

Code of Ethics







Introduction

Smardt's long-term success is based on the trust we earn from our employees, customers, suppliers, shareholders, and from the communities where we operate. This trust is built on our commitment to conduct ourselves fairly and ethically.

This Code of Ethics (the "Code") serves as our moral compass and guides how we, as Smardt employees, conduct ourselves with each other and with our customers, suppliers, regulators, and other business partners. At Smardt, we are committed to doing business legally, ethically, and transparently.





Scope

This Code applies to all Smardt employees (hereafter “Employees”), irrespective of where they work, and regardless of their role – be they directors, executives, officers, managers, team leaders, full-time and part-time employees, advisors or consultants. We also expect our subcontractors to be familiar with our Code and to follow it as it applies to their roles.

Employee’s role

We expect our employees to be impartial and honest in all their job-related activities. We thus require that our employees comprehend and follow Smardt’s Code of Ethics. Each employee shares a role and a responsibility to act in good faith and to uphold the tenets of our Code.

Non-compliance with this Code shall be considered professional misconduct that could warrant disciplinary action, including termination of employment or other contracts.

Manager’s role

While compliance with the Code is everyone’s responsibility, managers and team leaders bear a greater duty in upholding the Code through their actions. Managers should ensure their direct reports understand their responsibilities under this Code and feel comfortable raising any questions or concerns. Managers are also expected to promptly escalate any issues raised by employees, while also monitoring and promoting adherence to the Code, to other company policies, and to the law.

At Smardt we protect all employees who report a perceived violation of the Code in good faith and will not tolerate any form of retaliation against them. When a whistleblower complaint is made, a confidential investigation will be launched. All concerns will be addressed fairly and swiftly in accordance with our Whistleblower Policy.





“If you see something, say something”

It is each employee’s responsibility to identify, disclose and avoid violations of the Code such as conflicts of interest or fraud. In addition, employees are required to cooperate in investigations into potential or alleged misconduct.

At Smardt, we always welcome questions. If employees have concerns regarding the Code, they should raise them with their manager or a human resources (HR) representative. Also, if employees believe there may be potential violations of our Code, our policies or the law, they should report their concerns promptly to their manager, an HR representative or via Smardt’s Whistleblower Hotline (<https://smardt.com/whistleblower/>).

What is a report “in good faith”?

A report made in good faith implies the person flagging the suspicious behavior believes that information to be true and accurate. Even if an investigation reveals no misconduct, a good faith whistleblower is protected from retaliation.

Smardt’s core values

Values are the guiding beliefs that reflect our identity and embody our culture. These are the core values that shape how we wish to work together and achieve our goals.

- Safety & Quality
- Integrity
- People Always
- Innovation
- Passion and Result Driven
- Sustainability

Ethical decision-making

This Code cannot cover every circumstance. Moreover, even when an issue is addressed by the Code, it may not be easy to determine the proper course of action. If employees are unsure about a decision and seek clarity, they can ask themselves the following questions:

- Is the work or action I am doing legal?
- Is it consistent with Smardt’s core values?
- Does it comply with this Code and Smardt’s other policies?

- Do I feel uncomfortable or uneasy about it?
- Would I feel embarrassed if my family, friends or colleagues learned about it?
- Could it damage Smardt’s reputation or mine if it were reported in the media?

Compliance with laws and regulations

Smardt’s commitment to integrity begins with abiding by the laws, rules, and regulations that govern us. We understand and comply with all local laws governing our business operations. If there is a conflict between the law and this Code or our other corporate policies, we shall follow the stricter standard within the framework of applicable laws.



Our commitment to our employees

A diverse and inclusive workplace

At Smardt, we are committed to creating and maintaining a diversified, inclusive, professional, and safe working environment where all employees are treated with respect and dignity.

We do not tolerate discrimination or harassment based on gender, age, race, colour, national, social, or ethnic origin, religion, sexual orientation, pregnancy, disability, or political opinion. We strive to provide equal employment opportunities, and we recruit, promote, and compensate people based on their merit and ability.

At Smardt, any form of discriminatory behaviour, harassment, bullying, or victimization is prohibited. Everyone is expected to follow the tenets of this Code in all their verbal and written communications. All employees must also refrain from behaviour that could be perceived as offensive, intimidating, humiliating, malicious or insulting. Managers have a special responsibility to ensure employees feel safe and that their workplaces are free from harassment and discrimination.

What is "Harassment"?

Harassment is behaviour that creates an intimidating, hostile or offensive work environment. This behaviour can be physical, verbal or expressed in writing. Here are some examples:

- Expressing or displaying disparaging or derogatory comments, gestures, jokes, pictures or ridiculing an employee based on his or her status or characteristics.
- Expressing or displaying sexual comments, gestures, jokes or pictures.
- Engaging in unwelcome physical contact, making sexual advances or requests for sexual favors, or making employment decision on the rejection or coerced acceptance of such requests.

Reporting harassment

Everyone must work toward preventing harassment. Any person who believes they have been harassed or are witness to behaviour they view as harassment are encouraged to seek assistance and report incident(s) to a supervisor, manager, or HR representative without delay. Alternatively, any such concerns can be reported confidentially and anonymously via **Smardt's Whistleblower hotline** (<https://smardt.com/whistleblower/>).

Fair labour practices and working conditions

We are committed to equity in our employment practices, including fair employment procedures and remuneration. We pledge to comply with applicable labour laws on issues such as minimum wages,

maximum working hours, and mandatory holidays, amongst other labour regulations. Employment of workers below the local minimum age set by law is prohibited.

Health & Safety

Safety is a core Smardt value and a prerequisite for everything we undertake. We seek to provide our employees with a safe, clean, and healthy work environment. To enable our employees to execute their jobs safely, we have developed comprehensive work safety procedures and set up safety committees. Employees are required to understand and follow all Smardt's health and safety procedures and to report any issues promptly.



Our commitment to our company

Smardt's reputation

The success of our business relies on the reputation and trust we have built with our customers, suppliers, and other stakeholders. Protecting our reputation is thus crucial. Before starting a new relationship, transaction, or activity, we should exercise caution and know who we are doing business with. Any incident that occurs with an existing business or governmental relationship should be considered a high priority and should be swiftly reported to the Executive Team.

Conflicts of interest

Conflicts of interest can undermine a person's impartiality and objectivity. Moreover, they can damage Smardt's reputation and erode the trust our stakeholders have put in us, whether customers, suppliers or colleagues. As employees, we must keep our personal business pursuits separate from Smardt's interests. Not only must we avoid conflicts of interest, but we must equally avoid the appearance of conflicts of interest or put ourselves in a position where such a conflict might arise in the future.





What are “conflicts of interest”?

Conflicts of interest occur when a person’s personal interests interfere or have the potential to interfere with their actions, judgments, and decisions. At Smardt, a conflict of interest arises when a person chooses personal gain over his or her duties towards the company or exploits his or her position for personal gain.

There are three **types of conflicts** of interest:

1

Actual Conflict of Interest

A situation where a person’s private interests, whether financial or personal, conflict directly with their professional duties, leading to biased decision-making or unfair advantages.

- A manager hires his nephew in a supervisory role even if his relative has little experience and other candidates are better suited for the position.
- An employee accepts a vacation package as a gift from a supplier then purchases more than Smardt requires from the supplier.

2

Apparent Conflict of Interest

A situation where there is no direct conflict, but where an observer might reasonably believe that a person’s personal interests could improperly influence their decisions and actions. Even if there is no wrongdoing, the perception of bias can impair trust and credibility.

- A HR professional is charged with investigating a claim of inappropriate behaviour. The person under investigation is one of the HR professional’s good friends and they often go out together after work.
- A manager enters a romantic relationship with one of her direct reports, which creates a malaise with her other team members.

3

Potential Conflict of Interest

A situation where a conflict of interest does not currently exist but could arise in the future due to changing circumstances. The individual’s interests could thus later interfere with their duties.

- A Smardt engineer is considering retirement and is interested in working for a research lab whose work is sponsored by a competitor.
- A procurement director’s cousin is the main shareholder of a consulting firm that may bid for services Smardt requires.



Identifying a conflict of interest can be complex. Anyone with questions should seek guidance from their manager.

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To help prevent conflicts of interests, we must always disclose interests which may potentially intersect with our professional duties. In disclosing a potential conflict of interest, it is required to provide all relevant details fully and truthfully, including information that may not have been requested, but that may have an impact on the evaluation of the potential conflict of interest.

Fraud

At Smardt, we have zero tolerance for any form of fraud. Employees are required to report any suspected fraudulent activities to their manager, a HR representative or to the Whistleblower hotline.

Book-keeping, true reporting, and financial integrity

Our books, records, accounts, and financial statements must be detailed and accurately reflect our transactions. We condemn all forms of financial deception such as money laundering or fraud.

All employees must follow accounting procedures, document transactions properly, and ensure all financial disclosures are complete, accurate, and timely. Specifically, employees should not attempt to improperly influence or mislead internal or external auditors.

Smardt is also dedicated to fair taxation.

What is "Fraud"?

Fraud takes many forms. It includes:

- Submitting false expense reports.
- Forging or altering financial documents/certifications.
- Misappropriating or misusing company assets.
- Making any untrue financial or non-financial entry on records or statements
- Mishandling money, theft of cash.



Confidentiality, information security, proprietary information, and intellectual property

Our success is built on the proprietary technologies we develop. We should never share confidential or proprietary information unless there is a valid reason to do so, and a non-disclosure agreement has been signed.

Proprietary information includes all non-public information that might harm our company, customers or business partners if disclosed to unauthorised parties. Everyone should consider and manage such information as secret.

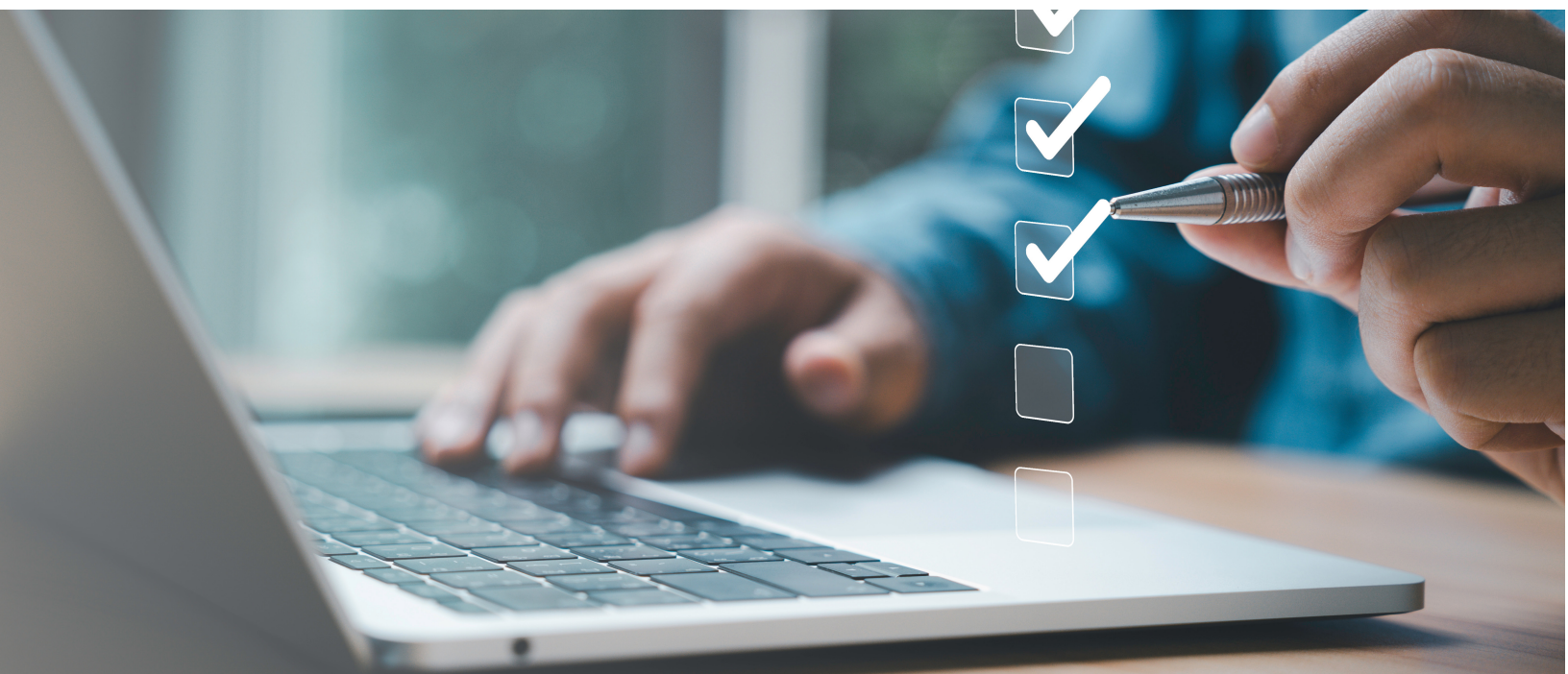
In that spirit, we respect the property rights of others. We will not acquire or seek to acquire trade secrets or other proprietary or confidential information by improper means. Nor will we engage in the unauthorized use, copying, distribution or alteration of other protected intellectual property.

We have implemented security measures to protect our confidential information, and it is our employee's obligation to uphold those technical measures. All employees must follow Smardt's Acceptable Use of IT Policy which provides instructions on dealing with confidential information.

What is “confidential” or “proprietary” information ?

Confidential information is information that belongs to Smardt or is confidential due to an agreement. In both cases, it is not in the public domain.

Proprietary information covers a broad range of intellectual property with competitive value such as formulae, methods, devices, pricing, customer information, strategies, plans, etc. This information is critical to our operations.





Security, protection, and proper use of company assets

We are responsible for the security, protection, and proper use of company assets. Misusing, wasting or damaging company assets may hamper our operational and financial performance.

Company assets should be used for legitimate business purposes. Occasional personal use is permissible provided it is lawful, does not affect job performance or disrupt our workplace.

What are “company assets”?

Company assets are comprised of physical objects such as computers, laptops, office furniture and the products we manufacture. It also includes intangible assets such as intellectual property, software, confidential business information, and trade secrets.





Our commitment to our customers and business partners

Fair competition and business conduct

Our relationships with our business partners are built on trust and mutual benefits, in compliance with all anti-trust laws. We are committed to fair competition and to the promotion of our products and services by putting forward their qualities, functionalities, performance, and competitive pricing

We make independent pricing and marketing decisions, and we will never improperly cooperate with our competitors to undermine the integrity of tendering processes. This means we will not share proprietary, confidential, or sensitive information with business rivals to influence market conditions.

Everyone at Smardt is responsible for ensuring fair business practices and for adhering to all anti-trust, consumer protection and fair marketing regulations.

Collaborating with suppliers, contractors, and other business partners

Our suppliers and other third parties such as our contractors and sales representatives are vital to our ability to operate and serve our customers. We choose our suppliers and business partners carefully, following a thorough due diligence process that namely involves background checks using independent data tools and traditional searches.

We require all our suppliers abide to the law and act in a manner that is consistent with our values and the principles set forth in this Code.

International trade and export control

When engaging in international business and procuring products and services in the global marketplace, we adhere to Smardt's standards of ethical conduct while respecting the cultures,

business customs, local laws, and taxation requirements of the countries and communities where we operate.

International trade laws prohibit or restrict trade with certain countries that are subject to embargoes or sanctions, as well as with certain individuals and organizations such as entities that have ties to actual or suspected terrorists. These laws also impose restrictions on imports and exports of certain types of goods, information and technologies, and are often accompanied by stringent reporting obligations. Violation of these trade laws and sanctions can result in serious penalties, including fines and civil or criminal prosecutions.

To prevent any violation of trade laws, Smardt has developed an Export Control Policy, and all employees are required to follow it.

Gifts and hospitality

Customs with respect to offering gifts and other benefits vary according to culture. Following local customs should never compromise our ability to act legally and ethically. Therefore, we shall avoid any actions that may create the perception that favourable treatment was sought, received, or given in exchange for personal or company benefits.

We will neither give nor accept gifts or other benefits that constitute or could be perceived as unfair business incentives which violate laws, regulations or policies. In addition, we prohibit the use of personal funds or resources by employees for actions that are prohibited using company resources.

Only occasional gifts and hospitality that are customary and align with local practices may be accepted or offered, provided they are of low value, appropriate, infrequent and do not suggest an attempt to influence business decisions.

All other gifts must be politely refused and returned to the donor when possible. Should it be difficult to return a gift, employees may politely refuse the gift and inform the donor it was offered to a local charity or community group.

Even greater caution should be exercised when Smardt is participating in a request for proposal or when suppliers are bidding for Smardt's business.

Employees who are unsure if it is appropriate to accept a gift or a meal should consult their manager to discuss and determine the proper conduct.

What are counted as "gifts" or "other benefits"?

Gifts, gratuities, vouchers or gift cards, meals, refreshments, entertainment, travel packages and other hospitalities, offering paid or unpaid internship

Anti-bribery and anti-corruption

Smardt's success arises from the innovativeness of its products, the quality of its services, and the integrity of its business conduct. We do not require nor seek to gain any unfair advantage or favour. Such unethical and illegal conduct would expose Smardt to legal and financial risks, such as criminal prosecutions and substantial monetary fines.

What are the meanings of "bribes", "kickback" and "corruption"?

Bribes: anything of value given or recieved, either directly or indirectly, to try to gain an improper advantage.

Kickbacks: a form of negotiated bribery in which a commission is paid to the bribe-taker for services rendered.

Corruption: involves using power or authority for personal gain through illegal or unethical means.trade secrets.





Our commitment to the community

Privacy and data protection

We respect people's privacy, and we acknowledge our employees, customers and business partners need to know their personal data is protected and used only for legitimate business purposes.

We are committed to complying with personal data protection laws. We only acquire and keep personal information that is necessary to fulfil our obligations, and we inform data owners on how it is used. Our practices and procedures, which our employees must observe, are described in our Enterprise Information Security Policy.

We have implemented security measures to assure confidentiality, integrity, and availability of personal information. However, no firm is immune to cyberattacks. In the event of a personal data breach, we commit to follow the notification protocols set out in our Enterprise Information Security Policy and in the law. We will also take prompt action to assess risks and mitigate them with transparency and accountability.

Human rights

We are committed to the dignity and rights of each individual and community with whom we interact as a business. Our employees shall treat everybody with dignity, respect and care and uphold human rights. In supporting the protection and promotion of human rights, Smardt fully complies with the Canadian Human Rights Act and endorses the Ten Principles of the United Nations Global Compact. Those principles are derived from the Universal Declaration of Human Rights, the International Labour Organizations' Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the United Nations Convention Against Corruption.

More specifically, Smardt stands firmly against the use of forced labour, including child labour, prison labour, bonded labour, as well as modern forms of

slavery, human trafficking, and any form of physical or mental abuse within our business and operations. As articulated in our Modern Slavery Policy, this extends to the contractors with whom we do business. We screen and monitor our suppliers on an on-going basis for compliance with human rights principles using third party databases and traditional searches. Should violations be uncovered, we may terminate business relationships.

Respect for the environment

At Smardt, we care deeply for the environment. We are committed to reducing the environmental impact of our operations through the efficient use of resources, waste and emissions reduction and careful handling of hazardous substances. We strive to make a positive difference in our communities and consider sustainability, one of our core values, in every product and service we develop.

Privacy and personal data protection

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Waiver

In exceptional circumstances, where strict compliance is impractical or creates an undue burden, our Board of Directors may grant a waiver regarding certain provisions of our Code of Conduct. abuse within our business and operations. As articulated in our Modern Slavery Policy, this extends to the contractors with whom we do business. We screen and monitor our suppliers on an on-going basis for compliance with human rights principles using third party databases and traditional searches. Should violations be uncovered, we may terminate business relationships.

Adoption

This Code of Conduct was adopted by the Board of Directors of Tica-Smardt Holding Inc. on August 18th , 2025. It replaces all previous codes of ethics within Smardt, including codes in use in the company's international subsidiaries. This Code shall be revised every two years or sooner if required.



Innovation Engineered, Energy Optimized.



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