



Heritage Royalty

## Code of Ethics and Business Conduct

The Code of Ethics and Business Conduct (“the Code”) applies to all officers, directors, employees, and contractors (all-inclusive referred to as “Representatives”) of Heritage Resource Limited Partnership (“Heritage Royalty” or the “Company”). Representatives who fail to adhere to the Code may face discipline up to and including termination.

*The Code will be reviewed annually by the Company’s Advisory Board and updated as required.*

### PURPOSE

The Company is committed to ethical, legal corporate behaviour. In keeping our commitment, the Code will be used in identifying and managing ethical situations and making ethical business decisions. The Company expects Representatives to act with the highest level of integrity according to the Code. Representatives are encouraged to speak to a manager or the Company’s Compliance Officer if they are ever unsure. Contact information for the Company’s Compliance Officer can be found in the Whistleblower Policy.

### RESPONSIBILITY

#### **Respect in the Workplace**

The Company’s core values are trust, respect, collaboration, enthusiasm, and innovation. Harassment, discrimination, or conduct that is demeaning or offensive to others (verbal and/or physical) will not be tolerated. Representatives are entitled to, and are expected to, preserve a positive, safe, respectful and professional work environment. The Company complies with the applicable human rights legislation in all business jurisdictions.

#### **Safety, Health, Environment, Risk and Quality**

All Representatives are responsible for maintaining a safe workplace by following safety and health rules and practices. The Company is committed to keeping its workplaces free from hazards. Any accidents, injuries, unsafe equipment, practices, or conditions must be reported immediately to a manager or other designated person such as a fire warden. In accordance with Company’s Drug and Alcohol Policy and in order to protect the safety of all employees, Representatives must be free from the influence of any substance that could impair their judgment or prevent them from conducting work activities safely and effectively while they are at work.

#### **Privacy**

The Company has adopted a Privacy Policy which governs the Company’s activities that are subject to the provisions of applicable privacy legislation, including the Personal Information Protection and Electronic Documents Act (Canada) and, where applicable, its equivalent in each province, including the Personal Information Protection Act (Alberta).

## **Protection of Company Assets**

Subject to applicable laws, any inventions, discoveries, or work produced by Representatives as part of their daily duties and responsibilities belongs to the Company and should only be used for legitimate business purposes. Representatives shall not misappropriate Company assets, funds, proprietary information, confidential information, or intellectual property, nor use any Company assets for improper or personal gain.

Representatives have an obligation to protect the Company's assets which include its proprietary information, such as intellectual property, trademarks, domain names, patents, copyrights, trade secrets, business and service plans, investment and service ideas, designs, databases, records, and any unpublished financial data and reports. Intellectual property is considered confidential information and unauthorized use or distribution of intellectual property is a violation of this Code.

## **Disclosure and Company Records and Reporting**

Honest, complete, and accurate recording and reporting of information is critical to the Company's ability to make responsible business decisions, to meet shareholder reporting obligations, and comply with all legal reporting requirements. The Company's accounting and other records are relied upon to produce reports for the Company's management, shareholder, creditors, governmental agencies, and others. Supported by the Company's systems of internal controls, the records reflect all assets, liabilities, transactions, and events, conforming with required accounting principles.

Full, fair, accurate, timely, and understandable disclosure in the reports and other documents that are filed with, or submitted to regulatory authorities and/or the Company's shareholder as well as in other public communications made by the Company is critical for us to maintain a good reputation, to comply with obligations under applicable laws, and to meet the expectations of our shareholder. In preparing such reports, documents, and other public information, the following guidelines should be adhered to:

- (a) all accounting records, and the reports produced from such records, must be in accordance with all applicable laws;
- (b) all accounting records must fairly and accurately reflect the transactions or occurrences to which they relate;
- (c) all accounting records must fairly and accurately reflect in reasonable detail the Company's assets, liabilities, revenues, expenses, transactions, and events;
- (d) no accounting records should contain any false or intentionally misleading entries;
- (e) no transactions should be intentionally misclassified as to accounts, departments, or accounting periods;
- (f) all transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period;
- (g) no information should be concealed from the internal auditors or the independent auditors; and
- (h) compliance with the Company's system of internal controls is required.

The Company will manage, store, archive and dispose of reports, documents, records and other public/non-public information (both print and electronic) according to relevant legal requirements.

As part of the Company's general compliance with laws, rules and regulations, it also complies with all applicable financial reporting and accounting rules and regulations. The company has adopted a Whistleblower Policy. Any employee, officer, director of the Company, or other person with concerns regarding questionable accounting or auditing issues and/or disclosure matters, is encouraged to submit those concerns as described in the Company's Whistleblower policy.

## **Communications and Media Relations**

The company expects Representatives to be truthful and candid in communications and not intentionally mislead colleagues, customers, suppliers, or other third parties. Representatives are expected to use

appropriate and professional language, both in written documents and public conversations.

Only the CEO is permitted to speak on behalf of the Company with the media or publicly, unless otherwise authorized by the CEO. Representatives are not permitted to speak on behalf of the Company unless they are designated by the CEO as authorized spokespersons of the company. Representatives who may be participating in outside speaking engagements as a result of their position with the Company must obtain permission from and notify the CEO prior to participation.

### **Acceptable Use of Computer Systems, Communication Devices, and other Company Assets**

The Company's "computer systems and communication devices" include the personal computers, smartphone devices, phone systems, faxes, tablets, networks, electronic mail, data access, internet usage, connections from other locations, and any other technology or distribution methods provided by the Company.

Representatives should have no expectation of privacy in anything they create, store, send, or receive using the Company's computer systems and communication devices.

The Company's computer systems, communication devices and other Company Assets (i.e. office equipment, tools, vehicles, supplies, facilities, etc.) are provided and should be used for business purposes and in accordance with fundamental principles of reasonable and acceptable use as defined in the Company's Acceptable Use of Information Assets Policy. Representatives' occasional, limited and incidental/appropriate personal use is permitted only if it does not interfere with their performance of Company duties and responsibilities, negatively impact productivity, compromise system capacity, or contravene applicable laws.

The Company's computer systems and communication devices are not to be used for improper or illegal activities such as communication of defamatory, obscene, or demeaning material, hate literature, inappropriate blogging, texting, or obtaining illegal software or files.

### **Gifts and Benefits**

The purpose of business entertainment, gifts, and promotional items in a commercial context is to create goodwill and foster good working relationships; it is not to take advantage of suppliers or investee companies for personal gain. No gift, promotional item, or entertainment shall be offered, given, sought, or accepted by a Representative unless it is consistent with customary business practices, is not excessive, and does not violate applicable laws or regulations. Representatives shall not offer or accept from any third party a gift that could be considered a bribe, kickback, loan, money, payoff, or benefit of any kind that gives the appearance that the Representative is taking advantage of their position. Representatives should discuss any gifts or proposed gifts which do not clearly fall within this exemption with their manager.

### **Confidential Information**

The Company possesses confidential information and all confidential information must be protected. Confidential information is any and all information belonging to the Company that is not subject to public disclosure, is obtained in confidence from a third party and/or is covered by a non-disclosure agreement. Examples of confidential information include:

- **Personal Information:** Some Representatives will have access to personal information. Representatives shall collect, use, and disclose such personal information only for human resource administration, unless otherwise expressly consented to by the individual whose personal information it is, or otherwise authorized by law;
- **Financial and Investment Information:** Representatives who have access to confidential information about other businesses during the course of their Company duties and responsibilities shall safeguard it and will not use it or disclose it to any third parties unless required as part of their Company duties and as required by law or otherwise authorized by the owner of the information; and
- **Proprietary Information and Intellectual Property:** Information about the business and processes of the

Company is proprietary and confidential and shall be used and disclosed only for purposes of Company business, unless otherwise authorized by the Advisory Board.

The Company has adopted a Privacy Policy which dictates the Company's use of confidential information. Representatives should exercise caution to avoid misuse or inadvertent disclosure of confidential information. This includes:

- Keeping electronic or paper documents and files containing confidential information in a safe place;
- Not discussing confidential matters where it could be overheard for example in public places, elevators, hallways, etc.;
- Exercising caution when discussing confidential matters on wireless telephones and/or devices;
- Transmitting confidential documents by electronic devices (i.e. fax, email, USB, etc.) only when it is reasonable to believe this can be done under secure conditions; and
- Avoiding unnecessary copying or printing of confidential documents.

Representatives' duties of confidentiality pursuant to the Code continue after their employment or association with the Company ends.

### **Compliance with Laws, Rules and Regulations**

The Company respects and is bound by the law at all times and expects that Representatives must comply with all laws, rules, and regulations at all levels of government in Canada, applicable to the Company's operations in all business jurisdictions, including the requirements of applicable regulatory authorities.

Additionally, Representatives shall adhere to all internal policies, procedures, and rules as applicable in a given situation. Internal policies, procedures, and rules are specific to the Company and may also go beyond what is required by law.

### **Conflicts of Interest**

A conflict of interest occurs when a Representative's personal activities or interests interfere or appear to interfere in any way with their roles and responsibilities at the Company or the overall interests of the Company. Representatives in a conflict of interest (real or perceived) may find it difficult to perform their duties and responsibilities effectively and objectively.

Conflicts of interest may occur where involvement in any activity, with or without the involvement of another party, prevents the proper performance of duties and responsibilities as well as where involvement in any activity creates, or appears to create, a situation where judgment or the ability to act in the best interest of the Company is affected. Conflicts of interest may occur, for example, when Representatives or members of their immediate family receive improper personal benefits gained as a result of their position at the Company or also where a Representative or member of their immediate family has an interest, or could appear to have an interest, in a Company transaction.

All material relationships or transactions which could be reasonably expected to create any conflict of interest must be disclosed to a manager of the Company. Managers and senior management are responsible to ensure that Representatives are not involved in any decision or operation related to the conflict.

Routine Company business includes the negotiation and approval of leasing arrangements with resource companies. In such situations, when the lessee is a small publicly-traded or private company, there is the potential for the lease to have a material impact on the value of the entity. Due to this potential, no Representative of the Company shall enter into negotiations with or approve a lease with a small company (<\$1B in market capital) in which they, or an immediate family member, either holds shares in or is employed by.

Conflicts of interest are not always easy to spot and are encouraged to ask questions and consult with their manager.

## **Outside Activities**

Activities of employees and officers outside of the Company can raise a potential conflict of interest, create reputational risk for the Company, and encroach on their ability to perform Company duties and responsibilities to fullest of their potential. All outside business activities of employees and officers must be disclosed to their manager. Remuneration for any outside activity of employees and officers is not permitted unless authorized by the CEO.

Questions about the permissibility of outside activities or what activities need to be disclosed, should be discussed with the officer or employee's manager. Please note that charitable and community service work does not need to be disclosed.

Unless requested by the Company, employees and officers who take up permitted outside activities or positions pursue this at their own risk, cost, and within their spare time only.

## **Corporate Opportunities**

Representatives are prohibited from taking advantage of corporate opportunities including investment opportunities that are discovered or created through the use of Company property, information or as a result of their position at the Company. No Representative may use corporate or investment opportunities, property, information, or their position in the Company for their own personal gain and/or competing with the Company.

Representatives interested in pursuing business opportunities that might be of interest to the Company shall inform their supervisor who will seek a management decision as to whether or not the Company wants to pursue the opportunity.

## **Personal Trading**

Representatives who, as a result of their work with the Company, acquire material non-public information (which includes any material fact or information) about another entity are not permitted to use or disclose that information for any purpose except for the conduct of the Company's business. Questions regarding whether information constitutes material non-public information should be directed to the Governance and Compensation Committee.

## **Competition, Antitrust and Fair Dealing**

Representatives shall behave honestly, ethically, fairly, in good faith and with due care when dealing with the Company's customers, suppliers, contractors, industry and business partners, employees and any other stakeholders. It is fundamental that Representatives adhere to the highest standards of personal and business ethics when pursuing the Company's business objectives in order to maintain the Company's reputation as well as the cooperation and trust of others.

Representatives shall not abuse the Company's substantial bargaining position in their dealings with others and shall respect the intellectual property of others and the terms of all the Company's license agreements. Representatives shall not take advantage of anyone through the manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice. Representatives must not engage in activities that would constitute or reasonably appear to constitute an unreasonable restraint of trade, unfair trade practice, or other anti-competitive course of conduct in violation of competition and antitrust laws. The Company complies with the applicable competition and antitrust legislation in all business jurisdictions.

## **Anti-Fraud and Prevention of Corruption**

The Company is committed to protecting its reputation, revenue, property, information, and other assets from fraud – whether by the general public, contractors, or its own directors, officers, or employees. Unlawful and unethical behavior including the soliciting, accepting, or paying of bribes or any other illicit payments for any purpose will not be tolerated. The Company complies with the applicable anti-corruption legislation in all business jurisdictions. This legislation includes the Corruption of Foreign Public Officials Act of Canada.

The Company has adopted a Whistleblower Policy which allows easy access for employees and related parties to report any suspected violations. The Whistleblower Policy governs integrity and ethical behavior by helping to foster and maintain an environment where employees and other individuals can act appropriately, without fear of retaliation. Any individual who knows or has any reason to suspect that a fraud has occurred must immediately notify their manager or the Company's Compliance Officer as described in the Company's Whistleblower Policy.

## GOVERNANCE

### **Observance of the Code**

This Code cannot, and is not intended to, address all possible situations and circumstances. Representatives will be confronted by circumstances not covered by this Code or other Company policies or procedures and where personal judgement will be required to determine the appropriate course of action. In such circumstances Representatives will rely on their common sense and seek guidance from a manager or a member of the senior management team. Senior management or directors are encouraged to consult with the CEO.

Representatives shall fully cooperate with any inquiries to ensure compliance with this Code, other Company policies, guidelines or procedures, or applicable laws or regulations, and understand that during the course of such inquiry, personal information may be used or disclosed.

Representatives shall promptly report known or suspected breaches of this Code or applicable laws, rules or regulations, dishonesty, fraud, serious errors, or questionable accounting or auditing matters such as undisclosed or mispriced assets or liabilities, or actions to mislead, manipulate or influence improperly the Company's auditors in the performance of their audit function ("Prohibited Activity"). Prohibited Activity should be reported to the Representative's manager, or the Company's Compliance Officer, whose contact information is detailed in the Company's Whistleblower Policy. All Representatives are accountable to escalate risks, including cases of known or suspected Prohibited Activity.

### **Violations of the Code**

Violation of the Code, participation in Prohibited Activity, breaching of other Company policies, guidelines or procedures, and/or non-compliance to any laws and regulations, will result in disciplinary action up to and including termination (as applicable). Non-compliance may not only entail disciplinary action and/or termination, but could also result in criminal charges.

Representatives who witness or discover a violation of this Code or its related policies, guidelines, or procedures have an obligation to report the violation immediately. As described in the Company's Whistleblower Policy, no retaliatory action of any kind will be permitted against anyone making such a report in good faith.

### **Waivers and Amendments**

No waiver of the Code may be made where the conduct subject to the waiver contravenes any applicable law, rule, regulation, or requirement. Waivers of this Code may only be made by the Advisory Board and will be promptly disclosed to the extent required by law.

*Approved by the Advisory Board of Directors, December 2019. Effective January 2020.*