



WHISTLEBLOWER POLICY

I. PURPOSE

The Company is committed to maintaining high standards of integrity and accountability in its business affairs while enhancing shareholder value.

The purpose of this Whistleblower Policy is to establish a process for Company Personnel and others doing business with the Company to disclose good faith concerns regarding Financial Matters, violations of the Code of Conduct and applicable laws and regulations. This Policy defines how and where to submit a report or concern, who deals with your report, and how that report is expected to be handled, processed, and documented.

II. APPLICABILITY

This Policy applies to all Company Personnel and establishes provisions for third parties doing business with the Company to submit good faith reports.

III. DEFINITIONS

“Baseless Allegations” allegations made with reckless disregard for their truth or falsity. People making such allegations may be subject to institutional disciplinary action and/or legal claims by individuals accused of such conduct.

“Code of Conduct” means the Company’s explicit statement of values and guiding principles as adopted by its board of directors.

“Company” means Lydian International Limited and its subsidiaries.

“Company Personnel” means all Directors, officers and employees of the Company.

“Director” means a member of the board of directors of Lydian International Limited or any of its subsidiaries.

“Financial Matters” means the Company’s accounting, internal controls, and auditing processes.

“Investigator” means the individual(s) designated by the Company’s audit committee to conduct an assessment and, if deemed to have reasonable merit, conduct an investigation of a reported matter.

“Retaliation” means any form of penalty or adverse consequence, including discharge, suspension, demotion, transfer, harassment, or discrimination.

IV. POLICY

A. Reporting Process

Reports should be submitted to the Company’s confidential whistleblower email address or by mail. You may provide your contact information or deliver your report through an anonymous email account. Note that follow-up with you during any investigation may be limited if a report is received anonymously. Reports will be delivered and investigated by one or more members of the Audit Committee and the Company’s legal counsel. Submit reports to:

Whistleblower@lydianinternational.co.uk

Or by mail to:

STIKEMAN ELLIOTT LLP
Attention: D’Arcy Nordick
5300 Commerce Court West,
199 Bay Street,
Toronto, ON, Canada M5L 1B9

Failure to include sufficient postage or a return address may affect the deliverability of your document.

There is no specified format for a report. However, we recommend you include at a minimum:

1. A detailed description of the nature of your concerns with Financial Matters or possible violations of the Code of Conduct;
2. Names or positions of those persons who may be involved or associated with the matter;
3. Any information that may help corroborate the basis of your report; and
4. If you wish to be contacted, an email or phone number should be provided.

B. No Retaliation

It is the Company's policy to ensure you can openly communicate your concerns while being protected from Retaliation. All Company Personnel and third-parties doing business with the Company acting in good faith while making a report regarding a perceived violation under this Policy will be protected against any Retaliation.

C. Acting in Good Faith

Anyone filing a report under this Policy must act in good faith and have an honest belief that the report is well-founded, including a reasonable factual or other basis. Any baseless allegations or ones that are proven to be intentionally misleading or malicious will be viewed as a serious offense.

D. Handling Reports

Once a concern has been communicated through the Whistleblower email or by mail, the following procedures will generally be followed:

1. The Company's designated Investigator will confirm receipt of your report within ten business days if contact information is available.
2. The Investigator will register your report in a log and open a file. Both will be confidential, secure and retained. Information will be shared only on a need to know basis as determined by the Investigator and as necessary to comply with this Policy.
3. If the Investigator determines your concern has reasonable merit and is covered by this Policy, he or she will conduct an investigation and determine whether further action is required. In conducting his or her investigation, the Investigator may enlist inside or outside accounting, human resource, legal or other advisors and will report the status of the investigation to the Audit Committee.
4. The Investigator should comply with all rules, regulations and legislation in conducting his or her investigation and should take reasonable efforts to seek to keep the report and investigation confidential, if requested or required. In certain circumstances, the Company may be required to disclose matters on a timely basis relating to material infractions of Financial Matters or violations of the Code of Conduct or other matters in accordance with applicable securities laws or regulatory requirements.
5. All investigations will be conducted efficiently, taking into account the nature and complexity of the matters involved.

6. The Investigator will report to the Audit Committee and the Company's external auditors the aggregate number of reports received, the number of investigations conducted, and the conclusion reached for each reported matter. The Audit Committee may also discuss such reports with the full membership of the Board of Directors when appropriate.

7. The Investigator should promptly report to the Audit Committee any report that is well-founded and that may have material adverse consequences for the Company.

E. Reports from Third Parties

Securities laws require the Company to establish procedures for the receipt, retention and treatment of reports regarding Financial Matters, including reports that are received from third parties. Third parties doing business with the Company are encouraged to submit good faith concerns to the Whistleblower email or by mail. If a concern is communicated to any Company Personnel, that individual should refer the third party with a copy of this Policy and encourage the third party to submit a report if, after review of this Policy, they believe in good faith the matter warrants reporting. The provisions provided for under Sections II and III are extended to third parties doing business with the Company.

F. Testing

The email and mail delivery mechanisms set out in this policy shall be tested not less than annually.

G. Other

The Board of Directors may, from time to time, permit departures from the terms of this Policy, either prospectively or retrospectively. This Policy is not intended to give rise to civil liability on the part of the Company, Company Personnel, shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

This policy was approved by the Board of Directors on August 17, 2016.