

WHISTLEBLOWER POLICY

Introduction

Cypress Development Corp. and its subsidiaries (“the Company”) are committed to maintaining the highest ethical standards of conduct and to fully complying with all applicable laws and governmental regulations.

As part of its Corporate Governance practices the Company has adopted this Whistleblower Policy (the “Policy”) to set out the procedure and contact information for employees, directors, officers and others to report, directly or anonymously, any wrongdoings or suspected wrongdoings, including any unethical or illegal activity within the Company with out fear of reprisal.

The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against an employee based upon the employee’s good faith reporting of potential misconduct.

This Policy applies to all employees, directors and officers of the Company. For the purposes of this Policy, the term “employees” includes all permanent, contract, secondment and temporary agency employees who are on long term assignments with the Company as well as to consultants and contractors to the Company. This Policy is also intended to provide a method for other stakeholders (e.g. suppliers, customers, shareholders) to voice any concerns regarding the Company’s business conduct.

What is Wrongdoing?

Wrongdoing involves any unlawful or otherwise improper behaviour and can include:



Failure to rectify or take reasonable steps to report a matter likely to give rise to a significant and avoidable cost or loss to the Company

Abuse of power or authority. Unlawful discrimination or harassment in the course of employment or provision of services

Dangerous practices likely to cause physical harm/damage to any person or property

Questionable accounting or auditing practices

Who is protected?

Any employee who makes a disclosure or reports a Wrongdoing under this Policy will be protected if the employee:

- ✓ Discloses the information in good faith
- ✓ Believes it to be substantially true
- ✓ Does not act maliciously or make knowingly false allegations
- ✓ Does not seek any personal or financial gain

How do I Report Wrongdoings?

If an officer, employee or stakeholder is aware of or suspects a Wrongdoing, that employee should immediately inform his or her supervisor, manager or department head or human resources. If the individual reporting the Wrongdoing does not have a supervisor, or where addressing the matter through a supervisor creates a conflict, they may submit their complaint to the Company's Chief Financial Officer. The Chief Financial Officer may be contacted by mail:

Braam Jonker, CFO
Cypress Development Corp.
P.O. Box 10427, Vancouver, BC, V7Y 1K4
(mark envelope as "Confidential")

Employees may also submit a report involving the Chief Financial Officer directly to the Chair of the Audit Committee by sending a report to:

Chair of the Audit Committee
Cypress Development Corp.

P.O. Box 10427, Vancouver, BC, V7Y 1K4
(mark envelope as “Confidential”)

Accounting and Similar Concerns:

Any concerns or questions regarding a potential Wrongdoing involving accounting, internal accounting controls or auditing matters should be directed to the Chair of the Audit Committee of the Company:

Chair of the Audit Committee
P.O. Box 10427, Vancouver, BC, V7Y 1K4

(Mark envelope as “Confidential”)

Anonymous Reports:

When reporting Wrongdoings, the Company prefers that officers and employees identify themselves to facilitate the Company’s ability to take appropriate steps to address the reported Wrongdoing, including conducting any appropriate investigation. However, the Company also recognizes that some people may feel more comfortable reporting a suspected Wrongdoing anonymously.

If an officer or employee wishes to remain anonymous, he or she may do so, and the Company will use reasonable efforts to protect the confidentiality of the reporting person subject to applicable laws, rules, or regulations or to any applicable legal proceedings. In the event the report is made anonymously, however, the reports should provide as much detail as is reasonably necessary to permit the Company to evaluate the matter(s) set forth in the anonymous report and, if appropriate, commence and conduct an appropriate investigation.

Confidential reports may be submitted to any of the addresses listed above.

What do I Include in a Report?

Reports of concerns should be factual rather than speculative and should contain as much specific detail as possible to allow for proper assessment. To the extent possible the report should contain:

- ✓ A detailed description of the activity or issue
- ✓ The individuals involved
- ✓ Relevant time periods and locations
- ✓ Any immediate or urgent concerns
- ✓ Any additional information that is important and relevant to the report of potential misconduct.

The report should contain all the information the employee knows about the alleged violation or concern. The Company may, in its reasonable discretion, determine not to commence an investigation if a report does not contain enough factual support to support allegations of wrongdoing.

What Happens After I Report?

Upon receipt of a report of potential misconduct the following procedure will be followed:

- ✓ The Chief Financial Officer will evaluate the report to assess the nature, scope and impact of the potential misconduct. If the Chief Financial Officer determines the report warrants further action the following steps will be taken.
- ✓ If the individual has identified himself or herself, the Chief Financial Officer will acknowledge receipt of the report to the individual.
- ✓ After review of the report, if sufficient factual support exists, the Chief Financial Officer will report the potential wrongdoing to the Chair of the Audit Committee who will oversee the treatment of the report.
- ✓ The Chair of the Audit Committee may assign initial responsibility for the matter to the external Counsel, one of the other members of the Audit Committee or to such other person deemed appropriate by the Chair of the Audit Committee. The Audit Committee Chair or member may share the reported information with the Company's independent auditor or such other persons as the Audit Committee Chair or member determines to be appropriate, except as noted below with respect to confidentiality.
- ✓ Following such review or investigation, the complaint or concern will be brought to the attention of the full Audit Committee as soon as possible, which will then determine the appropriate corrective action to be taken, if any.

Confidentiality of Reporting:

Confidentiality will be maintained to the maximum extent possible, to the extent that the Company can do so consistent with its obligations to investigate and remedy the matter and, if appropriate, to report the matter to government officials.

Misuse of Reporting Channels:

Employees must not use these reporting channels in bad faith or in a false or frivolous manner.

Retaliation Prohibited:

Any effort to retaliate against any person reporting a Wrongdoing in good faith is strictly prohibited and shall be reported immediately to the Chair of the Audit Committee. An employee who retaliates against a person who has reported a Violation in good faith is subject to discipline up to and including dismissal.

Time Frames:

The Company will investigate reported Wrongdoings as soon as possible. Sometimes, the Company will need to refer reported Wrongdoings to outside agencies or organizations for investigation, which may result in an extension of the investigative process. Additionally, the seriousness and complexity of any reported Wrongdoing may have an impact on the time needed to investigate a matter.

General:

Nothing in this Policy should be construed or interpreted as limiting, reducing or eliminating the obligation of any director, officer, or employee of the Company to comply with all applicable laws.

Conversely, nothing in this Policy should be construed or interpreted as expanding applicable standards of liability under federal, state, or local law for directors or officers of the Company.

As amended, approved and adopted by the Board of Directors, effective: [insert].