

**Code of Business Conduct
& Ethics Policy**

2016

1. Purpose

The purpose of this Code of Business Conduct and Ethics Policy ("**Code**" or "**Policy**") is to confirm Harvest Operation Corp's ("**Harvest**") commitment to promote and maintain the highest standards of professional and ethical conduct from employees. Harvest's reputation for honesty and integrity amongst its stakeholders is vital to the success of its business.

The Policy reflects Harvest's commitment to a culture of honesty, integrity, respect and accountability and outlines the basic principles and policies with which all employees are expected to adhere to. Further guidance should be obtained from senior management in any case where there is a question about compliance with Harvest's policies and applicable laws. Please read this Code carefully.

2. Applicability

This Policy applies to all Harvest employees. For the purposes of this Policy, the term "employee" means employees, officers, directors, contractors, subcontractors, consultants and partners of Harvest or of direct or indirect wholly owned subsidiaries of Harvest.

3. Policy

3.1 Conflict of Interest

Generally, conflict of interest is characterized as a situation(s) where there is, or could reasonably be perceived to be, interference with an employee's ability to perform his duties effectively or objectively in the best interests of Harvest, or where loyalty to Harvest is, or could be, compromised or perceived to be compromised.

3.1.1 Principles

Employees are required to act honestly, in good faith and in the best interests of Harvest. Employees must not engage in outside activities, enter into transactions or acquire interests (personal or family), or engage in other employment, that may potentially interfere with, or be perceived to interfere with, the interests of Harvest.

Subject to the foregoing guidance, the private investment activities of employees, even in entities which may compete directly or indirectly with Harvest, are not prohibited. Passive non-significant investments in public or private entities will not be viewed as "competing" with Harvest.

It is also acknowledged that employees of Harvest, may be directors (or in the case of contractors, officers) of other entities engaged in the oil and gas business. However, prior to accepting any new appointment, such appointments shall be disclosed to the President and Chief Executive Officer.

Additional guidance may be found within "Related Parties" and "Gifts & Entertainment" sections below or Harvest's *Recruitment of Permanent Employees Policy*.

3.1.2 Related Parties

An employee conducting or proposing to conduct business with Harvest (whether by himself/herself or through a related party in which he or she has an interest) may be a conflict of interest. Employees are required to disclose in writing, any interests they have on any other entities or parties conducting business or proposing to conduct business with Harvest. Any changes of ownership through acquisition, disposition or association agreement must also be disclosed.

Harvest's business with the related party will be conducted so that any employee with a significant ownership or financial interest in the related party will not be engaged in dealings, or assigned to any position where he or she may influence or make decisions, or be perceived to influence or make decisions,

as to the applicable related party transaction. Transactions with related parties, as with any stakeholders of Harvest, will be made on an arm's length basis with fair payment for goods and services received.

3.1.3 Disclosure, Approval & Resolution

All potential conflicts of interest shall be disclosed to the appropriate authority. This includes the following:

- Manager, Corporate Compliance; and
- Direct supervisory, management or VP-level authority;
- Corporate Legal Counsel;
- President and Chief Executive Officer; or
- Chairman of Harvest's Audit Committee.

For further guidance the employee should contact a member of Harvest senior management or the Manager, Corporate Compliance.

If a circumstance or activity is determined by the appropriate authority to constitute a conflict of interest, Harvest is expected to take such actions as are reasonably required to resolve such matters with a view to the best interests of Harvest. Such actions, without limitation, may include the exclusion of such directors, officers or employees from certain information or activities of Harvest, a decision not to transact with a certain entity, or a requirement on the employee to terminate or discontinue with the interest or activity that has created the conflict.

3.2 Business Environment

3.2.1 Supply Chain

Employees should endeavor to deal fairly with Harvest's customers, suppliers, competitors and other stakeholders, and in a way that preserves Harvest's integrity and reputation. No employee should take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of confidential information, misrepresentation of material facts or any other illegal or unfair practice. Employees are expected to comply with Harvest's *Sourcing & Procurement Policy* and adhere to established supply chain procedures.

3.2.2 Employment Practices

Harvest respects the diversity of employees and is committed to providing equal opportunity in all aspects of employment. Harvest endeavours to keep employees free from discrimination and harassment on the basis of gender, physical disability, mental disability, source of income, age, marital status, family status, sexual orientation, religious beliefs, race, colour, ancestry or place of origin. Please refer to Harvest's *Discrimination and Harassment Policy* and *Employee Discipline Procedure*.

3.2.3 Environment, Health & Safety

Employees are responsible for maintaining a safe workplace by following safety and health rules and practices. Harvest is committed to keeping its workplaces free from hazards.

Employees must report any accidents, injuries, unsafe equipment, practices or conditions immediately to a supervisor or other designated person. If at any time an employee feels that there is a safety risk, the employee has the right to stop work and report the safety risk. Threats or acts of violence or physical intimidation are prohibited. Please refer to Harvest's *Environment, Health and Safety Policy*.

In order to protect the safety of all employees, employees must report to work free from the influence of any substance that could prevent them from conducting work activities safely and effectively. Please refer to Harvest's *Fit for Work Policy*.

3.2.4 Privacy

Harvest has a Privacy Policy designed to ensure that personal information is protected. Please refer to Harvest's *Privacy Policy*.

3.3 Use of Corporate Assets, Property or Information

Employees should endeavor to protect Harvest's assets and property, including its proprietary or confidential information, with appropriate due care and diligence. Any suspected incidents of fraud, theft, or misuse should be immediately reported for investigation to supervisors, management or anonymously using Harvest's whistleblower hotline (*ConfidenceLine*). Please refer to Harvest's *Whistleblower Policy*.

3.3.1 Corporate Opportunities

Employees are prohibited from taking for themselves personal opportunities that arise through the use of Harvest's property, information or position and from using Harvest's property, information or position for personal gain. Corporate property, and/or information should not be used to provide benefit for individuals or groups outside of Harvest. Employees are also prohibited from competing with Harvest.

3.3.2 Confidentiality, Proprietary or Material Information

Employees must safeguard and maintain the confidentiality of proprietary and confidential information entrusted to them by Harvest or that otherwise comes into their possession in the course of their employment, except when disclosure is authorized or legally mandated. The obligation to preserve confidential information continues even after an employee leaves Harvest.

Examples of proprietary or confidential information include but are not limited to:

- Intellectual property;
- Business operations plans;
- Marketing plans;
- Financing plans or financial information;
- Employee personal information; and/or
- External stakeholder information.

Confidential information also includes proprietary and confidential information that stakeholders (including Harvest's owners, partners and business counterparties) have entrusted to Harvest. Please refer to Harvest's *Disclosure Policy*.

3.3.3 Inventions, Patents & Copyright

Inventions, designs, technological enhancements and discoveries related to or developed during the term of employment that are related to or within an individual's occupational duties and responsibilities are the entire and exclusive property of Harvest. Employees are required to disclose the invention, design, technological enhancement or discovery to Harvest. Harvest will determine whether it is patentable or should be otherwise protected by copyright or trademark registration.

3.3.4 Records, Communication & Reporting

Accurate and precise recording and reporting of information is critical to Harvest's ability to make responsible business decisions. Harvest's financial statements and information must accurately reflect all corporate transactions and conform to all legal and accounting requirements and our system of internal controls. Honest and accurate recording and reporting of information is of utmost importance and is critical in the success of Harvest.

Employees have a responsibility to disclose information appropriately to other Harvest personnel or departments if such information can reasonably be expected to have an impact in ensuring the accuracy

of Harvest's records and reporting. Disclosure of this information should be made on a timely basis and should be communicated to the employee's supervisor.

Employees have a responsibility to ensure:

- Correct preparation and transmittal of information or data;
- Elimination of false or misleading information or data;
- All transactions are properly supported by relevant and accurate documentation;
- Information or data is reported on a timely basis in the appropriate reporting period; and
- Transactions are properly recorded and accounted for.

All external public corporate communications are handled through Harvest's Investor Relations department. Please refer to Harvest's *Disclosure Policy*.

Business records and communications may become public through legal or regulatory investigations or the media. Employees should avoid exaggeration, derogatory remarks, legal conclusions or inappropriate characterizations of people and companies. This applies to communications of all kinds, including internal e-mail and informal notes or inter-office memos.

3.3.5 Internet & E-mail

Employees using the Internet are representing Harvest online. Employees are responsible for ensuring that the Internet is used in an effective, ethical and lawful manner. Please refer to Harvest's *Information Security Policy*.

3.3.6 Insider Trading

Insider trading is unethical and illegal. Employees are not allowed to trade in securities of a company while in possession of material non-public information regarding that company. It is also illegal to "tip" or pass on material inside information to any other person.

The restriction on trading and disclosure also applies to the securities and information of other public companies, on the basis that material non-public information of those companies may be obtained by Harvest employees in the course of their employment with Harvest. Please refer to Harvest's *Disclosure Policy*.

3.4 Ethical Business Conduct

Employees shall not accept unauthorized compensation or benefits (such as discounts, guarantees, loans or favours) as a result of his or her position with Harvest, or when such benefits come from persons or entities dealing with or having potential dealings with Harvest.

3.4.1 Gifts & Entertainment

The exchange of business gifts, prizes and entertainment is a common practice and is designed to develop and foster goodwill among business partners. Accepting gifts, prizes and entertainment can cause conflict of interest issues when they compromise, or appear to compromise, an employee's ability to make fair and objective business decisions. No gift, prize or entertainment should be accepted or offered if it unfairly influences or is perceived to influence a business decision. Please refer to Harvest's *Business Gifts and Entertainment Policy*.

3.4.2 Political Activities or Contributions

Harvest respects the right of its employees to participate in political activities. However, these activities should not be conducted on company time nor involve the use of any Harvest resources such as telephones, computers or supplies. Employees will not be reimbursed for personal political contributions.

3.4.3 Illegal or Unethical Behavior

Employees are required to report violations of this Policy, even if they are not themselves involved in the violation. When in doubt about the best course of action in a particular situation or with respect to violations or potential violations, employees are encouraged to talk to their:

- Supervisor or manager;
- Manager, HR;
- Corporate Legal Counsel;
- Manager, Corporate Compliance; or
- Any senior corporate officer.

Confidential submissions can also be completed using Harvest's anonymous whistleblower hotline (*ConfidenceLine*). Harvest does not permit retaliatory action against any employee who, in good faith, reports a possible violation or concerns. Please refer to Harvest's *Whistleblower Policy*.

3.4.4 Waivers of Business Conduct or Ethics

Employees are expected to follow this Policy at all times. In certain situations, a waiver may be considered if appropriate and not adverse to the interests of Harvest. Waivers will be granted on a case by case basis.

The decision to grant a waiver will be solely that of the President and Chief Executive Officer with respect to employees, and by Harvest's Audit Committee with respect to, officers and directors. Waivers shall be subject to any condition deemed appropriate.

Any waiver for directors or officers, and the basis therefore, shall be publicly disclosed or filed to the extent required by law, rule, regulation or stock exchange or securities commission requirement.

3.5 Governance

Employees are expected to be aware of and knowledgeable regarding corporate governance, policies and protocols. Additional guidance should be directed to the Manager, Corporate Compliance.

3.5.1 Internal Controls

Internal controls have been instituted by Harvest to conduct its business in an orderly and efficient manner; to safeguard its assets and resources; deter and detect errors, fraud and theft; ensure accuracy and completeness of accounting records; produce reliable and timely financial and management information; and ensure adherence to its policies and procedures.

Employees are required to comply with Harvest's system of internal controls and known instances of internal control violations must be reported to the Manager, Corporate Compliance immediately.

3.5.2 Assistance to Auditors or Investigators

Harvest management and employees are required to provide information reasonably requested by internal or external auditors, or other authorized investigative personnel, in order to assist them in completing their tasks. When providing information, employees should focus on providing correct and relevant factual information and should not attempt to influence the auditor or investigator.

Improper conduct towards internal or external auditors or investigators, such as intimidation, manipulation, offering of bribes, or issuing threats is a violation of this Policy and will be immediately reported to the Audit Committee for resolution.

3.5.3 Legislative & Regulatory Compliance

Employees must respect and obey the laws or regulations of the cities, provinces, states and countries in which Harvest operates. If any employee has any doubt as to the applicability or meaning of a particular

environmental, health or safety regulation, he or she should discuss the matter with a member of the senior management or Harvest's legal counsel.

3.5.4 Compliance and Enforcement

Employees should be aware that conduct that violates the terms of this Policy could significantly harm Harvest and expose it to unintended legal and commercial liabilities. Contravention of this Policy may result in disciplinary action, up to and including termination. Nothing in this Policy is intended, nor will it be construed, as restricting, limiting or otherwise affecting any applicable laws or regulations.

4. Communication Plan

At a minimum, this Policy shall be incorporated into the employee and contractor induction process and annually thereafter, as part of the *Annual Compliance Certification* process. Any other updates may be communicated via email to employees.

5. Review

This Policy will be reviewed by Harvest senior management and Audit Committee annually, with any proposed amendments submitted for review.

Harvest reserves the right to change, update and/or cancel this Policy at its discretion.

Policy Category:

CATEGORY:	Corporate
APPLICATION:	All of Harvest & Subsidiaries of Harvest
DEPARTMENT:	Corporate
DOCUMENT OWNER:	Manager, Corporate Compliance
EFFECTIVE DATE:	June 8, 2016
REVIEW REQUIRED:	2018

Approved by:

<SIGNED>

Mr. Piljong Sung, Acting President & CEO

June 8, 2016

Date