

**HILL STREET BEVERAGE COMPANY INC.**  
**CODE OF BUSINESS ETHICS AND CONDUCT**

This Code applies to all the operations of Hill Street Beverage Company Inc. (the “Company”), wherever they may be, and is intended to supplement the legislative and regulatory framework.

The Management of the Company is responsible for ensuring that the provisions of this Code are complied with. All employees and affiliates (within the meaning of the *Business Corporations Act (British Columbia)* of the Company are specifically hereby requested to communicate any concerns regarding the applicability of this Code to the President & Chief Executive Officer or Chairman of the Board directly, or to the Company’s legal counsel.

This Code affirms the Company’s commitment to high moral and ethical standards, as well as basic behavioral standards required of those furthering the Company’s goals. It also strives to augment a pillar of the Company’s integrated management system of *Health, Safety, Environment, Quality and Control*.

Overzealousness, good intentions or failure to seek timely legal advice are not justifications for violations of this Code. The Company always expects its business to be conducted with honesty, integrity and fairness.

**1. Compliance with Legal Requirements**

The Company and its employees will comply with all legal requirements applicable.

As ignorance of the law is not a defense, it is the Company’s policy that in the event of a particular situation being unclear, Company personnel should seek the advice of the Company’s counsel prior to taking any action, which is, or might be an infringement of the law. Company personnel should also in no circumstances engage in conduct, which they would hesitate to have fully and publicly disclosed.

In dealings with public and private officials, it is Company policy that no unlawful or otherwise improper payment or gift is to be made or offered with a view to facilitating or obtaining favourable treatment.

The value of any gift made as a social courtesy should not exceed that which is appropriate in the circumstances and should never be of such value as to be of monetary significance to the recipient.

**2. Conflicts of Interest**

Company personnel should not seek to obtain personal gain from their position with the Company. Where appropriate, personnel should deal with suppliers, customers and others doing or seeking to do business with the Company in an impartial manner, and with a view to the best interests of the Company.

Company personnel are prohibited from soliciting or accepting gifts or favours from suppliers or other entities with which the Company does business, other than accepting gifts of no material value made as a social courtesy. Company personnel may accept gifts of greater value if they are a prize in a contest or competition of a public nature. Such gifts, if they are of material value, shall be considered the property of the Company, and must be surrendered to the Company.

Nothing in this policy shall be interpreted so as to prevent the Company from establishing programs to aid the local community where it operates, from providing scholarships, research assistance or other similar programs.

### **3. Records**

The Company shall keep records of all its transactions. The Company's books, records and accounts shall reflect in an accurate, timely, and realistic manner, all of the Company's transactions. Records shall be kept according to generally accepted accounting principles. Payments shall not be approved without adequate justification.

Frank and full disclosure of transactions shall be made to the Company's auditors if and when required.

All documents relating to the ongoing operation of the company's business are to be considered confidential and shall remain on the company's servers, laptops, personal computers, and mobile devices explicitly approved for use by the company. Use of personal computers, and storage of company materials for personal use is forbidden. Employees will be asked to certify upon termination of their employment that no records, documents or other information used by the company such as research reports, presentations, customer lists, product information such as recipes or formulations, pricing information, supplier information, or other confidential information used by the company in the normal course of business remains on any personal devices, servers, or file storage systems. Failure to do so could result in legal remedies taken by the company to protect its interests.

### **4. Share Trading**

While Company personnel, management and directors are encouraged to purchase shares of the Company, they shall not do so while in possession of material information not generally available to the public.

More specifically, trading on confidential information that includes information concerning unpublished sales or earning figures, a proposed financial transaction, an upcoming dividend, a change in operations of economic significance, or other favourable or unfavourable information, not generally disclosed to the investing public, is covered by this policy, and such trading is prohibited to personnel, management and directors, even if not already illegal.

## **5. Confidentiality of Information**

Unless it has been previously disclosed to the investing public, or is otherwise generally available, the Company's technical, commercial and financial information is proprietary and confidential and Company personnel are prohibited from revealing such information without authorization, except as necessary in the ordinary course of business.

Company personnel are prohibited from using confidential Company information for personal gain.

## **6. Conflicts of interest**

Company personnel shall disclose promptly to the Company any personal situation or transaction which puts or may put them in a conflict of interest situation, as defined in this Code. Personnel should seek the advice of management prior to knowingly and voluntarily entering into any situation, which may be considered to be in violation of this Code.

If a conflict exists, and there is no evidence of abuse or bad faith by the person involved, the Company will allow for a reasonable amount of time for the situation to be corrected, in order to prevent undue hardship or loss. The parameters of such a decision, however, shall be at the discretion of the Company's management in the case of employees, and at the discretion of the unrelated directors in any other case, excluding from the decision panel any person concerned, if such may be the case.

## **7. Whistle Blower Policy**

The Company is committed to lawful and ethical behaviour in all of its activities and requires that its directors, officers, employees and consultants conduct themselves in a manner that complies with all applicable laws and policies. Set forth below is the Company's policy with respect to reporting good faith concerns about the legality or propriety of the Company's actions or plans.

### **(a) Reporting Concerns:**

A person who has a good faith concern regarding the legality or propriety of any action contemplated to be taken or taken by the Company or a good faith belief that action needs to be taken for the Company to be in compliance with laws, policies or ethical standards, should promptly advise the President & Chief Executive Officer and/or the CFO of the Company. Reports can be made verbally or in writing, in person or anonymously.

### **(b) Illustrative Types of Concerns:**

The following is a non-exhaustive list of the kinds of improprieties that should be reported:

- supplying false or misleading information on the Company's financial statements or other public documents, including its tax return;
- providing false information to or withholding material information from the Company's auditors or directors;
- embezzlement, self-dealing, private inurement (i.e., the Company's earnings enuring to the benefit of an individual) and private benefit (i.e., the Company's assets being used for personal gain or benefit);
- violations of the Conflict of Interest provisions of this Code or of the Disclosure Policy of the Company;
- payment for services or goods that are not rendered or delivered;
- facilitating or concealing any of the above or similar actions.

(c) Investigation:

The Company will investigate these reports with care. The Company's interest in being thorough in its investigation means that it cannot promise complete confidentiality, but it will act as discretely as reasonably possible. If, as a result of the investigation the Company discovers a problem, it will promptly alert the Chairman of the Board and take corrective action as it deems necessary.

(d) Retaliation:

The Company will not discharge, threaten or discriminate against any person in any manner for his or her reporting in good faith what he or she perceives to be a wrongdoing, violation of law or policy, or other unethical or illegal conduct. The Company will impose disciplinary measures, up to and including termination, against anyone who threatens or retaliates against a person who makes such a good faith report.

(e) Monitoring:

The Board of Directors will monitor the effectiveness of these Whistle Blower procedures on an annual basis.