which the Corporation does business. Individuals who fail to comply with such laws, rules and regulations will be subject to disciplinary measures, up to and including dismissal from the Corporation.

We intend that the Corporation’s business practices will be compatible with the economic and social priorities of each location in which we operate. Although customs vary from country to country and standards of ethics may vary in different business environments, honesty and integrity must always characterize our business activities. This Code reflects our commitment to a culture of transparency, honesty, integrity and accountability and outlines the basic principles and policies with which all Employees are expected to comply. Any violations of this Code will be dealt with severely. In addition to following this Code in all aspects of our business activities, Employees are expected to seek guidance in any case where there is a question about compliance with the letter and spirit of our policies or applicable laws or regulations. This Code sets forth general principles and does not supersede the specific policies and procedures that are covered in the Corporation’s separate specific Charters and policies.

#### 2. Conflicts of Interest

All Employees of the Corporation must be scrupulous in avoiding a conflict of interest with regard to the Corporation’s interests. A “*conflict of interest*” exists when an individual's private interests interfere or conflict with or appear to interfere or conflict with the interests of the Corporation. A conflict of interest may arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her professional obligations objectively and effectively or when he or she otherwise

takes action that is inconsistent with the interests of the Corporation for his or her direct or indirect benefit or for the direct or indirect benefit of a third party. A conflict of interest may also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Corporation, whether received from the Corporation or a third party. Loans to or guarantees of obligations of Employees or any of their respective family members are likely to amount to conflicts of interest as are transactions of any kind between the Corporation and any other entity in which an employee, officer or director has a material interest. Conflicts of interest are prohibited as a matter of corporate policy, except as specifically approved by the Corporation's board of directors (the "**Board**") and except in accordance with applicable laws and regulations. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with higher levels of management of the Corporation. Any Employee who becomes aware of a conflict or a potential conflict must bring it to the attention of a supervisor or manager who must thereupon bring it to the attention of the Chair of the Corporate Governance, Compensation and Compliance Committee of the Board.

### **3. Corporate Opportunities**

Employees are prohibited from:

- taking for themselves personally opportunities that properly belong to the Corporation or are discovered through the use of corporate property, information or position;
- using corporate property, information or position for personal gain; and
- competing with the Corporation.

Employees owe a duty to the Corporation to advance its legitimate interests when the opportunity to do so arises.

### **4. Accuracy of the Corporation's Records and Reporting**

Full, fair, accurate, timely and understandable disclosure in reports or other documents we file with or submit to regulatory authorities in Canada and other jurisdictions and in our other public communications is critical to our ability to make responsible business decisions, to comply with our obligations under applicable corporate and securities law and regulation and to meet the expectations of our stakeholders. The Corporation's accounting records are relied upon to produce reports for the Corporation's management, shareholders, creditors, governmental agencies and others. Our financial statements and the books and records on which they are based must accurately reflect all corporate transactions and conform to all legal and accounting requirements and our system of internal controls. The Chief Executive Officer (the "**CEO**") and the Chief Financial Officer (the "**CFO**"), with the assistance of appropriate Committees of the Board, are responsible for establishing and managing the Corporation's financial reporting systems to ensure that:

- all business transactions are properly authorized;
- all records fairly and accurately reflect the transactions or occurrences to which they relate;
- all records fairly and accurately reflect in reasonable detail the Corporation's assets, liabilities, revenues and expenses; and
- no relevant information is concealed from the independent auditors, the Audit Committee or the full Board.

All Employees have a responsibility to ensure that:

- the Corporation's accounting records do not contain any false or intentionally misleading entries;
- no transactions are intentionally misclassified as to accounts, department or accounting periods;
- all transactions are supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period; and
- each Employee and any person acting under the direction thereof is prohibited from taking any action to fraudulently influence, coerce, manipulate, or mislead any person assisting in the performance of an audit of the financial statements of the Corporation.

Each Employee is to exercise a high standard of care in preparing reports, documents and other public communications, or in ensuring that such reports, documents and other public communications are prepared, in accordance with the guidelines set forth below.

- Compliance with generally accepted accounting principles is required at all times. However, technical compliance with GAAP may not be sufficient and, to the extent that technical compliance with GAAP would render financial information that the Corporation reports misleading, additional disclosure will be required.
- Compliance with the Corporation's system of internal accounting controls is required at all times, and no actions designed to circumvent such controls and procedures will be tolerated.
- Compliance with the Corporation's disclosure controls and procedures is required at all times, and no action designed to circumvent such controls and procedures will be tolerated.

## **5. Compliance with Laws, Rules and Regulations**

The CEO and the CFO are expected to ensure compliance with both the letter and spirit of all applicable laws, rules and regulations.

The Corporation's policy is to comply with all applicable financial reporting and accounting regulations applicable to the Corporation. If any Employee has concerns or complaints regarding questionable accounting or auditing matters of the Corporation or identifies a possible violation of applicable law or regulation, then he or she is required to report such possible violation (anonymously, confidentially or otherwise) to the Audit Committee which will (subject to its duties arising under applicable law, regulation and legal proceedings) treat such submissions confidentially in accordance with the Corporation's Policy Regarding Questionable Accounting or Auditing Matters.

## **6. Discrimination and Harassment**

The Corporation values the diversity of its Employees and is committed to providing equal opportunity in all aspects of employment. Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Employees are encouraged to speak out when a co-worker's or a colleague's conduct makes them uncomfortable, and to report any harassment to their immediate supervisor, the Human Resources Manager or a member of the Management Committee of the Corporation.

## **7. Safety and Health**

Employees are all responsible for maintaining a safe workplace by following safety and health rules and practices. The Corporation is committed to keeping its workplaces free from hazards. Please report any accidents, injuries or unsafe equipment, practices or conditions immediately to a supervisor or other designated person. Threats or acts of violence or physical intimidation are prohibited.

## **8. Confidentiality**

Employees of the Corporation must maintain the confidentiality of confidential or proprietary information entrusted to them by the Corporation or its suppliers or customers, except when disclosure is authorized or required by applicable law, regulation or legal proceedings. Whenever possible, an Employee should consult the CFO or the CEO if he or she believes that he or she has a legal obligation to disclose confidential information. Confidential information includes all non-public information that might be of use to competitors of the Corporation, or harmful to the Corporation or its customers if disclosed. It also includes information that suppliers and customers have entrusted to the Corporation.

## **9. Protection and Proper Use of the Corporation's Assets**

All Employees should endeavour to protect the Corporation's assets and ensure their efficient use. No Employee may use the Corporation's property for personal use or benefit or for the personal benefit of a third party without express authorization from the

CFO or the CEO. Theft, carelessness and waste have a direct impact on the Corporation's profitability. Any suspected incidents of fraud or theft should be immediately reported to the CFO or the CEO. The Corporation's assets, such as funds, products or computers, may only be used for legitimate business purposes or other purposes approved by management. The Corporation's assets may never be used for illegal purposes. The obligation to protect the Corporation's assets includes proprietary information. Proprietary information includes any information that is not generally known to the public and would be helpful to the Corporation's competitors. Examples of proprietary information are intellectual property, business and marketing plans and employee information. The obligation to preserve proprietary information continues even after the Employee leaves the Corporation.

## **10. Insider Trading**

Insider trading is unethical and illegal. Employees are not allowed to trade in securities of a corporation while in possession of material non-public information regarding that corporation. It is also illegal to "tip" or pass on inside information to any other person who might make an investment decision based on that information or pass the information to others who may trade on such information. The Corporation has a Disclosure Policy, which sets forth the obligations of Employees in respect of trading in the Corporation's securities.

## **11. Fair Dealing**

Each Employee should endeavour to deal fairly with the Corporation's shareholders, customers, suppliers, competitors and other Employees. No one should take unfair advantage of another through illegal conduct or through other unfair dealings. Notwithstanding the foregoing, this provision shall not be construed so as to import any contractual duty of good faith into any agreement to which the Corporation is a party.

## **12. Gifts and Entertainment**

Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. These courtesies include such things as meals and beverages, tickets to sporting or cultural events, discounts not available to the general public, travel, accommodation and other merchandise or services. In some cultures they play an important role in business relationships. However, a problem may arise when such courtesies compromise, or appear to compromise, our ability to make objective and fair business decisions. The same rules apply to Employees offering gifts and entertainment to our business associates. The value of gifts should be nominal, both with respect to frequency and amount. Any gift valued in excess of \$500 should not be accepted without approval of a supervisor or manager. Likewise, business entertainment should be intended only to facilitate business goals. Use good judgment in representing the Corporation's interests.

Strict rules apply when we do business with governmental agencies and officials, whether in Canada or other jurisdictions or in other countries, as discussed in more detail below.

Because of the sensitive nature of these relationships, talk with the CFO or the CEO before offering or making any gifts or hospitality to governmental employees.

### **13. Payments to Domestic and Foreign Officials**

Employees must comply with all laws prohibiting improper payments to domestic and foreign officials, including the *Corruption of Foreign Public Officials Act* (the “Act”) and comparable legislation in other jurisdictions in which the Corporation conducts business. The Act prohibits an offer, payment, promise of payment or authorization of the payment of any money or gift to a foreign official, foreign political party, official of a foreign political party or candidate for political office to influence any act or decision of such person or party to obtain or retain business. The Act also prohibits a payment to any person with the intention that all or a portion of that payment will be offered or given, directly or indirectly, to any such political person for any such purpose. Although payments may not be illegal, the Corporation’s policy is to avoid such payments. If any employee finds that adherence to the Corporation’s policy would cause a substantial, adverse effect on operations, that fact should be reported to the CFO or the CEO, who will determine whether an exception may lawfully be authorized and appropriate in the circumstances. If the facilitating payment is made, such payment must be properly entered and identified on the books of the Corporation and all appropriate disclosures made. Violation of the Act is a criminal offense, subjecting the Corporation to substantial fines and penalties and any employee, officer, director, or stockholder acting on behalf of the Corporation to imprisonment and fines.

### **14. Waivers of the Code of Business Conduct and Ethics**

Any waiver of this Code for executive officers or directors will be made only by the Board and will be promptly disclosed as required by applicable law or regulation. Any change to this Code will be disclosed as required by applicable law or regulation.

### **15. Compliance Procedures**

The Board, through the Corporate Governance, Compensation and Compliance Committee, is ultimately responsible to monitor compliance with this Code. Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behaviour or violations of this Code in a timely manner. This Code cannot, and is not intended to, address all of the situations that may be encountered. There will be occasions where an Employee is confronted by circumstances not covered by policy or procedure and where such Employee must make a judgment as to the appropriate course of action. In those circumstances we encourage all Employees to use their common sense, and to contact their supervisor or manager for guidance. If an Employee does not feel comfortable discussing the matter with his or her supervisor or manager, please contact the CFO or the CEO.

For any complaints or concerns related to accounting, internal controls or auditing matters, please follow the procedures outlined in the Corporation’s Policy Regarding Questionable Accounting or Auditing Matters.