



centerraGOLD



# POLICY and PROCEDURE

Subject:		
<b>CODE OF ETHICS</b>		
Section: Human Resources	Effective: May 01, 2006 Revised: January 01, 2010 Revised: November 04, 2014	Policy No: 1-28
Management Responsibility:	Executive	
Approved by: President		

## 1. Introduction

The following is an outline of the Code of Ethics (the “Code”) of Centerra Gold Inc. (“Centerra Gold”), adopted by its board of directors. The full text of the Code is available upon request and can be found on Centerra Gold’s website at [www.centerragold.com](http://www.centerragold.com). The Code embodies the commitment of Centerra Gold and its subsidiaries, including Kumtor Gold Company (“KGC”) (collectively, the “Company”) to conduct business in accordance with all applicable laws, rules and regulations and high ethical standards.

Moreover, Company employees shall conduct themselves with honesty and integrity in a manner that:

- avoids conflicts of interest;
- protects confidential information; and
- follows good disclosure practices, in accordance with all applicable legal and regulatory requirements.

It is encouraged that all employees submit good faith complaints or concerns regarding accounting or auditing matters to Centerra Gold or KGC, without fears of reprisal. Any good faith complaints or concerns regarding accounting or auditing matters, or violations of the Code, reported to KGC shall be reviewed by KGC’s Vice President of Human Resources. After such review, KGC’s Vice President of Human Resources shall, as soon as practicable, inform Centerra Gold’s General Counsel.

The Company has established procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (ii) the confidential anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. These procedures are outlined in Policy No.: 1-29 – *Reporting Procedures and “Whistleblower” Policy*, which is attached hereto and also available upon request from KGC’s Vice President of Human Resources.

If a situation exists or arises that is not covered or explicitly prohibited by the Code, the employee in doubt should seek advice from Centerra Gold’s General Counsel or KGC’s Vice President of Human Resources.

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The Code applies to every employee of the Company, including the Chief Executive Officer of Centerra Gold and other senior executive and financial officers. The establishment and review of the Code and supervision of its implementation is the joint responsibility of the Vice President, Human Resources and Administration and General Counsel of Centerra Gold. Centerra Gold's audit committee monitors compliance with the Code and reports to Centerra Gold's board in this respect. Centerra Gold's General Counsel provides Centerra Gold's audit committee quarterly and annual reports on violations of the Code.

Each employee of the Company should also read and be familiar with the portions of the Company's Disclosure and Insider Trading Policy, Safety, Health, Environmental Policy and Policy on International Business Conduct and the policies of his or her particular business unit ("supplemental policies"), applicable to such employee, all of which supplemental policies are available upon request.

The Company expects employees to act in full compliance with the Code and in a manner consistent with high ethical standards. Failure to observe these policies may result in disciplinary action by the Company, up to and including termination of employment.

## **2. Conflicts of Interest**

All employees have an obligation to act in the best interests of the Company. A "conflict of interest" occurs when an individual's private interest improperly interferes with the interests of the Company.

Employees should avoid conflicts of interests. In particular, employees may not use or attempt to use their position at the Company to obtain any improper benefit for themselves.

A conflicts situation can arise when an employee takes actions or has private interests that may make it difficult to perform his or her work objectively and effectively. This includes situations where employees:

- have a material interest in any business organization that has dealings with the Company;
- have immediate relatives who own or who have material interest in a business organization which has dealings with the Company; or
- realize financial gains or savings from the purchase or sale of securities or other assets on the basis of information acquired during the course of their duties which is not made public.

Acceptance by an employee of (or a member of his or her immediate family) of a commission, reward, advantage or benefit of any kind, or gifts or entertainment of a value that may influence business decisions or compromise independent judgment, are prohibited.

If you are aware of a material transaction or relationship (including those involving family members) that could be expected to give rise to a conflicts of interest situation, you should discuss the matter promptly with the General Counsel of Centerra Gold or the Vice President of Human Resources of KGC.

## **3. Confidentiality**

Employees should maintain all information relating to the Company in strict confidence, and not disclose to any member of the public, either orally or in writing, except when disclosure is

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authorized by the Company or is legally mandated. Confidential information includes, among other things, any non-public information concerning the Company, including its business, financial performance, results or prospects. To avoid breach of confidentiality, employees should:

- not disclose to any member of the public, either orally or in writing, any secret or confidential information acquired by virtue of their position with the Company;
- not make statements to the media in the name of the Company without express permission; and
- not permit any unauthorized person to inspect or have access to any confidential documents or other information.

Employees should read, be familiar and comply with the relevant portions of the Company's Disclosure and Insider Trading Policy dealing with confidential information, which is available upon request.

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

The Company is committed to compliance with all applicable laws, rules and regulations in each jurisdiction in which it does business. All employees are expected to adhere to the standards and restrictions imposed by those laws, rules and regulations. Employees should educate themselves with the laws, rules and regulations that govern their work and should seek the assistance of the Centerra Gold's General Counsel and KGC's Vice President of Human Resources when necessary or appropriate.

All employees, in the course of their employment with the Company, shall comply with:

- laws respecting safety, and the environment in accordance with the Company's Safety, Health and Environmental Policy, which is available upon request;
- securities and corporate law prohibitions on buying or selling securities while having material information in respect of the Company, which has not been made available to the public (i.e. insider trading), as well as with related company imposed "black-out" periods, prohibiting trading of Centerra Gold securities;
- securities law requirements designed to ensure that employees of the Company (i) have open and full disclosures with the Company's external auditor who audits the Company's annual financial statements, and (ii) do not falsify any of the Company's financial and other documents; and
- laws respecting foreign corrupt practices in accordance with the Company's Policy on International Business Conduct, which is available upon request.

#### **5. Compliance with Good Disclosure Practices**

The Company is committed to providing timely, factual and accurate disclosure of material information about the Company to its shareholders, potential investors, and the financial community, including the Company's filings with the securities regulatory authorities.

The Company's policy governing public disclosure is outlined in the Company's Disclosure and Insider Trading Policy. All employees who are involved in the preparation of the Company's

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disclosure documents and other public disclosures must comply with the Company's Disclosure and Insider Trading Policy, and it is the requirement of the Code to do so.

## **6. Adherence to the Code**

Adherence to the Code is a requirement of employment. All officers of the Company together with managers and employees designated from time to time by Centerra Gold's Vice President, Human Resources and General Counsel, in consultation with KGC's Vice President of Human Resources, will be required to complete and submit the declaration attached as Schedule "A" to the Code at the time they begin their employment with the Company, and shall be filed in the employees' personal file.

Moreover, all officers of the Company together with managers and employees of the Company designated from time to time by Centerra Gold's Vice President, Human Resources and General Counsel, in consultation with KGC's Vice President of Human Resources, will be required to complete and submit annually the compliance and disclosure statement attached as Schedule "B" to the Code. Such compliance and disclosure statement shall be sent to Centerra Gold's General Counsel.