



Liberty Defense Holdings, Ltd.

Whistleblower Policy

Approved by the Board on [--]

Section 1 Purpose

The charter of the audit committee (the “**Audit Committee**”) of the board of directors (the “**Board**”) of Liberty Defense Holdings, Ltd. (the “**Company**”) provides that the Audit Committee is responsible for establishing procedures for the receipt, retention and treatment of complaints, including complaints regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by directors, officers, senior management, employees (permanent and temporary), consultants and contractors of concerns using the channels set forth herein (collectively referred to as “**Complaints**”) without fear of reprisal from their supervisor or other Company officials.

Section 2 Scope of Policy

This policy (the “**Policy**”) has been adopted by the Audit Committee to establish and describe procedures governing the receipt, retention and treatment of Complaints.

Section 3 Examples of Complaints

The following is a list of types of Complaints which are covered by this Policy:

- (a) violation of any applicable law, rule or regulation that relates to corporate reporting and disclosure;
- (b) tampering with any accounting or audit-related records or documents of the Company (in any format, including electronic records such as emails) or destroying any Company accounting or audit-related records or documents (except as otherwise permitted or required by any records retention policies or guidelines as may be adopted by the Company from time to time);
- (c) fraud or deliberate error in the preparation, evaluation, review or audit of any of the Company’s financial statements;
- (d) fraud or deliberate error in the recording and maintaining of the Company’s financial records (for example, overstating expense reports, falsifying time sheets, preparing erroneous invoices, misstating inventory records or misleading classification of expenditures);
- (e) deficiencies in or non-compliance with the Company’s internal accounting controls (for example, circumventing the internal control compliance process);
- (f) misrepresentations or omissions regarding matters contained in the Company’s financial records, financial reports or audit reports;

- (g) any effort to mislead, deceive, manipulate, coerce or fraudulently influence any internal or external auditor of the Company in connection with the preparation, examination, audit or review of any financial statements or other records of the Company;
- (h) auditor independence concerns; and
- (i) retaliation or retribution against an individual who makes a Complaint.

Fraudulent or other questionable activities which are not related to Complaints may be reported in accordance with the Company's Code of Business Conduct and Ethics or other applicable policies or procedures.

Section 4 Reporting of Complaints

If you observe or become aware of any actual or potential violation of the Company's Code of Business Conduct and Ethics or any law or regulation applicable to the Company, it is your responsibility to report the circumstances. Complaints may be brought by speaking to the most senior manager in your group. Any senior executive officer or director should report Complaints promptly to the Chief Executive Officer and the Chief Executive Officer shall notify the Audit Committee. Any such concerns involving the Chief Executive Officer should be reported directly to the Chair of the Audit Committee.

Persons who prefer to make a Complaint anonymously and confidentially may do so (1) in writing addressed to the Chair of the Audit Committee, as below, or (2) by email to whistleblower_governance@libertydefense.com. A Complaint should provide enough information about the incident or situation to allow the Company to investigate properly.

Attention: Audit Committee
Liberty Defense Holdings, Ltd.
187 Ballardvale St, Suite 110
Wilmington, MA, 01887. USA
(Marked: "Personal and Confidential")
Email: whistleblower_governance@libertydefense.com

Section 5 Anonymity and Confidentiality

Complaints may be made on an anonymous basis, as provided in Section 4. In accordance with applicable laws and any rules or requirements adopted by securities regulatory authorities and any stock exchange upon which the Company's securities are listed (the "**Applicable Laws**"), the Company will maintain confidentiality of Complaints and the identity of the person making the Complaint (if disclosed) and information relating to a Complaint will only be made available to those individuals who need to know of the Complaint in order that the Complaint be properly investigated and addressed.

Section 6 Prohibition on Retaliation

In no circumstances will there be any reprisals by the Company against any person who has made a Complaint in good faith. "Reprisals" include termination, demotion, discipline or any other action which has an adverse effect on the person who has made a Complaint. The Company shall also not take or encourage any actions that would prevent any person from making a Complaint. Persons who engage in any such prohibited conduct may be subject to discipline and/or termination of employment with the Company.

Section 7 Retention of Records

The Audit Committee shall retain all relevant records relating to any Complaints received or reports of any reprisals (as set out above) as required by Applicable Laws, and in no case for less than a period of five years. The types of records to be retained by the Audit Committee shall include records (whether physical or digital) relating to any investigation into a Complaint and the results of any such investigation.

Section 8 Acting in Good Faith

Persons filing a Complaint under this Policy should be acting in good faith and have an honest belief that the Complaint is well-founded, including a reasonable factual or other basis. Any Complaints based on allegations that are without basis or that are proven to be intentionally misleading or malicious will be viewed as a serious offence.

Section 9 Treatment of Legal or Accounting Concern Submissions

Legal or accounting matters will be reviewed as soon as possible by the Audit Committee with the assistance and direction of whomever the Audit Committee thinks appropriate including, but not limited to, external legal counsel. The Audit Committee shall implement such corrective measures and do such things in an expeditious manner as it deems necessary or desirable to address the legal or accounting matter.

Where possible and when determined to be appropriate by the Audit Committee, notice of any such corrective measures will be given to the person who submitted the concern regarding a legal or accounting matter.

Section 10 Review of Policy

The Audit Committee shall review this Policy on a periodic basis to determine whether the procedures established under this Policy operate effectively in respect of the receipt, retention and treatment of Complaints and in providing a confidential and anonymous procedure to report violations or Complaints as may be required by Applicable Laws.

Section 11 Queries

Any questions regarding this Policy may be made by speaking to the most senior manager in your group.

Section 12 Publication of the Policy on Website

This Policy will be posted on the Company's website.

The Board 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 or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

RELATED DOCUMENTS

Code of Business Conduct and Ethics (available on the Company's website and under the Company's SEDAR+ profile at www.sedarplus.ca)