

QUARTERHILL INC.  
CODE OF BUSINESS CONDUCT AND ETHICS

Quarterhill Inc. (“**Quarterhill**”) together with its subsidiaries (collectively, the “**QH Group**”) conduct their business in strict compliance with both the letter and spirit of all applicable laws and in full adherence with the highest standards of business integrity and ethics. Ethical business conduct as described in this Code of Business Conduct and Ethics (this “**Code**”) is part of all dealings of the QH Group with its colleagues, customers, suppliers, licensors, licensees, investors and the general public. This Code is intended to promote that conduct in conjunction with Quarterhill’s Insider Trading Policy, Corporate Disclosure and Confidentiality Policy and Whistleblower Protection Policy on Financial Matters (the “**Policies**”).

1. General

This Code applies to the QH Group’s directors, officers (which term shall include executive officers) and employees (which term shall include consultants and contractors working for the QH Group under services agreements). Directors, officers and employees are responsible for reading, understanding and complying with this Code.

This Code is not meant to be a complete listing of ethics and business conduct covering every eventuality. Consequently, if a director, officer or employee is confronted with a situation where further guidance is required, the matter should be discussed with their supervisor or a member of the QH Group’s management team. If the matter cannot be resolved, it must be referred to the General Counsel who has overall responsibility to provide guidance and ensure all enquiries and issues are addressed in a timely manner.

Nothing in this Code alters the terms and conditions of an employee’s employment or service provider arrangement.

The QH Group is committed to conducting its business affairs in compliance with all applicable laws, statutes, rules and regulations and expects directors, officers and employees acting on its behalf to do likewise. In addition, business dealings among directors, officers and employees, and by directors, officers and employees, with shareholders, customers, suppliers, licensors, licensees, community organizations and governmental and regulatory authorities must be based on principles of honesty, integrity and the ethical standards outlined in this Code.

On an annual basis, each director, officer and employee of the QH Group will be asked to certify to Quarterhill in writing, that they have received a copy of this Code and each of the Policies, have read and understood each provision of this Code and each Policy and have conducted themselves in compliance with this Code during the preceding 12 months (including, without limitation, the conflict of interest provisions at Section 7 below). If any director, officer or employee does not understand any provision of this Code, they should contact and discuss all such matters with Quarterhill’s General Counsel (the “**General Counsel**”).

## 2. Reporting Violations

Directors, officers and employees are expected not only to comply with various laws, statutes, rules, regulations and this Code's ethical standards but are expected to report situations of non-compliance with respect to this Code of which they become aware. Beyond instances of non-compliance, directors, officers and employees may also report concerns relating to ethics and business conduct.

If any director, officer or employee chooses to remain anonymous, every effort will be made to respect this request. No one will be punished for asking about possible breaches of law, regulation or QH Group policy. It is corporate policy not to take any action against a director, officer or employee who reports in good faith regardless of whether or not the report proves to be accurate. Any allegation of a reprisal will be investigated.

Reports under this Code may be made by Email to [ethics@quarterhill.com](mailto:ethics@quarterhill.com) which will forward any report to the Chair of Quarterhill's Board of Directors (the "Board"), Quarterhill's Chief Executive Officer (the "CEO") and the General Counsel. If any QH Group director, officer or employee is uncomfortable providing such a report to these individuals, they may send a report to the independent chair of the Board's Audit Committee at [auditchair@quarterhill.com](mailto:auditchair@quarterhill.com).

## 3. Disciplinary Matters

A failure to comply with this Code may result in disciplinary actions up to and including termination of employment. The Board shall determine, or designate appropriate persons to determine, appropriate actions to be taken in the event of violations of this Code. Such actions shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to this Code. In determining what action is appropriate in a particular case, the Board or such designee shall take into account all relevant information, including the nature and severity of the violation, whether the violation was intentional or inadvertent, the extent of the likely damage to the QH Group and its shareholders resulting from the violation and whether the individual has committed previous violations of this Code or another policy, if any, of the QH Group concerning ethical behaviour.

The Board will provide written notice to an individual involved in the violation stating that the Board or such designee has determined that there has been a violation and indicating the action to be taken by the Board against the individual.

## 4. Integrity of Records and Compliance with Sound Accounting Practices

Accuracy and reliability in the preparation of all business records is of critical importance to the decision making process and to the proper discharge of financial, legal and reporting obligations. All business records, expense accounts, invoices, bills, payroll and employee records and other reports are to be prepared with care and honesty. False or misleading entries are not permitted in the QH Group's books and records. All of the QH Group's assets and liabilities are to be recorded in compliance with Quarterhill's accounting and internal control procedures.

## 5. Maintenance of Assets

All directors, officers and employees have a responsibility to protect the QH Group's assets against loss, theft, abuse and unauthorized use or disposal. "QH Group's assets" refers to all property whether tangible, intangible or electronic in form, which includes the QH Group's products, inventory, equipment, office supplies, facilities, vehicles, computers, software and intellectual property including, without limitation, proprietary information, trade secrets and confidential information.

## 6. Confidentiality

During the normal course of business, directors, officers and employees will have access to business and information records of a confidential nature. In some cases, the information may affect the value of Quarterhill's shares or those of another company with whom the QH Group is involved. Such confidential business information is not to be disclosed externally or used as a basis for trading in shares.

The confidential material of any such information could include information developed by other employees or information acquired from outside sources, sometimes under obligations of secrecy. Directors, officers and employees are expected to utilize such information exclusively for QH Group business purposes and this information must not be disclosed externally without a confidentiality agreement and/or the prior approval of the General Counsel.

In cases where information or records are obtained under an agreement with a third party, such as license agreements or technology purchases, directors, officers and employees must ensure that the provisions of such agreements are strictly adhered to so the QH Group will not be deemed to be in default. Unauthorized disclosure or use of information or records associated with these agreements could expose the director, officer or employee involved and/or the QH Group to serious consequences.

## 7. Conflict of Interest

Directors, officers and employees should not engage in conduct which is harmful to the QH Group or its reputation.

All directors, officers and employees have an obligation to be free of conflicting interests when they represent the QH Group in business dealings or are making recommendations which could influence the QH Group's subsequent actions.

In accordance with all applicable privacy legislation, the QH Group respects the right of employees to privacy in their personal activities and financial affairs. The prime purpose of this section of this Code is to provide guidance to directors, officers and employees so they can avoid situations in their personal activities and financial affairs, which are, or may appear to be, in conflict with their responsibility to act in the best interests of the QH Group.

Employees are requested to inform management and bring any potential or actual

conflict of interest situation to the attention of the General Counsel for discussion, review and written approval, if required. Directors and officers are requested to bring any potential or actual conflict of interest situation to the attention of the Chair of the Board or the Lead Director of the Board (if any) for discussion, review and written approval, if required. The Chair or Lead Director, as applicable, will provide a copy of any such approvals to the General Counsel. This helps avoid any misunderstanding between Quarterhill and such director or officer. The General Counsel and/or Chair of the Board will brief the members of the Board on any and all written approvals at the first meeting of the Board following any such approval.

In general terms, a conflict of interest would exist when an obligation, or situation arising from the personal activities or financial affairs of a director, officer or employee, may adversely influence their judgment in the performance of their duties to the QH Group. It should be understood that the conflicting interest referred to throughout this section may be direct or indirect. For example, the interest may be that of the director, officer, employee, a family member, a relative, or a business enterprise in which any of these individuals has an interest, financial or otherwise. Conflicts of interest may include:

- A. *Financial Interests*: a conflict of interest will likely exist when a director, officer or employee who is able to influence business with the QH Group, owns, directly or indirectly, a beneficial interest in an organization which is a competitor of the QH Group, or which has current or prospective business as a supplier, licensor, licensee, customer or contractor of the QH Group. A conflict is not likely to exist, however, where the financial interest in question consists of shares, bonds or other securities of a company listed on a securities exchange and where the amount of this interest is less than one percent of the value of the class of security involved.
- B. *Outside Work*: a conflict of interest will likely exist when a director, officer or employee, directly or indirectly, acts as a director, officer, employee, consultant, or agent of an organization that is a competitor of the QH Group, or which has current or prospective business as a supplier, licensor, licensee, customer or contractor of the QH Group. Similarly, a conflict of interest may exist when an employee undertakes to engage in an independent business venture or to perform work or services for another business, civic or charitable institution to the extent that the activity involved prevents such director, officer or employee from devoting the time and effort to the conduct of the QH Group's business, which such director's, officer's or employee's position requires.

If a director, officer or employee has an agreement with the QH Group with respect to non-competition and/or non-solicitation, such agreement shall govern only to the extent of any conflict between this Code and such agreement.

- C. *Gifts or Favours*: a conflict of interest will arise when a director, officer or employee, either directly or indirectly, solicits and/or accepts any gift or favour from an organization which is a competitor of the QH Group, or which has current or prospective business with the QH Group as a customer, supplier, licensor, licensee or contractor. In such cases, the acceptance or prospect of gifts or favours may tend to limit or give the appearance of limiting the director-, officer- or employee-recipient from acting solely in the best interests of the QH Group in dealings with these organizations.

For this purpose, a “gift” or “favour” includes any gratuitous service, loan, discount, money or article of value. It does not include loans from financial institutions on customary terms, articles of nominal value normally used for sales promotion purposes or ordinary business meals or reasonable entertainment consistent with local social or business customs.

- D. *Trading with the QH Group*: a conflict of interest may exist when a director, officer or employee is directly or indirectly a party to any business transaction with the QH Group.
- E. *Misappropriation of Business Opportunities*: a conflict of interest will exist when a director, officer or employee, without the knowledge and consent of the QH Group, appropriates for their own use, or that of another person or organization, the benefit of any business venture, opportunity or potential about which the director, officer or employee may have learned or may have developed during the course of their association with the QH Group.

#### 8. Improper Business Payments

The following are deemed improper business payments and are therefore prohibited:

- A. the offering or accepting of bribes, payoffs or kickbacks made directly or indirectly to obtain an advantage in a commercial transaction or to influence any decision; and
- B. the offering of gifts, gratuities, entertainment or other similar payments, except to the extent customary and reasonable in amount and not in consideration for any improper action by the recipient.

#### 9. Laws, Statutes and Regulations

The QH Group is required to maintain compliance with various laws, statutes, rules and regulations governing activities in the jurisdictions in which the QH Group carries on business.

This Code does not seek to provide legal guidance for all laws, statutes, rules and regulations that impact on the QH Group’s activities. There are, however, several items of legislation that warrant specific mention. These are listed below along with some general guidelines for compliance.

- A. *Health and Safety Laws*: the QH Group is committed to create and maintain healthy and safe workplaces for its people. Directors, officers and employees are expected to comply with all safety laws, regulations and QH Group policies (which may not necessarily be a law or regulation).
- B. *Human Rights Legislation*: the QH Group does not discriminate on the basis of race, colour, religion, sex, age, ethnic origin or ancestry, sexual orientation, disability, veteran status, marital or family status, political affiliation or any other factors prohibited by

federal, state/provincial, or local law. This applies to all terms and conditions of employment including, without limitation, hiring, placement, promotion, termination, layoff, transfers, leave of absence, compensation and training. In addition, the QH Group does not and will not condone any discriminatory conduct of its agents and non-employees who have contact with directors, officers and employees during working hours.

Discrimination will not be tolerated. Any discrimination should be reported to the General Counsel or any member of the QH Group management team.

- C. *Competition:* the QH Group is committed to the ideals of free and competitive enterprise. To comply with fair competition laws, the QH Group is required to make its own decisions on the basis of the best interests of the QH Group and must do so independent of agreements and understandings with competitors. Certain statutes and regulations prohibit certain arrangements or agreements with others regarding product prices, terms of sale, division of markets, allocation of customers and any other practice which restrains competition.
- D. *Securities Laws Specifically:* All directors, officers or employees must only trade in Quarterhill shares and other securities in strict compliance with applicable securities laws. They must make themselves aware of matters pertaining to “insider” trading and the use of non-public information.

Any director, officer or employee who possesses material, non-public information may not buy or sell Quarterhill securities while such information remains non-public. These trading prohibitions apply to directors, officers at all levels and employees. The prohibition on such trading is based on such information potentially providing an unfair advantage to such director, officer or employee. Information should be considered material if there is a reasonable prospect that an investor would consider the information to be important in arriving at a decision to buy, sell or hold Quarterhill securities. Any questions about whether information is material or public, should be directed to the General Counsel. Each director, officer and employee must also be familiar with and act in accordance with the Policies.

#### 10. Amendment, Modification, Waiver and Termination of the Provisions of this Code

Quarterhill reserves the right to amend, modify, waive or terminate the rules, guidelines and policies associated with this Code at any time for any reason. Quarterhill will report any changes to this Code to the extent required by applicable regulatory authorities.

Any waiver of any provision of this Code made to any officer or director may only be made by the Board (or the Governance Committee of the Board) and any waiver of any provision of this Code made to any employee, officer or director will be disclosed in accordance with the regulations set forth by applicable regulatory authorities.

## 11. Public Quarterhill Reporting and Other Public Communication

As a public company, it is of critical importance that Quarterhill's filings and submissions to securities regulatory authorities and stock exchanges are timely and accurate. Depending on their position with the QH Group, a director, officer or employee may be called upon to provide necessary information to assure that Quarterhill's public reports and documents filed with the securities regulatory authorities and stock exchanges and other public communications by Quarterhill are full, fair, accurate, timely and understandable. The QH Group expects its directors, officers and employees to provide prompt, accurate answers to inquiries related to Quarterhill's public disclosure requirements.

All directors, officers and employees must comply with, and must cause the QH Group to comply with, the system of disclosure controls and procedures devised, implemented and maintained by the QH Group to provide reasonable assurances that information required to be disclosed by Quarterhill in reports that it files or submits under the rules and regulations of securities regulatory authorities or stock exchanges is properly authorized, executed, recorded, processed and reported. In this regard, each director, officer and employee must also be familiar with and act in accordance with Quarterhill's Disclosure and Confidentiality Policy.

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by Quarterhill in the reports filed with the securities regulatory authorities or stock exchanges is accumulated and communicated to the QH Group's management, as appropriate, to allow timely decisions regarding required disclosure.

## 12. Administration of this Code

- A. Responsibility for the periodic review and revision of this Code lies with the Governance Committee.
- B. Questions concerning this Code should be referred to the General Counsel in person, by phone at (613) 688-4331 or by E-mail at [legal@quarterhill.com](mailto:legal@quarterhill.com).
- C. Any reports of non-compliance with this Code or concerns relating to ethics and business conduct may be made by Email to [ethics@quarterhill.com](mailto:ethics@quarterhill.com) which will forward any report to the Chair of the Board, the CEO and the General Counsel or to the independent chair of the Board's Audit Committee at [auditchair@quarterhill.com](mailto:auditchair@quarterhill.com).