



TITAN MEDICAL INC.

CODE OF CONDUCT

1. INTRODUCTION

Every employee, officer and director of Titan Medical Inc. and its subsidiaries (collectively, “Titan”) represents Titan in its relations with others – whether with customers, suppliers, employees, competitors, governments, investors or the general public. Whatever the area of activity and whatever the degree of responsibility, such persons are expected to act in a manner that will enhance Titan’s reputation for honesty, integrity and the faithful performance of undertakings and obligations.

Every employee, officer and director of Titan has the responsibility to obey the law and act ethically. To that end, this Code of Conduct (the “Code”) has been adopted by the Board of Directors of Titan (the “Board”) as a guide that is intended to sensitize such individuals to significant legal and ethical issues that may arise and to the mechanisms available to report illegal or unethical conduct. It is not, however, a comprehensive document that addresses every legal or ethical issue that an employee, officer and director of Titan may confront, nor is it a summary of all laws and policies that may apply. Ultimately, no code of conduct can replace the thoughtful behaviour of an ethical person.

Compliance with the provisions of this Code is mandatory for all employees, officers and directors. This Code affirms the commitment of Titan to uphold high ethical standards and to specify the basic norms of behaviour for Titan and employees, officers and directors of Titan. Failure to comply with this Code can have severe consequences. Conduct that violates this Code may violate federal, provincial, state or other applicable law and can subject both Titan and its employees, officers and directors to prosecution and legal sanctions. Offenders will be appropriately disciplined, which may include discharge from office or termination of employment, for violations of this Code.

2. CONFLICTS OF INTEREST

Each employee, officer and director has the responsibility to avoid any activity, interest (financial or otherwise) or relationship that would create or even appear to create a conflict of interest.

For the purpose of this Code, a conflict of interest is an opportunity for personal benefit other than the normal compensation and benefits provided through employment or the holding of an office at Titan. A conflict of interest exists when the employee’s, officer’s or director’s absolute duty to give his/her undivided business loyalty to Titan has the potential to be affected by actual or potential personal benefit from another source. Interests, activities or relationships and associations where personal interests (financial or otherwise) conflict or could conflict with the interests of Titan must be avoided. Since the existence of a conflict of interest may be dependent on particular facts and circumstances and the onus is on the employee, officer or director to anticipate and to avoid conflicts of interest, it is recommended to check with Titan’s corporate secretary or external or internal legal counsel, as applicable, when in doubt about a proposed activity.

Within the scope of each employee's, officer's and director's duties, such persons are expected to make decisions in the best interests of Titan and not for personal gain. Such persons must therefore avoid having an interest, direct or indirect, in the business of any customer, supplier or competitor of Titan that might:

- result in personal gain for the employee, officer or director (or his or her relatives) at the expense of Titan;
- detract from the time and energy the employee, officer or director ought to devote to his or her duties at Titan;
- cause an embarrassment to Titan; or
- leave the employee, officer or director open to pressure or influence that might affect the interests of Titan.

Any employee, officer or director who becomes aware of a conflict of interest or a potential conflict of interest should bring it to the attention of a supervisor or manager or, in the case of a director or the CEO, to the Chair of the Board.

3. INSIDER TRADING

Employees, officers and directors of Titan are prohibited by Canadian and United States securities laws from insider trading and tipping. The purchase and sale of Titan securities may only be done in accordance with Titan's insider trading policy (the "**Insider Trading Policy**"). The Insider Trading Policy also addresses legal prohibitions against trading with knowledge of undisclosed material information, tipping, market manipulation or fraud and insider trade reporting requirements. A copy of the Insider Trading Policy will be made available to all employees, directors and officers of Titan and questions concerning such policy or the legal restrictions on insider trading should be directed in accordance with that policy.

4. TITAN ASSETS

All employees, officers and directors should endeavour to protect Titan's assets and ensure their secure and efficient use. Theft, carelessness and waste have a direct impact on Titan's profitability. Any suspected incident of fraud or theft should be immediately reported to Titan's Chief Financial Officer/Corporate Secretary or external legal counsel, as applicable, for investigation. Titan's equipment should not be used for non-Titan business, though incidental personal use is permitted (in accordance with all applicable policies).

The obligation of employees, officers and directors to protect Titan's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing plans, product development ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information is prohibited. It could also be illegal and result in civil or even criminal penalties.

5. CONFIDENTIALITY

Employees, officers and directors must maintain the confidentiality of confidential information entrusted to them by Titan or its customers, except when disclosure is authorized by Titan's Chief Financial Officer/Corporate Secretary or external legal counsel, as applicable, required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors, or harmful to Titan or its customers, if disclosed. It also includes information that suppliers and customers have

entrusted to us. The obligation to preserve confidential information continues even after the individual's employment or other relationship with Titan ends.

6. **HEALTH AND SAFETY**

The health and safety of employees is a matter of significant importance for Titan. Titan's policy is to provide a workplace free of preventable hazards and to comply with all local laws and regulations governing workplace health and safety. Most accidents and injuries are preventable, and to avoid needless injury, each employee must follow all of Titan's health and safety rules. Managers and supervisors also must keep abreast of and understand the workplace safety laws and regulations that apply to their areas of responsibility and ensure compliance with them. Titan encourages its employees to report possible safety problems to appropriate management personnel, to make suggestions regarding appropriate safety controls and warnings, and to participate in Titan safety programs on a continuing basis.

7. **DISCRIMINATION AND HARASSMENT**

(a) *Non-Discriminatory Environment*

Titan fosters a work environment in which all individuals are treated with respect and dignity. Titan does not discriminate against employees, officers, directors or potential employees, officers or directors on the basis of race, color, religion, sex, national origin, age, sexual orientation or disability or any other category protected by Canadian federal or provincial laws and regulations, or any laws or regulations applicable in the jurisdiction where such employees, officers or directors are located. Titan will make reasonable accommodations for its employees in compliance with applicable laws and regulations. Titan is committed to actions and policies to assure fair employment, including equal treatment in hiring, promotion, training, compensation, termination and corrective action and will not tolerate discrimination by its employees and agents.

(b) *Harassment-Free Workplace*

Titan will not tolerate harassment of its employees, customers or suppliers in any form. Workplace harassment includes engaging in the course of vexatious comment or conduct against a worker in workplace that is known or ought reasonably to be known to be unwelcome.

(c) *Workplace Violence*

The workplace must be free from violent behaviour. Threatening, intimidating or aggressive behaviour, as well as bullying, subjecting to ridicule or other similar behaviour toward fellow employees or others in the workplace will not be tolerated. Workplace violence includes the exercise of physical force by a person against a worker in a workplace, that causes or could cause physical injury to the worker. Workplace violence also includes the attempt to exercise physical force that could cause physical injury to the worker, or a statement or behaviour that is reasonable for a worker to interpret as a threat to exercise physical force.

Titan will provide information and instructions to workers regarding workplace harassment and workplace violence, and will develop and maintain programs to deal with incidents and complaints.

(d) *Substance Abuse*

Titan is committed to maintaining a safe and healthy work environment free of substance abuse. Employees, officers and directors of Titan are expected to perform their responsibilities in a professional manner and, to the degree that job performance or judgment may be hindered, be free from the effects of drugs and/or alcohol.

8. RECORD-KEEPING

The integrity of Titan's financial reporting is of particular importance as shareholders rely on Titan to provide complete and accurate information. The dissemination of financial statements that contain materially misleading information can cause serious legal difficulties for Titan.

Titan's books and records must fully and fairly disclose, in an accurate, timely and understandable manner, all transactions and dispositions of Titan assets.

The integrity of Titan's record-keeping and reporting systems must be maintained at all times. Employees must document and record all transactions in accordance with Titan's internal control procedures and in compliance with all applicable accounting principles, laws, rules and regulations. Employees and managers are forbidden to use, authorize or condone the use of "off-the-books" record-keeping or any other device that could be utilized to distort records or reports of Titan's true operating results and financial conditions.

All funds and assets are to be recorded and disclosed. Employees with responsibility for reporting financial information must provide information that is accurate, complete, objective, timely and understandable and complies with all applicable laws relating to the recording and disclosure of financial information.

Titan's directors, officers and employees must cooperate with Titan's auditors and bring to the attention of their supervisors, or other appropriate personnel, transactions that appear unusual or do not seem to serve a legitimate purpose.

9. COMPETITION AND FAIR DEALING

We seek to outperform our competition fairly and honestly. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee, officer and director should endeavour to respect the rights of, and deal fairly with, Titan's customers, suppliers, competitors and employees. No employee, officer or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, and not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by any Titan employee, family member of an employee or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. Employees should discuss with their supervisor the appropriateness of any gifts or proposed gifts of which they are uncertain.

10. DEALING WITH GOVERNMENT OFFICIALS

All dealings between employees, officers and directors of Titan and public officials are to be conducted in a manner that will not compromise the integrity or impugn the reputation of any public official or any employee, officer or director or Titan. Non-routine and high profile contacts with public officials should be handled through or coordinated with Titan's Chief Financial Officer/Corporate Secretary or external legal counsel, as applicable.

Even the appearance of impropriety in dealing with public officials is improper and unacceptable. Any participation, whether directly or indirectly, in any bribes, kickbacks, improper profit-sharing arrangements, illegal gratuities, indirect contributions, improper inducements or similar payments to any public official is expressly forbidden, notwithstanding that they might further the business interests of Titan. The *Corruption*

of *Foreign Public Officials Act* (Canada) and similar legislation in other countries make it an offence to make or offer a payment, gift or benefit to a foreign government official in order to induce favourable business treatment, such as obtaining or retaining business or some other advantage in the course of business. This principle applies to Titan's operations around the world, even where such practices may be considered to be a way of "doing business" or necessary in a particular country in question.

11. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Titan conducts business in several different jurisdictions where laws, customs and social requirements may be different. It is Titan's policy to operate in material compliance with applicable domestic and foreign laws. If an individual becomes aware of a conflict between foreign and domestic laws, they should immediately consult Titan's Chief Financial Officer/Corporate Secretary or external legal counsel, as applicable.

12. MONITORING COMPLIANCE

The ultimate responsibility for monitoring compliance with this Code lies with the Board. The Board has delegated responsibility for day-to-day administration of this Code to the Corporate Governance and Nominating Committee (the "**Committee**"). The Committee will be responsible for, among other things, implementing this Code, reviewing this Code on an annual basis and approving amendments to the Code, if necessary or desirable, and granting waivers from the provisions of this Code. [NTD: Audit Committee Charter gives authority to the Audit Committee]

Any waiver of this code for executive officers or directors must be disclosed in a press release or in Titan's next annual report filed with the United States Securities and Exchange Commission.

13. DUTY TO REPORT

Every employee, officer and director has a duty to report any violations of this Code.

An employee, officer or director who becomes aware of a violation or possible violation of this Code or any of Titan's statements and policies must report that information immediately to his or her supervisor or a senior officer of Titan. An employee may report questionable accounting or auditing matters, on an anonymous basis, in accordance with Titan's Whistleblower Policy, a copy of which will be made available to all employees, officers and directors of Titan.

Titan will not permit any form of retaliation (including discharge, demotion, suspension, threats, harassment or any other form of discrimination) against an employee, officer or director who has truthfully and in good faith:

- reported violations of this Code;
- lawfully provided information or assistance in an investigation regarding any conduct that the employee, officer or director reasonably believes constitutes a violation of applicable securities laws or applicable federal laws relating to fraud against shareholders;
- filed, caused to be filed, testified, participated in or otherwise assisted in a proceeding related to a violation of applicable securities laws or applicable federal laws relating to fraud against shareholders; or
- provided a law enforcement officer with truthful information regarding the commission or possible commission of a federal offence, unless the individual reporting is one of the violators.

14. RESPONSE

If Titan receives information regarding an alleged violation of this Code, it will, in accordance with any other further procedures established by the Board or a committee of the Board:

- evaluate such information as to gravity and credibility;
- initiate an informal inquiry or a formal investigation with respect to the alleged violation;
- prepare a report of the results of such inquiry or investigation, including recommendations as to the disposition of the matter;
- make the results of such inquiry or investigation available to the Board or a committee of the Board for action, including disciplinary action; and
- recommend changes in this Code necessary or desirable to prevent further similar violations.

Confidentiality and anonymity will be maintained to the fullest extent possible, consistent with the need to conduct an effective review. However, Titan may disclose the results of investigations to law enforcement or regulatory authorities.

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