



## Code of Business Conduct

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## **Introduction**

*Our business philosophy is simple but we take it very seriously. We believe in complete honesty and integrity in all our business dealings.*

*Golden Queen Mining Co. Ltd. and its subsidiaries (the “Company”) shall deal fairly and lawfully with its customers, suppliers of goods and services and contractors. In awarding contracts, the Company and its employees will consider factors such as the need for services, total cost, timely delivery, quality and reliability.*

The Code of Business Conduct (the “Code”) was adopted by the Board of Directors (the “Board”) of Golden Queen Mining Co. Ltd. (the “Company”) in May 2012. The Company will provide a copy of the Code to its directors, officers and employees.

The purpose of the Code is to guide employees of the Company and employees of Golden Queen Mining Company, LLC to make sound decisions related to the conduct of the Company’s business. The Board reviews the Code annually to ensure the Code is and remains relevant.

Employees with executive or managerial responsibilities:

- Must ensure that the Code is communicated to and understood by employees reporting to him or her and
- Are required to sign an annual acknowledgement of adherence to the Code.

Breaches of the Code may be grounds for suspension while an investigation is under way or for summary dismissal. The Board may delegate responsibility for oversight of the Code to a director.

The Company’s Anti-corruption Policy is a key component of the Code.

## **How to use the Code**

The Code contains policy statements for key areas of business conduct. The Code addresses many of the issues of concern to the Company, but cannot be exhaustive. Employees are encouraged to seek guidance from management or legal advice from Company counsel on issues that are not fully addressed in the Code.

In some cases, lengthy policy statements have been condensed for easy reference. In other cases, more detailed guidelines or specific procedures are available from other sources as noted in the Code.

## **Compliance with laws**

*Employees must comply with laws applicable to the Company's business.*

The Company and its employees must comply with all laws, and this is broadly defined to include accompanying regulations, applicable to the Company's business. Every employee is responsible for understanding the laws and accompanying regulations that govern his or her work and ignorance of the law is not a defense.

Unlawful conduct will not be tolerated, even if the intent is to further legitimate corporate objectives.

Employees are encouraged to seek guidance from management or legal advice from Company counsel if they are unclear about laws or accompanying regulations relating to their work. In those circumstances where timely guidance or legal advice is not available, employees should conduct themselves in a manner which would permit full public disclosure.

## **Dealing with government officials**

***Paying cash or giving gifts to government officials, whether or not through an agent or joint venture partner, is not permitted.***

Under no circumstances may cash be paid or other gift be made or offered to government official with a view to assisting the Company to obtain or retain business, or to affect the enactment or enforcement of any laws or regulations. Participation, whether directly or indirectly (e.g., through the use of an intermediary), in any bribe, kickback, donation, contribution or similar payment is prohibited.

The Company may from time-to-time make donations to charities or non-governmental organizations that do good work that benefit the community as a whole or to particular institutions such as a school, college or university. Such donations require prior Board approval.

Note the following acts – *Corruption of Foreign Public Officials Act* (Canada) and *Foreign Corrupt Practices Act* (U.S.). Both acts prohibit the bribing of government officials in order to obtain or retain business. Both contain definitions of bribes, and are broadly worded to capture any form of benefit or value that may be given to a government official for the official's personal benefit. It can be a gift or actual payment, the offer of either a gift or payment or even an agreement to pay any "loan, reward, advantage or benefit of any kind". Similarly both laws include a broad definition of government official, sweeping in even low-level employees at commercial ventures. And both laws prohibit paying indirectly what it is not permissible to pay directly, i.e. third-party intermediaries cannot be used to pay bribes. Penalties for violations are severe.

Any political contribution, whether by the Company or by an employee, must comply with state and federal campaign finance laws, including the prohibition of using employees to circumvent limits on corporate donations. The Company will not reimburse employees' personal political contributions.

## **Political activities and contributions**

*The Company encourages employees to participate in political activities, provided these do not involve the use of Company funds, time, facilities, equipment and supplies or other resources.*

The Company may from time-to-time make contributions to candidates for public office, their campaigns or political parties where permitted by law. Such contributions require prior Board Approval.

Employees are encouraged to participate in the electoral process as citizens and to fully exercise his or her right to vote.

Nothing stated above prohibits employees from making personal contributions to candidates for public office, their campaigns or political parties or PACs.

**Providing entertainment or giving gifts**

*Employees shall not provide entertainment or give gifts to others on behalf of the Company.*

Employees may provide reasonable entertainment for business purposes in accordance with local business practices. Entertainment provided should be of a nature that avoids embarrassment and would not reflect unfavorably on the Company or the recipient, if subjected to public scrutiny.

## **Receiving gifts or benefits**

***Employees must not use their position for personal gain or to obtain a gift or benefit from those doing or seeking to do business with the Company.***

Employees are required to select and deal with suppliers of goods and services, contractors and customers or others doing or seeking to do business with the Company in a completely impartial manner and be perceived by others to be acting in an impartial manner, without favor or preference based upon considerations other than the best interests of the Company.

Reasonable entertainment or a meal, may be accepted in the normal course of business. Cash or its equivalents and gifts of more than token value must never be accepted.

## **Conflicts of interest**

***Employees must avoid all situations in which their personal interests conflict or might appear to conflict with their duties as employees of the Company.***

While the Company recognizes and respects an employee's right to take part in financial, business and other activities outside their employment with the Company, these activities must be free of conflict with their responsibilities as employees of the Company. Employees must avoid acquiring any interest or participating in any activity that would tend to:

- Create an obligation or distraction, which would affect their judgment or ability to act solely in the best interests of the Company or
- Deprive the Company of the time or attention required to perform their duties as employees of the Company.

Ownership or an ownership interest in a competing or complementary business might create, or appear to create, a conflict. Employees are therefore required to disclose, in writing, all business, commercial or financial interests or activities where these might reasonably be regarded as creating an actual or potential conflict with their duties as employees of the Company.

Employees shall not accept an appointment to a board of directors, standing committee or similar body of a public or private company or organization (other than industry, professional, social, charitable, educational, religious or political organization) without prior approval of the President of the Company to ensure that no possible conflict of interest might result from the acceptance of such an appointment.

Employees of the Company must at all times act in such a manner that their conduct will bear close scrutiny should circumstances demand that it be examined. Not only actual conflicts of interest, but the very appearance of conflict, must be avoided.

## **Financial reporting**

*Customers, investors and the public should have such information about the Company as is necessary for them to judge adequately the Company and its activities. The Company therefore believes in full, accurate, timely and understandable reporting to regulatory agencies as required by law.*

Further guidance is provided in the Company's Audit Committee Charter.

## **Confidential or proprietary information**

***The Company's records, reports, papers, processes and plans are proprietary and confidential. Employees are prohibited from revealing information concerning such matters without proper authorization. This does not apply to information that is in the public record.***

Proprietary information developed by or acquired by the Company, including trade secrets and other technical, financial and business information, is a valuable asset that must be kept confidential and protected against theft, loss or misuse. Confidential or proprietary information must never be used for personal gain.

Confidential information acquired from third parties pursuant to a confidentiality agreement must be used for authorized purposes only. Conversely, the disclosure of proprietary information to third parties must be made subject to the completion of a confidentiality agreement restricting the recipient from disclosing or using the information in an unauthorized manner.

The Company retains the exclusive proprietary right to any information developed by employees in the course of their employment with the Company. Examples may include inventions, designs, discoveries or the development of particular software.

Refer also to the Company's Managing Confidential Information Policy.

## **Employee harassment or discrimination**

***The Company is committed to providing a workplace free of harassment and this is broadly defined to include sexual harassment.***

Harassment includes, but is not limited to, the following: slurs, jokes, statements, gestures, assaults, pictures, drawings, or cartoons, based upon an employee's sex, race, color, national origin, religion, age, physical disability, mental disability, medical condition, ancestry, marital status, sexual orientation, family care or medical leave status, veteran status, or any other basis protected by federal or state laws.

Sexually harassing conduct in particular may include all of these prohibited actions, as well as other unwelcome conduct, such as requests for sexual favors, conversation containing sexual comments, sending messages via electronic means such as emails, and other unwelcome sexual advances. Sexually harassing conduct can be by a person of either the same or opposite sex.

Similarly, the Company will not tolerate harassment of contractors' employees with whom the Company has a business, service, or professional relationship.

## **Prohibited substances**

*The Company has a policy of “zero tolerance” as it relates to the use of prohibited substances.*

The Company believes that its operations should provide a safe and healthy work environment for its employees as set out in its Environmental, Safety And Health Policy. As such, the Company recognizes that substance abuse or the use of illicit drugs and the inappropriate use of alcohol, medications or certain banned substances can have serious adverse effects on the well-being of employees and their performance at work where safety is of the utmost importance. Substance abuse in the workplace can also cause a number of other work-related problems, including absenteeism and tardiness, substandard job performance, increased workload for coworkers or behavior that impacts other employees.

To further its interest in avoiding accidents, to promote and maintain safe and efficient working conditions for its employees, and to protect its business, property, equipment, and operations, the Company has established a policy concerning the use of drugs and alcohol.

Detail and guidance are provided in the Drug and Alcohol Policy.

## **Company information systems**

***The Company's computer and information systems are valuable assets of the Company. The Company therefore has a policy intended to protect the integrity of systems and data.***

Company employees must adhere to the following policy when conducting business on the wide range of information systems the Company uses, e.g. voice mail, email, the Internet, facsimile and others:

1. Employees are responsible for protecting and maintaining the confidentiality of Company information, which is communicated and stored using these systems.
2. Employees have access to Company information systems to assist them in performing their jobs. Personal use should be avoided.
3. All software used on Company computers must be properly licensed. Employees who illegally copy software in the course of their employment expose not only themselves, but also the Company to potential significant liability as an employer may be held liable for the actions of its employees.
4. Employees are not permitted to load software onto computers provided by the Company without permission of the Chief Financial Officer of the Company.
5. Messages created, sent and received and stored on the email system are considered Company property. The Company reserves the right to access messages although it is not Company policy to indiscriminately access such messages.
6. Offensive material, e.g. pornography, hate literature, etc., is not permitted on Company systems.
7. Sensitive transactions must not be conducted electronically unless an appropriate level of security is used to protect the confidentiality of the material.

The Company provides computers and other office equipment for the use of employees for doing their work assignments. The Company also provides employees with access to the Company computer server and the Internet. The Company makes it perfectly clear that these devices are provided to employees to enhance their capabilities at work and for the purpose of assisting employees to be more efficient so that the Company can be more competitive. These devices are supplied to employees on the understanding that they will be used for business purposes only and that no other purpose is intended for these devices.

## **Insider trading in shares of the Company**

*No employee shall purchase or sell shares of the Company while in possession of material information concerning the Company that has not previously been disclosed to the public for at least two business days. Nor shall an employee inform any individual or entity of any such material information, except in the normal course of business.*

Employees are encouraged to invest in shares of the Company. Employees must however avoid buying or selling shares when in possession of confidential information which, if generally available, would reasonably be expected to either have an effect on the market price or value of those shares or affect an investor's decision as to whether or not to buy or sell the Company's shares. Such trading activity is self-evidently unethical and prohibited by Canadian and United States securities laws. Penalties for violating insider trading rules can be severe.

Insider trading rules apply equally to persons to whom an employee may pass on information, e.g. spouse, family member or friend. Accordingly, employees must exercise the highest degree of caution if they are aware of price-sensitive information. Blackout notices will be issued to all directors, employees and consultants pursuant to the Company's Insider Trading Policy.

## **Reporting violations**

If an employee believes a violation of the Code has occurred or is occurring, the employee may make a report in person or anonymously.

Follow the procedures set out in the Company's Whistle-blower Policy.

**Waiver**

A request for a waiver of any provisions of the Code shall be in writing and shall be addressed to and reviewed by the Audit Committee. Any change in or waiver of the Code must however be approved by the Board.

## **Environmental, Safety and Health Policy**

The Company has adopted the following Environmental, Safety and Health Policy:

The Company recognizes and believes that its operations should be designed and managed to protect the natural surroundings, provide a safe and healthy work environment and permit the responsible and cost-effective extraction of natural resources. Golden Queen Mining Co., Inc. intends to comply with all applicable legislation and regulations and to match industry best practices in its operations.

Specifically, the Company will:

1. Include environmental, safety and health considerations in its business decisions and practices;
2. Provide a safe and healthy workplace for its contractors and employees;
3. Strive to use resources efficiently in its operations and dispose of wastes using generally accepted processes and in approved facilities;
4. Make every effort to minimize the impact of its operations on the environment and reclaim disturbed areas on a planned and timely basis;
5. Work actively with Governments and the public to find reasonable solutions to environmental problems and develop sound environmental standards.

The Company will implement this policy by developing and maintaining management systems and procedures designed to:

1. Inform contractors and employees, customers and the public of its Environmental, Safety and Health Policy;
2. Provide employees with the necessary guidelines and training;
3. Require contractors and employees to abide by this policy, follow procedures and be accountable for their actions and set goals by which to measure their performance.

The Company will monitor compliance with its Environmental, Safety and Health Policy by periodic audit.

Approved: May 2012

Amended: August 2015