

MODERN SLAVERY REPORT

Introduction

At Quarterhill Inc. (“**Quarterhill**” or the “**Company**”, “**we**” or “**our**”) we are committed to upholding human rights principles and ensuring ethical practices throughout our operations and supply chain. We consider respect for human rights to be a fundamental corporate responsibility and have zero-tolerance for forced labour and child labour within the Company and our supply chain. We are committed to implementing measures to reduce the risk of forced labour or child labour, including any other forms of modern slavery, in our operating activities and supply chain. We present the Company's first report outlining our efforts to address modern slavery for the financial year ending December 31, 2023.

Quarterhill and its subsidiary International Road Dynamics Inc. (“**IRD**”) meet the requirements to report under Canada's new *Fighting Against Forced Labour in Supply Chains Act* (the “**Act**”). The Company services customers in the global intelligent transportation systems industry. Along with our subsidiaries located in Canada, the United States and internationally, we acknowledge the potential risks associated with modern slavery within our supply chains. Our commitment to ethical sourcing and responsible business practices guides our approach to addressing these risks. This report is Quarterhill and IRD's joint report under the Act.

Core Values and Principles

We are profoundly dedicated to conducting our businesses consistently with internationally recognized norms and principles including the United Nations' Universal Declaration of Human Rights. Quarterhill has adopted an over-arching Human Rights Statement (the “**Statement**”) which reflects the core values in how we conduct business. The Statement includes the following key principles and initiatives:

Respecting Cultures and Values: We acknowledge and respect the diverse cultures, customs, and values of the communities where we operate, while ensuring our actions align with our human rights principles.

Ensuring Safe Workspaces: We provide safe working environments, both physical and virtual, free from harassment, bullying, and violence, ensuring the well-being of all employees.

Promoting Ethical Conduct: Our employees and suppliers are expected to adhere to our Code of Business Conduct and Ethics, promoting ethical behavior in all aspects of our operations.

Fair Recruitment and Hiring: We ensure fairness and equality in our recruitment and hiring processes, providing equal opportunities to all prospective employees.

Eliminating Forced or Child Labour: We diligently seek to ensure no products are manufactured by forced or child labour within our supply chains, complying with relevant laws and international standards.

Fostering Diversity and Inclusion: We strive to create diverse and inclusive workplaces, providing opportunities for underrepresented groups and communities to thrive within our organization.

Maintaining Safe and Healthy Working Conditions: We uphold safe, healthy, and respectful working conditions, as outlined in our Environmental, Social, and Governance Statement.

Promoting Human Rights: Within our spheres of influence, we actively promote human rights and corporate responsibility, contributing positively to the communities in which we operate.

Our Code of Business Conduct and Ethics (the “**Code**”) promotes honest and ethical behavior and can be found on the Governance Documents page of our website at ir.quarterhill.com/investors. The Code applies at all times at Quarterhill – directors, management and employees are requested on an annual basis to review and certify their compliance with the Code.

Supply Chain Overview

Our operations at Quarterhill include producing, purchasing and distributing goods and services in North America and internationally. Our supply chain encompasses various stakeholders, including suppliers of raw materials, manufacturers, distributors, and subcontractors that may supply labour and/or materials. We recognize that modern slavery can occur at any stage of the supply chain and are dedicated to ensuring transparency and accountability throughout.

We have a robust vendor evaluation program in North America for key suppliers. During the year ended December 31, 2023, our vendor evaluation program did not include specific procedures to evaluate the risk of forced or child labour. We did, however, map our business activities and supply chains to capture important data required going forward to assess where the risk of modern slavery may be present.

Quarterhill is evaluating industry best practices and internal processes and will work diligently to improve transparency and reduce potential risks. To date, we have not identified any instances of forced labour or child labour in our business and supply chain, therefore, we have not had to take any remediation measures. Should any instances of forced labour or child labour be identified or reported to Quarterhill at any time, we are dedicated to swift and decisive action, including remediation efforts, and implementing corrective measures to prevent recurrence.

Actions Taken

Assessed to better understand areas of potential risk: We are taking a risk-based approach to assess and manage the risk of forced labour and child labour in our supply chains. We have mapped our business activities and supply chains to identify areas at risk of modern slavery which will allow us to implement targeted interventions. Factors that will be considered when assessing current and future suppliers include product country of origin, country risk indicators and types of products or services offered by the supplier.

Implemented systems to streamline gathering of information: We recognized the need for better information to evaluate suppliers and to identify and mitigate the risk of modern slavery within our supply chain. At the beginning of 2023, we incorporated integrated accounting and purchasing systems for our North American operations into a single enterprise resource planning system. This will allow for efficient information-gathering and identify factors such as geographical location, industry sector, and supplier practices in future supplier assessments.

Action Plans for the Coming Year

Supplier Code of Conduct

We plan to establish and implement a Supplier Code of Conduct (“**SCOC**”) into our existing vendor management evaluation system. Our SCOC will outline our expectations to our suppliers to adhere to labour standards, human rights, and ethical business practices including prevention of forced or child labour. Suppliers will be requested to provide an attestation of compliance. In time we expect to add due diligence procedures to assess compliance which may include site visits, interviews with management, and document verification.

Training and Awareness

We are developing training material for employees, suppliers and our directors and officers on identifying and reporting signs of modern slavery. Awareness sessions will be conducted to educate stakeholders on the importance of ethical sourcing.

Reporting

During the training and awareness sessions we will communicate and offer various reporting mechanisms for employees, suppliers, directors and officers to report any concerns related to modern slavery without fear of retaliation. The Company has adopted a Whistleblower Policy and employees have the option to anonymously report workplace issues and concerns online or by phone.

Assessing Effectiveness

We will periodically assess the effectiveness of our actions by tracking relevant performance indicators, reviewing and updating our Statement and Code, and evaluating feedback from internal and external stakeholders.

Conclusion

At Quarterhill we recognize that addressing modern slavery will take time and requires collaboration with stakeholders across industries and sectors. We actively participate in industry forums to share best practices and drive collective action against modern slavery.

Quarterhill remains steadfast in its commitment to combat modern slavery within its operations and supply chain. We recognize the importance of transparency, accountability, and continuous improvement in upholding human rights and ethical business practices. Through our ongoing efforts and collaboration with stakeholders, we aim to eradicate modern slavery and create a more just and equitable world.

Approval

This report was approved by the Board of Directors of Quarterhill Inc. pursuant to Paragraph 11(4)(b)(ii) of the Act on April 10, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

/s/ Chuck Myers

Chuck Myers

Chief Executive Officer and Director

QUARTERHILL INC.