



## HAMMERHEAD RESOURCES INC.

**Code of Business Conduct**

November 8 2018  
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## **1 POLICY**

Hammerhead Resources Inc. (“Hammerhead Resources” or the “Company”) requires that all Employees observe the highest standards of professional ethics. The purpose of the Code of Business Conduct (the “Code”) is to provide guidance to employees, consultants, officers and directors of Hammerhead Resources (hereinafter collectively, “Employees”) regarding the Company’s expectations in this matter and to enhance confidence in the integrity of the Company through our commitment to maintain these high standards. The Code describes the Company’s values, policies and expectations. The Code cannot foresee every situation you may encounter. You are trusted to use good judgment in your day-to-day activities, and to use this policy as a guide to help you make decisions consistent with Hammerhead Resources’ values and reputation. If a specific act is missing from the Code, it does not mean that act is acceptable or condoned. If in doubt, please contact your Supervisor or Executive.

When a company practices and promotes ethical behavior, everyone benefits. Being honest, forthright and consistent in our dealings with others fosters a positive work environment. A company that prides itself on integrity inspires confidence in employees, customers, shareholders, suppliers and the wider community.

The Code of Business Conduct is a general guideline for making certain that:

- a) A work environment is maintained that promotes the dignity and self-respect of each Employee.
- b) All Employees are aware of and fully observe the laws and regulations that impact their business activities.
- c) A standard of behavior is in place that reflects the values and integrity of Hammerhead Resources and its Employees.
- d) Hammerhead Resources is protected from financial loss and legal liability.

The Code is to be used as a guide for appropriate conduct and to prevent improper conduct. Hammerhead Resources will not tolerate any conduct that is unlawful or damaging to Hammerhead Resources’ reputation.

From time to time, changes in the business context or regulatory environment create a need for new guidelines. As a result, electronic and printed versions of the Code are subject to change without notice. Employees and consultants are required to review, understand, and accept the terms and conditions of the Code and all applicable policies on an annual basis. This document will be provided for employee review and annual sign off.

## **2 PURPOSE**

The purpose of this Code of Business Conduct is to express the principles for appropriate behavior that apply to all Employees in all aspects of the Company’s business.

## **3 SCOPE**

The Statement of Policy and Procedure applies to all employees, consultants, officers and directors of the company.

## **4 RESPONSIBILITY**

### **4.01 Employee Responsibilities**

- a) All Employees are responsible for reading this entire Code of Business Conduct and ensuring their conduct is consistent with both the letter and the spirit of Hammerhead Resources’ business practices.
- b) This Code will help Employees deal with specific situations. In some cases, a situation may be

so complex or circumstances so unique that additional guidance is needed. If such a situation occurs and is not included in this Code, it is each Employee's duty to contact his / her supervisor, an Executive or the President and CEO.

- c) This Code and any detailed Hammerhead Resources policy statements and procedures will be updated from time to time. All Employees are required to stay informed of any updates and to comply with all requirements.
- d) If you suspect a violation of this Code, including complaints about accounting or auditing irregularities or fraud and corruption, or you have concerns about illegal or unethical business conduct, you have an obligation to promptly report these suspicions so that the Company may address them.

#### **4.02 Management Responsibilities**

Managers and Executives must exhibit the highest standards of corporate responsibility and business conduct and create a work atmosphere that supports our corporate values and policies, including this Code. Management is responsible for communicating all changes contained in the Code. It is the duty of each member of management to take into account an Employee's willingness and commitment to comply with this Code when making promotion and other employment decisions.

### **5 REFERENCE and RELATED STATEMENTS of POLICY and PROCEDURE**

- a) Whistleblower Policy
- b) Drug and Alcohol Policy
- c) Health and Safety Policy
- d) Anti-Corruption Policy
- e) Firearm Policy
- f) Workplace Violence & Harassment Prevention Policy

## **6 PROCEDURE**

### **6.01 Compliance Requirements**

Employees must work honestly and in good faith. Employment with Hammerhead Resources depends on an Employee's ability and willingness to comply with this Code. Adherence to these standards carries the highest priority. All Employees are required to acknowledge compliance with the Code and all related policies when they are hired and again on an annual basis.

### **6.02 Hammerhead Resources personnel will follow all laws, regulations, and Company policies that govern our work, whether they apply to us directly or indirectly.**

### **6.03 Discrimination and Workplace Harassment**

- a) Hammerhead Resources believes in providing and maintaining a work environment in which all employees are free from workplace harassment, sexual harassment and discrimination. Such actions are not tolerated and will be redressed. Please refer to the **Workplace Violence & Harassment Prevention Policy** for further details.
- b) It is the responsibility of each Employee to maintain a work environment free of discrimination and harassment and to report any situation that the Employee believes may be workplace harassment or discrimination to his / her Supervisor or an Executive.
- c) Retaliation or reprisals are prohibited against any employee who has complained under this Code or has provided information regarding a complaint. Any retaliation or reprisals are subject to immediate corrective action, up to and including termination. Alleged retaliation or reprisals are subject to the same complaint procedures and penalties as complaints of discrimination and harassment.
- d) Hammerhead Resources recognizes that individuals may find it difficult to come forward with a

complaint because of concerns of confidentiality. Therefore, all complaints concerning workplace or sexual harassment or discrimination, as well as the names of parties involved, shall be treated as confidential. Hammerhead Resources obligation to conduct an investigation into the alleged complaint may require limited disclosure. No record of the complaint will be maintained on the personnel file of the complainant. If there is a finding of improper conduct that results in disciplinary action, it will be reflected only on the file of the person who engaged in such conduct, in the same way as any other disciplinary action.

#### **6.04 Employment of Family Members**

- a) Hammerhead Resources allows an Employee's spouse, parents, children, and other family members to work for Hammerhead Resources. Relatives of current employees may be employed only where:
  - (i) They will not be working directly for or supervising a relative.
  - (ii) They will not be working directly above the relative's immediate superior.
  - (iii) They will not be working directly for the relative's immediate subordinate.
- b) Employees shall not be transferred into a reporting relationship described above. In other cases where a conflict or the potential for conflict arises, even if there is no supervisory relationship involved, the parties may be separated by reassignment.
- c) An employee who is related to a candidate for employment shall not be involved in any aspect of the recruiting process so as to avoid any conflict of interest or allegations of preferential treatment.
- d) Employees responsible for hiring third party companies must disclose any relatives seeking employment or currently working for an existing or contemplated third party company.

#### **6.05 Health and Safety**

- a) The health and safety of Employees and the safe operation of our facilities are principal objectives of Hammerhead Resources. We are committed to providing safe and healthy places of employment and will follow operating practices that eliminate or minimize exposure to hazardous or unhealthy conditions. The success of our health and safety efforts depends on the cooperation, support, and active involvement of all Hammerhead Resources personnel.
- b) Each Employee is responsible for working safely and complying with all safety rules and protocols at all times. Hammerhead Resources strives to create and maintain a safe workplace in order to minimize and / or prevent occupational injuries and illnesses. Consistent and continuous efforts by all employees shall be directed to preventing workplace accidents and maintaining the workplace and equipment in a safe condition.
- c) At all times, Hammerhead Resources and its employees are required to observe and comply with the requirements of the Alberta Occupational Health and Safety Act, Occupational Health and Safety Code and Workers Compensation Act and their regulations.
- d) All employees have the ability to refuse to engage in a task if they deem it to be unsafe.
- e) Health and safety responsibilities shall be specified for safety sensitive positions.
- f) Everyone who undertakes, or has the authority, to direct how another person does work or performs a task is under a legal duty to take reasonable steps to prevent bodily harm to that person, or any other person, arising from the work or task.
- g) Employees should refer to the Hammerhead Resources **Health and Safety Policies** for minimum safety standards. Questions or concerns should be reported immediately to a Supervisor or to the Health and Safety Coordinator / Supervisor.

#### **6.06 Anti-Corruption**

Hammerhead Resources does not and you should never offer, promise, authorize, make, solicit, or accept bribes, kickbacks, or other improper payments, regardless of local practice or perceived customs. A bribe is essentially the giving or offering to give something of value to someone in exchange for improperly getting or keeping business or for any other improper business advantage. Such business advantages may include, for example, the timely or expedited performance of any

official duty or action, or to ward off or postpone decisions of matters that may negatively affect the Company.

Bribery is illegal. Even the appearance of impropriety can damage Hammerhead Resources reputation. This standard applies even if the refusal to make such a payment results in Hammerhead Resources losing a business opportunity. The details of Hammerhead Resources anti-corruption processes and procedures are found in Hammerhead Resources **Anti-Corruption Policy**.

Hammerhead Resources is committed to compliance with international anti-corruption laws and standards, including those under the United States Foreign Corrupt Practices Act, the United Kingdom Bribery Act 2010, and the applicable anti-corruption-related laws and regulations of all other countries in which the Company operates or whose jurisdiction the Company might be subject to. We will not offer, promise, authorize, or give anything of value intending to influence a government official's actions.

#### **6.07 Workplace Safety**

Hammerhead Resources is committed to maintaining a safe and secure work environment. Threats, intimidation, harassment, assaults, and acts of violence are unacceptable. If an Employee has any concerns, he / she should contact his / her Supervisor, or an Executive. Please refer to the **Workplace Violence & Harassment Prevention Policy** for further details.

#### **6.08 Prohibited Items**

- a) The use, sale, possession or distribution of illegal drugs, or the improper use of alcohol, cannabis or prescription drugs by Employees is strictly forbidden while on Hammerhead Resources premises, in Hammerhead Resources vehicles, or conducting Hammerhead Resources business on or off Hammerhead Resources premises. The use of alcohol and cannabis is prohibited to the extent that it has a detrimental effect on job performance, safety, or efficiency while conducting Hammerhead Resources business on or off Hammerhead Resources premises, or while in Hammerhead Resources owned or leased vehicles. For further information please refer to the **Drug and Alcohol Policy**.
- b) The possession, use, or distribution of firearms, weapons, and explosives is prohibited while on Hammerhead Resources premises, while conducting Hammerhead Resources business, or while in Hammerhead Resources vehicles on or off Hammerhead Resources premises. Where employees may be exposed to threat posed by wild animals they may have a firearm in their possession for the purposes of personal protection however it must be approved by Hammerhead Resources as per the **Firearms Policy**. The owner of a firearm must possess a Possession and Acquisition License (PAL) from the RCMP, and abide by all jurisdictional laws.
- c) If evidence supports a reasonable suspicion of use, possession, or distribution of prohibited items, Hammerhead Resources reserves the right to conduct searches on Hammerhead Resources premises or in Hammerhead Resources owned or leased vehicles for such items.

#### **6.09 External Communications**

- a) Employees may be contacted by government representatives or legal counsel representing other companies, government agencies, or individuals in connection with investigations that concern Hammerhead Resources, its businesses, clients, Employees, or suppliers. While Hammerhead Resources cooperates with all reasonable requests from government agencies and authorities, all requests for information other than what is provided on a routine basis should be reported to the President and CEO immediately.
- b) An Employee who is contacted on anything other than a routine matter should decline to respond and should refer the requester to the President and CEO or an Executive. If an Employee receives a subpoena or other request to testify or produce documents, a copy of the subpoena or request should be forwarded immediately to the President and CEO.
- c) The President and CEO guidance should be received before responding to any request, and all responses must be coordinated.

- d) All information provided should be truthful and accurate. Employees must never mislead any investigator and must never conceal, modify or destroy documents or records in response to an investigation.

#### **6.10 Conflicts of Interest**

- a) Employees are not permitted to do anything that does not support the best interests of Hammerhead Resources. For example, an Employee should not:
  - (i) Use Hammerhead Resources property for his / her own material benefit.
  - (ii) Influence Hammerhead Resources contractors or consultants for his / her own personal gain.
  - (iii) Make or recommend decisions for Hammerhead Resources that do not support the best interests of Hammerhead Resources but that might benefit the Employee, his / her family members, or friends financially.
  - (iv) Own five percent (5%) or more equity interest and/or own \$100,000 or more in equity in an entity that sells supplies, furnishes services, or otherwise does business with Hammerhead Resources without written permission from the President and CEO.
  - (v) Own five percent (5%) or more equity interest and/or own \$100,000 or more in equity in a competitor of Hammerhead Resources without written permission from the President and CEO.
  - (vi) The President and CEO must also comply with 6.10 (a) (iv) and (v) unless he/she has written permission from the Board of Directors.
- b) Before acknowledging compliance to this Code, an Employee must report in writing any conflicts of interest to his / her supervisor. If a conflict of interest arises after the Employee has acknowledged compliance, the Employee must report the conflicts in writing to his/her supervisor immediately, who will in turn disclose such conflict to the President and CEO.
- c) Employees should devote their full time and attention to Hammerhead Resources and their assigned job duties. Approval from the President and CEO is required to engage in any commercial engagement outside of employment with Hammerhead Resources.
- d) No Employee should serve on the Board of any corporation that Hammerhead Resources does not own or control without the written approval of Hammerhead Resources President and CEO. However, it is acceptable to serve on the Board of a non-profit, charitable, religious, or civic organization without prior written approval, provided it does not interfere with or impair the Employee's ability to perform their duties at Hammerhead Resources and represents a commitment of personal time.

#### **6.11 Disclosure of Confidential and Proprietary Information**

- a) Employees may know confidential information concerning Hammerhead Resources business, including customers, suppliers, business contacts, Employees, or technical operations. Employees must keep this information confidential during and after their employment with Hammerhead Resources.
- b) Information stored by and / or processed by Hammerhead Resources is proprietary information. This confidential information includes computerized data, methods, techniques, and documentation relating to Hammerhead Resources computing services, developed software, and third-party software.
- c) Employees must be aware of their responsibilities regarding access to Hammerhead Resources computer services, and the access, use, and disclosure of confidential information. Confidential and proprietary information must be used for Hammerhead Resources purposes only, never for personal gain. Hammerhead Resources prohibits Employees from releasing or misusing any confidential and proprietary Hammerhead Resources information.
- d) Employees must report violations or misuse of material, non-public corporate information to the President and CEO immediately.
- e) Hammerhead Resources has implemented a Protection of Personal Information Policy and an Acceptable Use Policy outlining detailed procedures regarding the proper use and disclosure of

confidential and proprietary information at Hammerhead Resources.

**6.12 Accounting and Reporting**

- a) All Employees must comply with Hammerhead Resources accounting and reporting procedures and make sure all books, records, accounts, and supporting papers are accurate and complete.
- b) Employees are forbidden to intentionally forge, falsify, or leave out important facts on any business documents of Hammerhead Resources which could mislead auditors or other internal or external reviewers.

**6.13 Document Retention**

Employees will not destroy or remove any Company records or documents unless authorized by the President and CEO. Hammerhead Resources follows a policy of retaining documents for at least seven (7) years.

**6.14 Expense Accounts**

Employee expense accounts are to be used only to reimburse Employees for items and activities that are purchased for Hammerhead Resources business. Employees must submit accurate expense reports of the money spent for this purpose with receipts. Expense receipts must be approved by the expensing Employee's Supervisor.

The most senior Hammerhead Resources person must pay and expense the costs for any group expenses.

**6.15 Electronic Communications**

- a) Hammerhead Resources technological resources are a Hammerhead Resources asset and should be used by Employees in pursuit of Hammerhead Resources business. While limited use of these resources for personal purposes is acceptable, Employees should not expect their use of these resources to be private or confidential, including their use of voice mail and e-mail.
- b) Hammerhead Resources may access these technological resources at any time and may disclose the information it accesses to law enforcement or other third parties without prior consent of the sender or the recipient. Employees should take the same care in their electronic communications as they take when they communicate in person or on paper.
- c) Employees are forbidden from engaging in the following activities utilizing Hammerhead Resources technological resources:
  - (i) Sending e-mail or other communications that mask the sender's identity.
  - (ii) Using another Employee's password to access any technological resources.
  - (iii) Sending or saving offensive material such as pornography.
- d) Electronic sources (such as laptops, desktops, tablets, mobile phones, computer disks, USB drives, recordings) of personal information must be kept under security measures appropriate for the sensitivity of the information.
- e) An Employee's logon ID and password are intended for his / her use only. While Hammerhead Resources can require Employees to disclose passwords and security codes at Hammerhead Resources discretion, Employees should not disclose their passwords or logon ID combinations to anyone unless asked to do so by Hammerhead Resources.

Hammerhead Resources has implemented an **Acceptable Use Policy** to provide guidance relating to all Information Technology and Operational Technology Systems matters, as well as the approved and prohibited use described above.

**6.16 Copyrighted Material and Software**

- a) Hammerhead Resources does not allow its Employees to copy or distribute copyrighted material (for example, software, database files, articles, or graphics files) through Hammerhead Resources e-mail system or by any other means without confirming in advance from appropriate sources that the company has the right to copy or distribute the material.
- b) Employees are not permitted to download or install software on Hammerhead Resources

computers without the express written consent of the IT department.

#### **6.17 Internet Site Development**

- a) Hammerhead Resources Internet is an important platform to communicate Hammerhead Resources information to Employees, customers, and the public.
- b) As such, the company's CEO and CFO and their delegates shall be solely responsible for and shall administer all creation and development of any Company internet site. Employee suggestions for enhancement to the sites are encouraged.

#### **6.18 Company Logo**

- a) The logos of Hammerhead Resources and its business units are considered property of Hammerhead Resources and must only be used for business purposes.
- b) Only the approved logos may be used, and approval must be obtained prior to using any Hammerhead Resources logo. Re-creation or alteration of Hammerhead Resources logos is not permitted.
- c) All logo items, such as apparel and office items, must be approved and purchased through the appropriate authority.

#### **6.19 Relationships with Contractors and Suppliers**

- a) Contractor and supplier relationships must be managed in a fair, equitable, and ethical manner consistent with the Code of Business Conduct, the **Anti-Corruption Policy**, and all applicable laws and good business practices.
- b) Hammerhead Resources promotes competitive procurement to the maximum extent practical and evaluates every supplier's products and services on the basis of technical excellence, quality, reliability, service, price, delivery, and other relevant objective factors.
- c) Hammerhead Resources prohibits Employees from making purchasing decisions on the basis of personal relationships, friendships, the opportunity for personal financial gain or illegal prejudices or biases.
- d) Employees must respect the terms of supplier and contractor contracts and licensing agreements and safeguard all confidential information received from a contractor or supplier, including pricing, technology, or proprietary design information.
- e) This confidential information must not be disclosed to anyone outside Hammerhead Resources without the written permission of the President and CEO and supplier or contractor.
- f) All contractors who exchange or receive personal information from Hammerhead Resources must have privacy policies and practices in compliance with applicable Canadian Federal and Provincial Laws.

#### **6.20 Gifts and Entertainment**

Gifts and hospitality, such as meals and entertainment, are a common part of business interactions. Used properly, gifts and hospitality can promote goodwill and reinforce strong business relations. However, because gifts and hospitality have value, you should avoid them if they might appear to affect your or someone else's objectivity or integrity or where using them could give the appearance of causing the Company to grant or receive a favor in return.

- a) Reasonable gifts and entertainment are a part of normal business courtesy and are not prohibited.
- b) Employees should always use good judgment and discretion to avoid the appearance of impropriety or obligation.
- c) Hammerhead Resources Employees should be certain that any gifts given or received, or entertainment hosted or attended as a guest, do not violate the law, customary business practices, this Code of Business Conduct, or the **Anti-Corruption Policy**.
- d) Employees may exchange or accept gifts with their customers and suppliers as part of normal business courtesy. No gift, favor, or payment should be accepted which imparts a future

obligation on the Employee or was given in an attempt to influence decisions regarding the business of Hammerhead Resources.

- e) The value of the gifts exchanged should be reasonable, and the exchanges should occur infrequently.
- f) Employees may be participants in entertainment with their customers and suppliers as hosts or guests in the normal course of a business relationship.
- g) Employees must not be participants when the entertainment is an attempt to influence decisions regarding the business of Hammerhead Resources or imparts a future obligation of the Employee or an outside party, including a government official, with respect to Hammerhead Resources.
- h) The value of the entertainment should be reasonable and the Employee's participation should occur infrequently.
- i) Employees are prohibited from participating in non-business-related activities that overshadow the business-related purpose of an expenditure, such as entertainment of an inappropriate nature as either a guest or a host.
- j) Gifts and entertainment in excess of **\$500** may be accepted only if approved in advance by the President and CEO. The face value of any event ticket(s) is included in this policy. If a gift has been received but, given the circumstances, the gift is determined to be inappropriate, the President and CEO may require the gift be returned to the originator.
- k) Gifts and entertainment in excess of **\$500** may be given only if approved in advance by the President and CEO.
- l) An Employee who has any doubt about the propriety of a gift or entertainment should contact his / her supervisor, Executive, or President and CEO before accepting the gift or participating in the proposed activity.

## **6.21 Money Laundering**

Hammerhead Resources is committed to preventing its operations from being used for money laundering. Anti-money-laundering laws are not solely applicable to cash transfers. They can also involve the transfer of funds via wire transfer, checks and other monetary instruments used in international trade. The key to applicability is the involvement of funds, however constituted, which are the proceeds of an unlawful activity. Employees must never facilitate transactions involving funds derived from unlawful acts. In particular, we must not assist transactions knowing, or having reason to know, that the funds came from an illegal activity such as fraud or corruption.

Because of the pervasiveness of money-laundering activity in the global economy, Hammerhead Resources is obliged to screen for and fully investigate any dubious or unusual circumstances in a potential transaction prior to proceeding with or closing the transaction. Where a transaction poses significant money-laundering risks, Hammerhead Resources must subject involved third parties to screening and monitoring focused on these risks. Such procedures may be incorporated, as appropriate, into the Company's anti-corruption due diligence processes.

If you encounter any suspicious circumstances or other behavior that may be indicative of money laundering, you should elevate the situation to your Supervisor or CFO immediately and seek guidance on how to proceed.

Anti-money-laundering laws also require the Company to report certain cash transactions. Thus, to ensure that Hammerhead Resources does not enter into a transaction that may trigger the application of anti-money-laundering legislation, Hammerhead Resources employees may not accept or make any cash payment for any services or products, except as authorized by an Executive or the President and CEO.

## **6.22 Obtaining and Using Competitor Information**

- a) While information about our competitors, customers, and suppliers is a valuable asset, the law

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and our standards of appropriate business conduct require that Employees obtain this information legally. It is not unusual to obtain information about other organizations, including our competitors, through legal and ethical means such as public documents, public presentations, journal and magazine articles, and other published and spoken information.

- b) Employees are prohibited from obtaining proprietary or confidential information about our competitors, customers, or suppliers through illegal means, and from using any proprietary or confidential information acquired during a prior employment relationship. It is also not acceptable to use or seek to acquire proprietary or confidential information when doing so would require anyone to violate a contractual arrangement, such as a confidentiality agreement with a prior employer.
- c) Employees are prohibited from taking any improper actions to gain information about our competitors, customers, and suppliers.

### **6.23 Environmental Compliance**

Hammerhead Resources is dedicated to complying with all relevant environmental laws and regulations and requires Employees to comply with these laws and regulations as well. It is the duty of each Employee to report what he / she believes to be environmental violations to his / her Supervisor or Executive.

### **6.24 Political Contributions**

- a) Only Hammerhead Resources President and CEO may authorize use of the Company's resources to support political activities. Employees must not use Hammerhead Resource's money, credit, property, or services for political activities without the President and CEO's prior written approval.
- b) Outside of Hammerhead Resources business hours, Employees may participate in any political activities of their choice, but Hammerhead Resources will not support or reimburse Employees financially for such activity without the prior written approval of the President and CEO.

### **6.25 Requests for Information from the Media and Public**

- a) The President and CEO is the only individual authorized to work with the media directly.
- b) When Hammerhead Resources provides information to the news media, Hammerhead Resources has the obligation to report accurately and completely all related material facts.
- c) Employees who are contacted by the media for information regarding Hammerhead Resources business activities and plans, or Hammerhead Resources position on public issues must refer the request to the President and CEO.
- d) All requests from the media for interviews must be directed to the President and CEO.

### **6.26 Public Speaking and Publishing Articles**

- a) Speeches and articles offer excellent opportunities for Hammerhead Resources and Employees to present topics, ideas, and information of interest to business and professional audiences. These communications provide the public with a clearer understanding of Hammerhead Resources and its various business units.
- b) A speech or article on a professional topic written by an Employee for delivery to an audience or publication represents Hammerhead Resources.
- c) Speeches and articles must be approved by the President and CEO or an Executive prior to the speaking engagement or submission for publication.

### **6.27 Press Releases**

- a) Press releases allow Hammerhead Resources to announce important and relevant information to the public through the media. If a business unit or department within Hammerhead Resources anticipates the necessity for a press release to be created, the business unit or department must

contact the President and CEO to discuss the appropriateness of such a release and to provide the needed information.

- b) All press releases must be approved by the President and CEO.

#### **6.28 Community Involvement**

- a) Hammerhead Resources directly and through its Employees contributes to the general well-being and improvement of towns, cities, and regions where it has operations. Hammerhead Resources provides support to worthwhile community programs in areas such as social welfare, health, education, and arts and culture to promote the development of positive relationships in the areas where we have business interests.
- b) Hammerhead Resources also encourages the recruitment of qualified local personnel where practical. All Hammerhead Resources community involvement and requests for corporate contributions must go through the Company's Charitable Committee or alternatively the President and CEO.
- c) Hammerhead Resources encourages Employees to participate in charitable organizations and other community activities of their choice outside of work and no approval from your supervisor is required. These outside activities should not interfere with job duties unless such activity has received prior written authorization from the Employee's supervisor. Prior approval from your supervisor should likewise be requested when participation is supported by Hammerhead Resources or when utilizing Hammerhead Resources' resources.
- d) No Employee may pressure another Employee to express a view that is contrary to a personal belief or to contribute to or support political, religious, or charitable causes.

#### **6.29 Community Projects**

- a) When a new project or business issue affects a local community, the business unit should seek the guidance of the President and CEO or Executive help facilitate communications with the affected community.
- b) The President and CEO or Executive will serve as support, proactively building and maintaining relationships with local communities as project development occurs. This will include developing a consistent platform to help educate landowners and communities on Hammerhead Resources operations and safety programs.

#### **6.30 Reporting Violations and Resources for Guidance**

- a) This Code and other Hammerhead Resources policies provide general information for seeking guidance or reporting violations of the Code to the Supervisors, Executives or the President and CEO.
- b) For more serious breaches of this Code, or if you have not received a satisfactory response, please refer to the **Whistleblower Policy** discussed below.

#### **6.31 Whistleblower Policy**

- a) Hammerhead Resources has instituted a **Whistleblower Policy** to provide for the reporting and review of concerns relating to accounting and auditing matters, as well as other corporate misconduct and breaches of this Code of Business Conduct.
- b) The **Whistleblower Policy** is designed to encourage ethical behavior by all Hammerhead Resources Employees. Details and procedures for submitting a report, are set out in the **Whistleblower Policy**.

#### **6.32 Disciplinary Action**

- a) This Code is intended to help Employees conduct themselves in a manner consistent with our values. Employees may face disciplinary action if they:
  - (i) Violate this Code
  - (ii) Encourage or help other Employees to violate this Code

- (iii) Condone other Employees who violate this Code
- (iv) Fail to report a Code violation
- (v) Retaliate against any Employee who reports a Code violation in good faith
- (vi) Fail as an officer, director, manager, or supervisor to take appropriate steps to ensure compliance with this Code

- b) Disciplinary action may include one or more of the following:
- (i) A warning
  - (ii) A written reprimand
  - (iii) Mandatory reimbursement of losses or damages
  - (iv) Suspension
  - (v) Demotion
  - (vi) Termination of employment with Hammerhead Resources
  - (vii) Referral for criminal prosecution or civil action

Management has the discretion to determine the level and type of discipline that is appropriate in any given circumstance.

**6.33 Monitoring**

Hammerhead Resources will monitor compliance with its policies and procedures, including this Code.

**6.34 Questions / Effect of this Code of Business Conduct**

This Code is not a comprehensive listing of every Hammerhead Resources policy or applicable law. If questions arise about what this Code means or how it should be applied, Employees should contact their Supervisor or Executive.

**CODE OF BUSINESS CONDUCT**

I, \_\_\_\_\_, of \_\_\_\_\_, Alberta have received, read and understand the content, requirements and expectations of the Code of Business Conduct and the affiliated Policies referenced within the Code, to include:

- |  |  |
|--|--|
| <input type="checkbox"/> Workplace Violence & Harassment Prevention Policy | <input type="checkbox"/> Firearms Policy   |
| <input type="checkbox"/> Health & Safety Policy                            | <input type="checkbox"/> Whistleblower Policy  |
| <input type="checkbox"/> Anti-Corruption Policy                            | <input type="checkbox"/> Acceptable Use Policy (Information Technology and Operational Technology Systems) |
| <input type="checkbox"/> Alcohol and Drug Policy                           | <input type="checkbox"/> Protection of Personal Information Policy   |

at Hammerhead Resources Inc. and hereby agree to adhere to the Policy and related Policies herein in their entirety.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness