

## **IRD BUSINESS POLICY AND CODE OF CONDUCT IRD CONCERNS AND COMPLAINTS POLICY**

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IRD's most important assets are our employees, customers, shareholders, suppliers, and community in which we operate. It is imperative that we maintain the trust of each. The Code helps us fulfill our responsibility by:

- Committing to the public and our stakeholders our uncompromising integrity in every aspect of our efforts.
- Describing our values and principles of business conduct, including our own high standards and our fundamental respect for the rule of law.
- Guiding employees in ethical decision making

The Concerns and Complaints Policy provides a mechanism for employees to report "Activities of Concern" in a confidential manner.

### **CERTIFICATE OF COMPLIANCE**

IRD Management asks that you review this material on a regular basis and renew your commitment annually.

*Please note: The information in this e-mail is provided for the exclusive use of IRD employees and is confidential, do not forward this e-mail.*

Yours Truly,

A handwritten signature in blue ink that reads "Sharon Parker". The signature is written in a cursive, flowing style.

Sharon Parker, VP Corporate Resources

## **IRD Employee - Business Policy and Code of Conduct**

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**IRD (INTERNATIONAL ROAD DYNAMICS INC.)** expects business dealings with shareholders, customers, suppliers, retirees, community organizations and governmental and regulatory authorities to be conducted with the highest standards of ethics, respect and integrity and in full compliance with applicable laws, statutes and regulations.

The primary function of all employees, management, executive and directors is to engage in activities that further the performance and success of the company.

### **THIS INCLUDES BUSINESS DEALINGS:**

- Between Directors on the IRD Board of Directors and by Directors; and
- Between Employees and by Employees.
- Between Contractors and by Contractors

### **THE IRD BOARD OF DIRECTORS COMPLIES WITH AND PROVIDES OVERSIGHT TO ENSURE MANAGEMENT AND EMPLOYEES ADHERE TO THE FOLLOWING:**

#### **1. LAW, RULES AND REGULATIONS**

We will comply with all applicable laws, rules and regulations in the countries where we operate and are responsible for adhering to the standards and restrictions imposed by those laws, rules and regulations. Unlawful conduct cannot be tolerated, even when the intent is to further legitimate company objectives. In cases of uncertainty, everyone working for IRD is expected to raise the issues within an open environment with management to obtain clarification.

#### **2. COMMERCIAL INTEGRITY**

IRD endorses the view that a viable free-enterprise system rests upon the fundamental proposition that free and open competition is the best way to assure a supply of goods and services at reasonable prices. To this end, employees and directors shall refrain from any kind of understanding or agreement with others regarding prices, division of markets or allocation of customers.

#### **3. CORPORATE SAFETY AND HEALTH**

IRD is committed to the health and safety of its employees and for all who are involved in our business. We are committed to continuing improvement toward an accident-free workplace through effective administration, awareness and training.

IRD's Safety Manual illustrates our principles governing workplace safety and health. All company activities will comply with the requirements of the Safety Manual.

#### **4. MISREPRESENTATION AND FRAUD**

IRD Employees, Directors and Contracts shall ensure that, at all times, they represent the company in an honest, respectable and professional manner. It is unethical and unacceptable for any IRD Employee to engage in any form of fraudulent behavior which damages the company and/or the reputation of any other Employee, Director or Contractor.

## **Actions constituting fraudulent behavior include but are not limited to:**

1. Fraudulent financial reporting, including improper revenue recognition, improper capitalization of expense, improper asset valuation, improper related-party transactions; and improper management override of financial transactions;
2. Misappropriation of assets;
3. Improper or unauthorized expenditures, including bribery and other improper payment schemes;
4. Self-dealings (including kickbacks);
5. Violations of laws and regulations;
6. The offering or taking of inducement, gifts or favors which may influence the action of any persons;
7. Unauthorized disclosure or manipulation of sensitive information
8. Forgery or alteration of any document belonging to the Company;
9. Profiteering as a result of insider knowledge of Company and customer activities for the purpose of personal gain, gain for another or with intent to cause loss to another.

IRD's corporate fraud policy has been established as part of the Company's network of controls to assist in the detection and prevention of fraud. It is the philosophy of IRD that there is a zero tolerance for fraud both inside and outside of the company. It is the intent of IRD to promote consistent organizational behavior by providing guidelines and assigning responsibilities for the development of controls and providing a reporting system for concerns and complaints (IRD's Concerns and Complaints Reporting Policy).

## **5. COMPANY RECORDS**

Employees, contractors and directors shall ensure that all business records, accounts, invoices, bills, payroll and other records reflecting IRD's transactions are complete, accurate, reliable and supported by appropriate documents in auditable form and maintained on a timely basis. Employees, contractors and directors are prohibited from entering into any transaction or arrangement, which would intentionally knowingly result in any of the above being false or misleading.

## **6. CONFIDENTIALITY**

Confidential and/or undisclosed information regarding IRD's products, strategies, plans, forecasts, sales and earnings, financial condition, know how, design, processes and procedures, production plans, discoveries, cost and price data, possible acquisitions or divestitures as well as research and development are vitally important to IRD's success and are to be held in strict confidence by employees and directors.

The use of such information for the benefit of any employee, contractor or director or its disclosure to any unauthorized person, violates IRD's interest and is prohibited.

All employees and contractors sign a "Certificate of Non-Disclosure and Rights Agreement" which covers in detail:

- Intellectual and Industrial Property Rights
- Devotion of Time
- Protection of Trade Secrets
- Non-Competition

## **7. MISUSE OF IRD'S ASSETS, SERVICES OR TIME**

IRD employees, contractors and directors are prohibited from using IRD's assets, services or time in a manner which may interfere or conflict with IRD's business interests or reputation.

## **8. CONFLICT OF INTEREST**

Employees, contractors and directors owe a duty of loyalty to IRD with the obligation to act in its best interest, to maintain in confidence all proprietary information and to refrain from placing themselves in a position that could tend to produce a conflict of interest between them and IRD. It is the duty of employees, contractors and directors to act in good faith at all times and not to use their positions for private or personal gain beyond that provided by IRD.

## **9. FINANCIAL INTERESTS**

A conflict of interest may exist when an employee, contractor or director (or member of his/her immediate family) who is able to influence business with IRD, owns, directly or indirectly, a beneficial interest in a competitor, supplier, customer or contractor.

No employee, contractor or director shall hire or contract with a family member or a family business unless such relationship is approved in writing by the VP of Human Resources.

## **10. OUTSIDE WORK**

A conflict of interest may exist when an employee, contractor or director (or member of his/her immediate family) directly or indirectly, acts as a director, officer, consultant or agent to an organization that is a competitor, supplier, customer or contractor to IRD.

An employee, contractor or director shall not be a party to any decisions made by IRD with respect to such competitor, supplier, customer or contractor.

## **11. ENTERTAINMENT, GIFTS, FAVORS AND/OR GRATUITIES**

It is customary for IRD to develop positive associations with IRD's business associates, suppliers and clients. It is important that all IRD employees who have the opportunity within their job responsibilities to develop these business relationships follow IRD's policy. It is unethical and unacceptable business practice for IRD employees to offer or accept gifts or preferential service to or from any business associate, supplier or customer with the overt or implied expectation of receiving favorable consideration in return.

It is common practice for suppliers, business associates and clients to offer gifts. When gifts are offered to an employee, it is the responsibility of the employee to inform the other party of IRD's policy: "It is IRD's policy that employees are not permitted to accept gifts from suppliers, business associates or clients".

An exception to this concerns items that are clearly promotional in nature, mass-produced or trivial in value, and are not intended to evoke any reciprocation. Business courtesies such as the occasional lunch, dinner or refreshments are permissible, provided they are of nominal value and develop the furtherance of a business relationship. They must not be interpreted as an attempt for IRD to gain unfair business advantage or otherwise reflect negatively on either business involved. It is understood that this policy may not apply to the full extent in regions of the world outside of North America. Discretion and good business judgment must be exercised. Any gifts, favors or gratuities received in excess of \$500CDN must be reported to the VP International Business.

## **12. EQUAL EMPLOYMENT OPPORTUNITY**

Directors, employees, contractors and applicants will be treated equally according to their individual qualifications, abilities, experiences and employment standards. IRD is committed to ensuring a work environment free from harassment because of race, national or ethnic origin, color, religion, age, sex, marital status, family status, disability and conviction for which a pardon has been granted.

The prohibition of harassment based on sex includes sexual harassment which is defined to mean conduct, comment, gesture or contact of a sexual nature that (a) is likely to cause offence or humiliation

to any employee, or (b) might on reasonable grounds be perceived by that employee as placing a condition of a sexual nature on employment or on any opportunity for training or promotion.

### **13. POLITICAL CONTRIBUTIONS AND INVOLVEMENT**

IRD will not interfere in the political activities of employees or directors other than to encourage their involvement as citizens in accepting the responsibilities of good citizenship and doing everything they can to preserve and strengthen the system of government. Political involvement by employees is based on the understanding that it is undertaken solely on their own behalf and not as a representative of IRD

## **IRD CONCERNS AND COMPLAINTS REPORTING POLICY**

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It is the policy of the Company that all of its employees, officers and directors are required to report concerns about accounting and auditing matters and suspected wrong-doings of any nature that affect the company. This memorandum establishes procedures for such reporting. The Audit Committee of the Board of Directors has adopted these procedures in compliance with requirements that Audit Committees of listed companies establish procedures for: (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters or suspected wrong-doings, and (ii) the confidential, anonymous submission by employees of Company of concerns regarding questionable accounting or auditing matters.

### **1. REPORTING RESPONSIBILITY**

It is the responsibility of all employees, officers and directors to report any concerns regarding accounting, financial statement disclosure, internal accounting or disclosure controls, auditing matters or suspected wrong-doings in accordance with the provisions set out herein.

The Company has an open door policy and encourages the individuals to share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an individual's supervisor is in the best position to address an area of concern. However, if the individual is not comfortable speaking with the supervisor or is not satisfied with the supervisor's response, he/she is encouraged to speak with anyone in management who he/she is comfortable approaching.

For suspected wrong-doings involving unlawful acts, fraud or regulatory violations, or when not satisfied or comfortable with following, the Company's open door policy, individuals should contact the Company's Compliance Officer directly.

Supervisors and managers are required to report all complaints to the Compliance Officer who has specific and exclusive responsibility to investigate them.

### **2. NO RETALIATION**

No employee, officer or director who in good faith makes a complaint shall suffer harassment, retaliation or adverse employment consequences. An individual who retaliates against someone who has made a complaint in good faith is subject to discipline up to and including termination of employment.

### **3. COMPLIANCE OFFICER**

The Compliance Officer is responsible for investigating all complaints. The Compliance Officer is the Chair of the Corporate Governance Committee, Mr. Ray Harris. Contact can be made by email: [harris1486@rogers.com](mailto:harris1486@rogers.com), by telephone 705-422-1486 or correspondence should be sent to:

Mr. Ray Harris, Chair of the Corporate Governance Committee  
9 Alexandra Lane  
Wasaga Beach, ON, CANADA L9Z 1N5

The Compliance Officer shall immediately notify the Audit Committee of each complaint and work with the Committee until the matter is resolved. If you are not comfortable speaking to the Compliance Officer, or if they are unavailable, you should contact the Chair of the Audit Committee, Mr. Ray Kolla, by email: [raykolla@shaw.ca](mailto:raykolla@shaw.ca) or by telephone 306-979-7210 or by correspondence to:

Mr. Ray Kolla, Chair of the IRD Audit Committee  
703-922 Broadway Ave  
Saskatoon, SK S7N 1B7

At the end of each calendar quarter, the Compliance Officer shall prepare a written report to the Audit Committee and present it in person at the subsequent quarterly meeting of the Committee. The report will contain details of every complaint received during the quarter and the progress made towards its

resolution. It will also contain such details regarding any complaint received in prior periods that had not been resolved before the start of the current quarter.

If the Chair of the Audit Committee is the person who is contacted, the Chair will report to the Audit Committee at the meeting following the receipt of the complaint and the status of the complaint until it is resolved.

#### **4. GOOD FAITH**

An individual filing a complaint must be acting in good faith and have reasonable grounds for believing the information disclosed constitutes a questionable accounting or audit matter or suspected wrong-doing. Any allegation that proves not to be substantiated and which proves to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offence.

#### **5. CONFIDENTIALITY**

The Company will treat all complaints as confidential and privileged to the fullest extent permitted by law. It will exercise particular care to keep confidential the identity of an individual making a complaint under this procedure until a formal investigation is launched. Thereafter, the identity of the individual making the complaint may be kept confidential, if requested, unless (a) such confidentiality is incompatible with a fair investigation, (b) there is an overriding reason for disclosing the identity of the individual or (c) such disclosure is required by law. In such a case, the individual making the complaint will be so informed in advance of being identified with the complaint. Where disciplinary proceedings are invoked, the Company will normally require the name of the individual making the complaint to be disclosed to the person subject to the proceedings.

The Company encourages an individual to put his/her name to a complaint, but an anonymous complaint may be made. In responding to an anonymous complaint, due regard will be paid to fairness to the individual named in the complaint, the seriousness of the issue raised, the credibility of the information or allegations and the prospects of an effective investigation and discovery of evidence.

#### **6. HANDLING OF COMPLAINTS**

Provided that the complaint has not been made anonymously, the Compliance officer or the Chair of the Audit Committee will acknowledge its receipt to the complainant within five business days.

Investigations will be conducted as quickly as possible, taking into account the nature and complexity of the matter and the issues raised.

#### **7. EXAMPLES OF CONCERNS TO BE REPORTED**

- Possible fraud or corruption
- Accounting practices or handling of funds
- Auditing practices
- Accounting or internal control disclosures
- The unauthorized use of funds
- Failure to comply with a legal obligation
- Conduct which is against the law
- Health and safety risks, including risks to the public as well as other employees and contractors
- Contracts with family members of an employee