

ELM INC.**Code of Conduct and Ethics****A. INTRODUCTION**

Ethical conduct in its business practices is critical to the development and maintenance of the reputation and credibility of ELM Inc. (hereinafter referred to as ELM). ELM expects its directors, officers, employees, contractors and consultants (collectively "Personnel") to operate in accordance with the highest ethical standards in their conduct of business for and on behalf of ELM.

The purpose of this Code of Conduct is to provide written conduct guidelines designed to promote integrity and deter wrongdoing, protect ELM's business and reputation and to protect ELM from financial loss and legal liability.

This Code will guide Personnel in identifying and managing business situations, allowing ELM to conduct business in a responsible and ethical manner, treating those with whom it deals (including, without limitation ELM's investors, customers, suppliers, competitors and Personnel) with fairness and respect. The Code is not intended to address every issue that may arise, but rather to set out basic principles with which ELM expects you to comply.

This Code has been adopted by the board of directors (the "Board") of ELM. The Board reserves the right to add to, modify and rescind all or any portion of this Code at any time and from time to time. This Code governs in the event of any conflict or inconsistency between this Code and any other materials distributed by ELM. If any law conflicts with a policy set out in this Code, you must comply with the law.

B. COMPLIANCE WITH LAWS

ELM will conduct its business activities in compliance with all laws, regulations and requirements that are applicable wherever ELM operates. Personnel will inform themselves respecting the laws and regulations applicable to ELM's activities. ELM Personnel are also required to become familiar with, and agree to comply with, all applicable ELM policies communicated from time to time.

If there are any questions or uncertainties about the application or interpretation of laws, regulations, standards or policies that direct ELM's operations, Personnel should direct questions to their Supervisor.

C. CONFLICT OF INTEREST

A conflict of interest occurs when an individual's private interests interfere, or appear to interfere, in any way with the interests of ELM. Personnel must not participate in any activity or situation that may result in a conflict or perceived conflict between personal interests and the interests of ELM. Personnel should avoid situations or activities that could compromise, or appear to compromise, their judgment, objectivity or ability to act in the best interest of ELM.

Activities that could give rise to potential conflicts of interest are prohibited unless specifically approved in advance by the President and CEO or the Board.

The following is a non-exhaustive list of examples where Personnel may be viewed to be acting contrary to the best interests of ELM and Personnel may not engage in such activities:

- (a) Personnel and their families (spouse, children) own, control or direct a material financial interest in a supplier, contractor, competitor or in any entity with which ELM does or seeks to do business.

- (b) All customers and suppliers involved with ELM in the purchase of goods and services are not treated fairly and with respect. Purchase decisions are not made based on objective criteria such as quality, reliability, price, delivery and service.
- (c) Offering or receiving any gift or gratuity that may be perceived to unfairly influence a business decision. While gifts or entertainment offered to or by persons or entities seeking to or doing business with ELM in the ordinary course are to an extent acceptable, Personnel will exercise responsibility and objectivity in offering or accepting such gifts or entertainment. It is unacceptable to directly or indirectly offer, pay, solicit or accept bribes or engage in any activity that may appear to be improperly influencing business relations.
- (d) Personnel engage in any outside business activity that is deemed detrimental to ELM or conduct any external business activities on ELM premises or during normal business hours.
- (e) Personnel engage in personal political activities on company time or on behalf of ELM without approval of the President and CEO. (Any ELM support to political organizations requires the approval of the President and CEO.)
- (f) Personnel participate in an arrangement or circumstance (including personal relationships) that may compromise their ability to act in the best interests of ELM. (Officers, directors and employees of ELM will not directly supervise anyone with whom they are engaged in a personal relationship.)

Personnel are expected to use common sense and good judgment in determining whether a conflict of interest does or potentially could exist. In the event of an actual, potential or perceived conflict of interest, Personnel should speak to their Supervisor, and in the event of the President and CEO, the Board. Waivers can only be granted by the Board or in certain circumstances by the President and CEO.

D. CONFIDENTIALITY AND DISCLOSURE

During employment with ELM, Personnel may have access to or obtain information that is nonpublic, confidential, of value to ELM's competitors or that may be damaging to ELM if improperly disclosed. Personnel may also gain access to information about suppliers and customers with whom ELM conducts business.

Personnel have a responsibility to protect this confidential information about ELM or the companies it does business with against theft, loss, unauthorized access or use, alteration or misuse. Personnel must maintain the confidentiality of information entrusted to them by ELM, or that otherwise comes into their possession in the course of their employment. Confidential information will only be disclosed if such disclosure is legally required or if specific authorization is given. All non-public information about ELM, its business, its interests, including its ownership interests, and its activities is considered confidential information.

These confidentiality obligations remain in effect even after Personnel leave their employment or engagement with ELM.

E. EMPLOYMENT PRACTICES, HEALTH, SAFETY AND ENVIRONMENT

ELM will ensure that all Personnel are treated with respect and dignity. ELM will not tolerate discrimination or harassment against current or potential Personnel or those with whom it conducts business based on race, nationality, ethnic origin, colour, religion, age, gender, marital status, family status, sexual orientation, political belief or disability.

ELM is committed to assuring fair employment, including equal treatment in hiring, training, compensation, termination and corrective actions.

ELM will establish and maintain a safe and healthy working environment for its Personnel and conduct its operations in an environmentally responsible manner in accordance with applicable laws, regulations and industry standards. ELM is committed to keeping its workplaces free from hazards. Threats or acts of violence or physical intimidation are prohibited. To protect the safety of all Personnel, ELM's assets, the environment, and the communities within which ELM works, Personnel must report for work fit to perform their duties and free from the influence of any substance that could prevent them from conducting their work activities safely, effectively, and in compliance with all applicable laws.

F. USE OF COMPANY PROPERTY AND RESOURCES

ELM's corporate information, data, funds, information system assets, office equipment, tools, vehicles, supplies, facilities, services and any other assets owned or leased by ELM, or that are otherwise in ELM's possession, are provided and should be used for authorized business purposes only. ELM's electronic communications (including email and voicemail) are for use in pursuit of ELM's business and while limited use for personal purposes is permitted, such use is not private or confidential and the contents of such information may be accessed by ELM and others without the prior consent of the individuals who have used the electronic communications.

Personnel have an obligation to protect and use ELM's property and resources, including proprietary information, in accordance with the principles of sensible and acceptable use. Unacceptable use will not be tolerated.

Acceptable use of ELM resources is demonstrated when Personnel:

- ensure the confidentiality and integrity of ELM's information; and
- take measures to ensure the protection of ELM's rights, property and resources.

Personal use is considered reasonable if it:

- is appropriate content;
- does not present risk of violating any proprietary restrictions;
- aligns with ELM's values;
- respects applicable laws; and
- does not interfere with daily responsibilities of Personnel.

Unacceptable use (personal or business related) includes when an individual enacts any of the following:

- defame, slander, harass or annoy another individual or organization, including ELM;
- partake in any illegal or unethical activity;
- conduct any activity that could negatively impact ELM or ELM's reputation;
- make excessive use of non-business-related internet sites;
- replace personal assets (e.g. personal computer) with those of ELM;
- intentionally transmit viruses or transmit virus warnings to any recipient;
- access or exchange content that is deemed inappropriate in a professional workplace; or
- conduct personal commercial ventures.

Personnel have the responsibility to avoid the theft, misuse, damage or waste of ELM's property and resources. Illegal use of ELM's property and resources will not be tolerated and may be subject to disciplinary action. It could also result in civil or criminal penalties. Any infractions should be reported

immediately to a Supervisor or, if that will not resolve the issue, to a member of the Executive, or to the Chair of the Governance & Compensation Committee. Personnel who require further information about the acceptable use of ELM's property and resources can obtain such information by contacting their immediate supervisor.

G. RETENTION OF DOCUMENTS AND RECORDS

It is ELM's policy to cooperate with all governmental investigative authorities. Personnel shall retain any record, document or tangible object of ELM that is known to be the subject of an investigation or litigation. It is a violation of this Code for Personnel to knowingly alter, destroy, mutilate, conceal, cover up, falsify or make a false entry in any record, document or tangible object with the intent to impede, obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any federal, provincial, state or municipal department or agency, or any bankruptcy, or in relation to or contemplation of any such matter or case.

H. REPORTING FINANCIAL TRANSACTIONS

The books and records of ELM will reflect all business transactions in a timely, fair and accurate manner. All assets and liabilities of ELM will be recorded in order to maintain accountability for them.

Compliance with the applicable generally accepted accounting principles is mandatory in the preparation and disclosure of all financial transactions and information.

All business transactions shall be properly authorized, recorded and supported by accurate documentation and in reasonable detail to ensure the integrity of corporate information.

Making false, fictitious or misleading entries with respect to any business transaction is strictly prohibited.

I. COMPLIANCE AND ENFORCEMENT

All Personnel must become familiar with and agree to comply with this Code as a condition of employment, and apply it to all their business activities with, for and on behalf of ELM. You should read this Code carefully, ask questions of your Supervisor or Executive.

All directors, officers, and employees of ELM; or other Personnel as requested or determined by any officer of ELM from time to time, must promptly sign and return the certification attached as Annex A, acknowledging receipt of this Code to:

ELM Inc.

1000, 205 – 5th Avenue SW

Calgary Alberta, T2P 2V7

Attention: CFO & COO

In the event that an individual violates this Code or any of ELM's applicable policies and procedures, immediate corrective action will be taken up to and including termination of employment or contract for services.

J. NON-COMPLIANCE REPORTING

All Personnel have the responsibility, and in some instances, the obligation, to report any violations of law, rules, regulations or actions that violate this Code. In reporting potential noncompliance, employees, contractors and consultants should, if appropriate, first raise the issue with their direct Supervisor,

Manager or an Executive, who shall consult with ELM's Board to determine whether a conflict of interest actually exists and to recommend measures to be taken to neutralize the adverse effect of the conflict of interest reported, if such measures are available or appropriate under the circumstances.

If the individual is of the view that it would be more appropriate under the circumstances to report the potential non-compliance to a higher level, then that individual may contact the Chair of the Compensation & Governance Committee by contacting the ELM Ethics Line through the internet reporting system. Individuals who report non-compliance to the ELM Ethics Line have the option to remain anonymous and will not need to identify themselves.

The Chair, together with the other members of the Compensation & Governance Committee (all of whom are outside directors of ELM), is responsible for:

- (a) investigating complaints;
- (b) presenting complaints to any other applicable committee of the Board or the Board as a whole, as appropriate;
- (c) developing a plan for promptly and fairly resolving complaints; and
- (d) advising the complainant, if requested and not anonymous, of the corrective action measures that have been taken or that the complaint has not been substantiated.

Personnel are required to cooperate with complaints including complaints regarding retaliation.

This Code prohibits retaliation by ELM and its Personnel against complainants who raise concerns in good faith.

Any individual who believes that he or she has been the subject of retaliation should contact the Chair of the Compensation & Governance Committee who has the power to investigate and recommend resolution of complaints regarding retaliation.

Individuals who wish to contact the ELM Ethics Line to report potential non-compliance can use the following methods:

- Website Based Reporting: an individual can use the internet to access the ELM Ethics Line by going to ELM's external website at www.elminc.ca and clicking on the link for the ELM Ethics Line at the bottom of the page.
- Direct email reporting to the Chair of the Corporate Governance & Compensation Committee at elmethics@shaw.ca.

Requests to remain anonymous will be respected and no retaliatory action will be taken against an individual for providing information in good faith (for further information, please refer to ELM's Whistleblower Policy). Disciplinary actions may be taken against any Personnel who violate this Code.

Any actual or potential conflict of interest involving a director or officer, or a member of such person's immediate family, must be reported by the affected person (or by others having knowledge of the existence of the actual or potential conflict of interest) to ELM's Chair of the Compensation & Governance Committee, through the ELM Ethics Line or directly, who shall promptly disclose the possible conflict of interest to the Board at the earliest time practicable under the circumstances. The possible conflict of interest will be made a matter of record, and the Board will determine whether the possible conflict of interest indeed constitutes a conflict of interest.

The Board's approval will be required prior to the consummation of any proposed transaction or arrangement that is determined by the Board to constitute a conflict of interest.

Any member of the Board or any officer having a possible conflict of interest in any proposed transaction or arrangement is not permitted to vote (in the case of a member of the Board) or use his or her personal influence on the matter being considered by the Board. Any member of the Board having a possible conflict of interest is not counted in determining the quorum for consideration and vote on the particular matter. Finally, any member of the Board or any officer having a possible conflict of interest must be excused from any meeting of the Board during discussion (subject to the exception set forth in the paragraph below) and from any vote on the particular matter (in the case of an interested director). The minutes of the Board meeting should reflect the disclosure, the absence from the meeting of the interested director or officer, the abstention from voting (in the case of an interested director) and the presence of a quorum. The proposed transaction or arrangement is considered approved if it receives the affirmative vote of a majority of the disinterested members of the Board. The foregoing requirements do not prohibit the interested director or officer from briefly stating his or her position in the matter or from answering pertinent questions of the disinterested members of the Board, as the interested director's knowledge may be of assistance to the other Board members in their consideration of the matter.

K. WAIVERS AND AMENDMENTS

Any waiver of this Code or any amendments to this Code may be made by the Board.

Any amendments to this Code of Conduct and Ethics will be disclosed to all Personnel and to the extent required by any applicable law, rule or regulation.

L. APPROVAL

This Code has been reviewed and adopted by the Board as of the 5th day of December 2019.

ANNEX A

CODE OF CONDUCT AND ETHICS CERTIFICATION

I have read and understand the Code of Conduct and Ethics (the "Code") of ELM Inc. ("ELM"). I agree that I will comply with the policies and procedures set forth in the Code. I understand and agree that, if I am an employee of ELM, my failure to comply in all respects with ELM's policies, including the Code, is a basis for termination for cause of my employment with ELM.

I agree to promptly submit a report to ELM's CFO & COO or the Chair of the Compensation & Governance Committee describing any circumstances in which:

1. I have reasonable basis for belief that a violation of the Code by any Personnel has occurred;
2. I have, or any member of my family has, or may have, engaged in any activity that violates the Code;
3. I have, or any member of my family has, or may have, any interest that violates the Code; and
4. I, or any member of my immediate family may be contemplating, any activity or acquisition that could be in violation of the Code.

I am unaware of any violations or suspected violations of the Code by any individual except as described below or on the attached sheet of paper. (If no exceptions are noted, please initial the space provided below.)

_____ No exceptions

To the best of my knowledge and belief, neither I nor any member of my immediate family has any interest or affiliation or has engaged in any activity, which might violate this Code or might conflict with the interest of ELM or its subsidiaries or affiliates, except as described below or on the attached sheet of paper. (If no exceptions are noted, please initial the space provided below.)

_____ No exceptions

I am aware that this signed Certification will be filed with the personnel records.

Type or Print Name

Signature

Date

LETTER FROM THE CEO

February 3, 2025

Dear ELM Employee:

ELM continues to achieve success by delivering the very best products and services to our customers. ELM is dedicated to conducting its business in accordance with the highest standards of ethics. We have an obligation to our employees, investors, lenders, customers, suppliers and other business contacts to be honest, fair and forthright in all our business undertakings.

It is critical to the continued success of our business that you carefully read the Code of Conduct and Ethics and understand its content. Please discuss any questions you may have with your Supervisor or a member of the executive team directly.

The guidelines set out in this Code are to be followed at all levels of this organization by all of our directors, officers, employees, contractors and consultants. We are relying upon you to uphold our core values and conduct our business honestly, fairly and with integrity.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Malcolm McKean', written over a light blue horizontal line.

Malcolm McKean, P.Eng

President and Chief Executive Officer