### I. CODE OF BUSINESS CONDUCT AND ETHICS

### COMSTOCK'S OBLIGATION TO YOU

This Code of Business Conduct and Ethics is intended to meet the requirements of certain New York Stock Exchange rules.

Two of Comstock's primary responsibilities to its workforce are to create an environment where employees feel free to call attention to legal or policy violations, and to investigate impartially the concerns that employees raise.

Comstock is committed to adhering to strong principles and the highest ethical standards in conducting its business operations. As referred to in the "Corporate Governance" section of Comstock's website, any issue relating to Comstock's accounting, internal accounting controls, financial reporting or auditing practices, may be reported to the company by mail, telephone or internet. If you observe or become aware of any violation, you are encouraged to first attempt to resolve the issue with your supervisor or the Human Resources Department. If you feel this is not possible or appropriate, or if you would prefer to remain anonymous, suspected violations may be reported through the following methods:

BY MAIL: BY PHONE: BY INTERNET:

Comstock Resources, Inc. Comstock "Alert Us"

Audit Committee Hotline

5300 Town & Country Blvd. 1-877-411-2279

Suite 500

https://comstockresources.silentwhistle.com

The Company will not retaliate against any employee for reporting suspected violations of law, regulations or Company policies. This means the Company will not terminate, demote, or otherwise discriminate against an employee for calling attention to suspected illegal or unethical acts. This protection extends to anyone giving information in relation to an investigation. However, the Company reserves the right to discipline anyone who knowingly makes a false accusation, provides false information to the Company or has acted improperly.

The Company supports all employees in the performance of their assigned duties. If you face legal action (not including traffic citations) arising from your performance of work responsibilities, the Company may provide your defense, as long as you reasonably believed you were acting in the interests of the Company, as determined by management and their counsel, and your interests are not in conflict with Comstock's interests.

# YOUR OBLIGATION TO COMSTOCK

The following information outlines a code of conduct and business ethics for working at Comstock. This Company-wide code provides guidance to Comstock employees on how

to maintain the Company's commitment to being ethical in all its business dealings and providing a professional work atmosphere. As with many universal codes, some sections and topics may be more relevant to certain functions or departments than to others. However, because one person's misconduct can damage the Company's hard-earned reputation and compromise the public's trust, every Company employee should become familiar with and comply with the entire code.

- It is your responsibility to comply with the law and behave in an ethical manner.
   This responsibility cannot be delegated or assumed by the Company or any manager.
- This code cannot anticipate every possible situation or cover every topic in detail. Most of the topics covered in this code are explained in greater detail in a Company policy. From time-to-time the Company may establish compliance programs to address specific subjects. If you are unclear about a situation, stop and ask your manager for guidance before taking action.
- Comstock's standards in this code do not necessarily take into account all local legal requirements. Where more restrictive local laws or requirements exist, those will control.
- Failure to obey laws and regulations violates this code and may expose both you and the Company to criminal or civil liability. Any violation of this code or other compliance programs may result in corrective action, up to and including termination. Depending on the nature of the conduct involved, the company may also take civil action against you and even refer criminal misconduct to law enforcement agencies.
- You are responsible for reporting suspected violations of this code.
- If you have a question about a topic covered in this code or a concern regarding any unethical or illegal conduct, please talk with your manager. If you are uncomfortable talking with your manager, you may contact the Chief Financial Officer or the Human Resources Department.

### **CONFLICTS OF INTEREST**

A "conflict of interest" exists any time employees face a choice between what is in their personal interest (financial or otherwise) and what is in the interests of the Company. Such situations are not always easy to avoid. When a conflict of interest arises, it is important that you act with great care to avoid even the appearance that your actions are not in the best interest of the Company. If you find yourself in a position where your objectivity may be questioned because of individual interest or family or personal relationships, notify your manager immediately.

### **Ownership Interests**

Board of Directors approval may be needed for the Company to do business with a company in which you or a family member owns – directly or indirectly – an interest. If you or a family member own or acquire an interest that is greater than 5 percent in a company, Board of Directors approval is needed:

- If the company does more than \$5,000 in annual sales of goods or services to Comstock; or
- If you help make purchasing decisions or have a part in payment for the goods and services for Comstock.

If your ownership interest does not meet any of the above criteria, Board of Directors approval is not needed, but you remain obligated to act in the best interests of Comstock at all times.

# **Outside Employment**

Employees who hold second jobs or financial or management interests in another company should make certain they cause no conflicts of interest or potential negative impact on the confidence that the public has in Comstock or in the performance of your duties on behalf of Comstock. This means you may not participate in other employment (including self-employment) or serve as an officer, director, partner, member or consultant for other organizations if such activity:

- Interferes with your ability to act in the best interests of Comstock; or
- Interferes with your ability to carry out your duties and responsibilities to Comstock as your primary employer; or
- Requires you to use proprietary, confidential or non-public information, procedures, plans or techniques of Comstock; or
- Creates an appearance of impropriety.

#### Obtain Board of Directors approval:

- To perform work or services for any person or organization that competes with or seeks to do business with Comstock; or
- Before taking a position on the board of directors of another organization that has
  regular business dealings with Comstock. Because a director often has access to
  sensitive information and charts the course for the organization he or she helps to
  direct, this step protects you and Comstock from even the appearance of improper
  behavior.

Board of Directors approval is not required to sit on the board of directors of a
nonprofit organization, provided, however, governmental or political offices or
positions (appointed or elected) shall not be considered non-profit for this purpose.
To avoid even the appearance of improper behavior, excuse yourself from any
discussion or vote on any matter that involves Comstock.

Before taking any position on the board of another organization, all employees are encouraged to consult with the Chief Financial Officer or a human resources official prior to accepting any such position.

### Gifts, Meals, Services and Entertainment

You should not request or accept anything that might be used as a means of influence, or even appears to influence you against the Company's best interests. Personal gifts should not be accepted other than those considered common business courtesies and for which you would reasonably expect to give something similar in return in the normal course of business.

• The Company's gift policy requires that you maintain a written report on any items or courtesies you receive that are valued at greater than \$250, and that you review the report with your manager.

# Safeguarding Company Assets / Accuracy of Books and Records

The Company maintains internal controls to provide direction on protecting Company assets and financial accountability. The controls are based upon the following principles:

### Do not:

- Make personal use of Company assets which creates any additional costs for the Company, interferes with work duties or violates any Company policies;
- Allow Company property to be used to help carry out illegal acts;
- Manipulate financial accounts, records or reports for personal gain; or
- Maintain off-the-book accounts to facilitate questionable or illegal payments.

#### Do:

- Prepare project budget proposals with accurate information;
- Maintain books, accounts and records according to generally accepted accounting principles, using enough detail to reflect accurately and fairly Company transactions; and
- Record transactions in a timely manner, so that no misleading financial information is created. (These transactions include income, expense, indebtedness,

obligation, reserves and acquisition or disposition of assets, etc.)

#### Solicitation and Distribution

It is the policy of Comstock Resources, Inc. ("the Company") to limit solicitation and distribution by employees as outlined below:

The Company limits solicitation and distribution on its premises because, when left unrestricted, such activities can interfere with the normal operations of the Company, can be detrimental to efficiency, can be annoying, and can pose a threat to security.

Except as outlined below, employees are prohibited from soliciting funds or signatures, conducting membership drives, posting, distributing literature or gifts, offering to sell or to purchase merchandise or services, or engaging in any other solicitation, distribution, or similar activity on Company premises.

With prior authorization, employees will be permitted to engage in fund drives on behalf of charitable organizations or for employees' gifts. The solicitation or distribution of literature for any group or organization, including charitable organizations, is allowed within the following guidelines:

- 1. The sale of merchandise is limited to Company functions and activities.
- 2. Solicitation and distribution of literature with appropriate approval should not interfere with working time of either the employee making the solicitation or distribution, or the targeted employee. The term "working time" does not include an employee's authorized lunch or other time when the employee is not required to be working.

The Human Resources Department maintains bulletin boards to communicate Company information to employees and to post notices required by law. The unauthorized posting of notices, photographs, or other printed or written materials on bulletin boards or any other Company property is prohibited.

# **Corporate Opportunities**

Employees, officers and directors are prohibited from (a) taking, in violation of applicable law, for themselves personally opportunities that properly belong to the Company or are discovered through the use of Company property, information or position; (b) using Company corporate property, information, or position for personal gain; or (c) competing with the Company directly or indirectly. Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Nothing in this section is intended to modify or otherwise limit the provisions of Comstock's articles of incorporation.

# **Insider Trading**

Insider trading is a crime that can carry severe penalties. If you know material, confidential information about Comstock or any company with whom Comstock has a business

relationship and you trade company securities, such as stocks or bonds, while in possession of that information or tell others about it before it is made public, you may have committed insider trading. All non-public information about Comstock should be considered confidential information.

Material information is the type of news that would affect a reasonable investor's decision on whether or not to buy or sell the company's stock or other securities. Examples include plans to issue securities, sharp changes in earnings patterns, changes in dividend rates, changes in key management personnel, mergers, acquisitions, and important regulatory and legal actions affecting the Company. This policy forbids you from trading not only in the stock of Comstock but also in those of its suppliers, customers or other companies with whom Comstock has a business relationship while in possession of material inside information learned in the course of your employment at Comstock.

All employees may invest in Comstock stock. However, if you have access to any information not readily available to the public, you must be very careful when trading stock to be sure you have not traded while in possession of material non-public information. When you have such information:

- Do not tell anyone not authorized to have the information. A casual remark to a friend may find its way to a broker and eventually to the entire financial community, thereby requiring the Company to make a premature or unplanned public announcement. This "tipping" may be illegal and damaging to the Company.
- Do not trade in the Company's stock (or that of an applicable outside company) until the news has been made public for at least **two full business days.** Circumstances suggesting the possibility of insider trading may result in an investigation by governmental authorities of Company and stockbroker records of stock trading transactions. This investigation could damage the Company's reputation and result in liability or penalties, including criminal charges and fines against the individual employee.
- This policy against insider trading also covers transfers into and out of Company stock within the Comstock 401(k) plan and changes in elections involving purchases of Company stock within the plan. However, regular scheduled monthly purchases of Comstock stock within the plans are not prohibited.

**Blackout Periods:** The blackout periods **commence** at midnight, Dallas time, on the last day of the calendar month in which the Company's fiscal quarter ends, and **end** at midnight, Dallas-time, on the second business day following the date of the Company's conference call for reporting the results of such quarter. The mandatory pre-clearance procedures discussed below apply to ALL trades in the Company's securities regardless of whether a blackout period is then in effect (however, you may not make any changes to your 401(k) plan elections during any blackout period).

• The Company may prohibit trades at any time if the Company believes trading by insiders would be inappropriate because of developments at the Company that are

or could become material. The Chief Financial Officer is responsible for advising whether or not the blackout period is in effect.

Except for non-discretionary trades made within Comstock's 401(k) plans by the plan's administrators, Comstock insider trading policies require that you pre-clear all transactions in Comstock's stock or other securities with the Chief Financial Officer prior to executing any such transaction. Such preclearance is only valid for 24 hours. To the extent an open order is placed, you will need to get preclearance every day until the order is completed. You are also encouraged not to place orders that are significantly above or below market as such orders are not likely to be filled and could remain open for an extended period of time. This rule applies regardless of whether a "blackout period" is then in effect. In addition, you may not make changes to your Company stock 401(k) plan elections during the blackout periods.

# BRIBERY, KICKBACKS AND OTHER IMPROPER PAYMENTS

Comstock and its employees must maintain high ethical and professional standards in dealings with government officials and members of the private sector.

- Do not directly or indirectly promise, offer or make payment in money or anything
  of value to anyone, including a government official or member of a royal family,
  agent or employee of a government, political party, labor organization or business
  entity or a candidate of a political party, with the intent to induce favorable business
  treatment or to improperly affect business or government decisions.
- Our code does not necessarily take into account all local legal requirements. Where more restrictive local laws exist, those will control. In general, Comstock does not consider ordinary and reasonable business entertainment or gifts of insubstantial value that are customary and legal in the local market to be improper. We recognize that in certain cultures, there may be an occasion when gift giving of a more substantial nature is customary and expected. Decisions about these situations must be carefully weighed, and prior written approval of local management and the Chief Financial Officer should be obtained.
- Document any entertainment of and gifts to customers and potential customers in excess of \$100.00.
- Pay special attention to the treatment of public officials and employees of governmental agencies whose conduct with respect to gifts and meals is controlled by laws and regulations which must be complied with at all times. These laws and regulations are complex and can vary from country to country - and even within a country (e.g. local versus national officials).
- Seek the advice of the Chief Financial Officer if there is any uncertainty about the propriety or legality of an action.

### **Use and Selection of Agents**

The Company will engage only reputable, qualified individuals or firms as consultants, agents, representatives or distributors under compensation arrangements that are reasonable in relation to the services performed. The engagement should be formalized in a written contract approved by the Chief Financial Officer and signed by the appropriate Company official.

The Company expects its employees and agents alike to conduct business with integrity wherever we do business, and ignorance of that standard is never an acceptable excuse for improper behavior, nor is it acceptable for improper behavior to be rationalized as being in the Company's best interest. No act of impropriety advances the interests of the Company.

## POLITICAL PROCESS

The Company strongly supports employee involvement in the political process and individual activities supporting a party, candidate or issue. As part of this commitment, the Company may provide information or share its viewpoint with employees, customers and the general public. At the same time, the Company respects anyone's right to disagree with official Company positions regarding political preferences.

- Due to the complexity and diversity of laws and regulations governing political activities, political contributions and other related activities on behalf of the Company may only be undertaken with the prior approval of the Chief Financial Officer as provided herein.
- When expressing your individual political views, make it clear that these views are personal and not those of the Company.
- Corporate contributions to political candidates are not permitted unless approved in advance by: (i) the Chief Financial Officer for contributions not exceeding \$5,000 in any given fiscal year to a particular candidate, or (ii) the Board of Directors for contributions that exceed \$5,000 in any given fiscal year to a particular candidate.
- Do not engage in political campaign activities on Company time or use Company resources (including photocopy machines, computers and phones) for political activities, unless approved in writing in advance by the Chief Financial Officer.
- Notify your manager of plans to run for office or seek public appointment.
   Employees campaigning for or serving in public office must avoid conflicts of interest and excuse themselves from any political matters involving the Company.

### USE OF COMPUTER RESOURCES AND TELEPHONES

Comstock invests in and uses computer resources (computer hardware, software, supporting infrastructure, network connections and telecommunications equipment) and telephonic equipment to advance its business strategy and objectives. Unless prohibited by local law, the use of this technology, including electronic mail, the Internet, and business telephones, is or may be monitored.

- Computer software (computer programs, databases and related documentation)
  whether purchased from a supplier or developed by Comstock is protected by
  copyright and may also be protected by patent or as a trade secret. Employees are
  expected to strictly follow the terms and conditions of the license agreements,
  including provisions not to copy or distribute materials covered by these
  agreements. These protected materials may not be reproduced for personal use.
- Use of the Internet, Intranet, electronic mail and Comstock's business telephones should be in support of and to advance Comstock's business success. Any personal use of these technologies should not create additional costs for the company, interfere with work duties or violate any company policies, including policies related to defamatory, discriminatory, offensive or threatening messages, gambling, pornography, viruses, chain letters, executable "ready to run" files, "hacking," etc.

#### CONFIDENTIAL AND PROPRIETARY INFORMATION

All information – including electronic information – that is created or used in support of Company business activities is the property of Comstock. Information is a valuable asset and you are expected to protect it from unauthorized disclosures. This applies to Company, business partners and employee data. Laws which protect Company assets and contractual arrangements between the Company and its business partners may restrict the use of such confidential and proprietary information and impose both corporate and personal liabilities for impermissible use or disclosure. While employed by the Company, you shall abide by the following requirements:

- In the course of business, the Company has access to information regarding joint interest and royalty owners and employees which must be treated as confidential to protect individuals' privacy rights.
- Use confidential and proprietary information for business purposes only. Consult your supervisor if you are unsure of the labeling and handling policies of your department for such confidential information.
- Do not disclose confidential or proprietary information to individuals (including other employees) who do not have a business need to know the information. Do not help anyone gain access to confidential information without authorization.
- Do not disclose Company confidential business information to a non-employee third party without the prior written approval of the Chief Financial Officer.
- At any time during employment or upon termination of employment, the Company reserves the right to request a search of personal electronic devices used on their premises.
- Upon termination of employment, any property of the Company, including proprietary information in whatever form, must be surrendered to the company

### BRAND MANAGEMENT & INTELLECTUAL PROPERTY

Comstock's name, logo, inventions, processes, and innovations are all valuable assets of the Company and are part of its brand management efforts. These assets are called "intellectual property," and their protection is vital to the success of Comstock's business. In addition, employees must respect the intellectual property rights of third parties. Violation of others' intellectual property rights may subject both an employee and the Company to substantial liability, including criminal penalties.

Intellectual property that you create during the course of your employment belongs to Comstock. You are required to share any innovations or inventions you create with your manager so that the Company can take steps to protect these valuable assets.

# MEDIA AND PUBLIC INQUIRIES

Employees should not "leak" information to the media or others. Unless your job duties specifically include responding to outside inquiries, refer inquiries to the appropriate department:

- Refer all inquiries from regulatory agencies to the Chief Financial Officer or appropriate professionals within the company;
- Refer all inquiries from the news or trade media to the Chief Financial Officer, who will identify an appropriate spokesperson; and
- Refer all inquiries about current or former Comstock employees to the Human Resources Department.

#### SOCIAL MEDIA POLICY

The use of the internet and social media platforms on Company time is authorized to conduct Company business only. The Company owns any communication sent electronically or that is stored on company equipment. Management and other authorized staff have the right to access any material in your email, internet history or on your computer at any time. Please do not consider your electronic communication, storage or access to be private if it is created or stored at work.

We expect everyone who participates in online commentary to understand and to follow these simple but important guidelines. These Guidelines cover all social media platforms including but not limited to:

- Social Networking Sites (Facebook, MySpace, Foursquare, LinkedIn)
- Micro-blogging sites (Twitter)
- Blogs (including company and personal blogs as well as comments)
- Video and Photo Sharing Websites (Flickr, YouTube)

- Forums and Discussion Boards (Google Groups, Yahoo! Groups)
- Online Encyclopedias (Wikipedia, Sidewiki)

As an employee you are a representative of the Company. Therefore, as in all areas of daily life, an employee's personal website or weblog is a reflection on Comstock whether or not the Company is specifically discussed or referenced. If you choose to identify yourself as an employee or to discuss matters related to the Company on a website or weblog, please bear in mind that many readers will assume you are speaking on behalf of the Company.

Comstock expects its employees to observe the following important guidelines:

Respect Confidentiality. You must take proper care not to purposefully or inadvertently disclose any information that is confidential or proprietary to Comstock. Consult the Company's confidentiality policies for guidance about what constitutes "confidential" or "proprietary" information. Any employee who violates our policies regarding confidentiality will be subject to serious discipline, up to and including immediate termination of employment.

**Respect the Company and its Employees.** Any employee who uses social media platforms to disparage the name or reputation of the Company, its practices, officers or employees will be subject to serious discipline, up to and including immediate termination of employment.

**Follow the Employee Manual.** Be sure to conform to the rules of this Employee Manual, especially as it relates to harassment and illegal activities (including, in the case of social media platforms, spam and piracy). As with other forms of communication, do not engage in personal, racial or sexual harassment, unfounded accusations, or remarks that would contribute to a hostile workplace. See Comstock's Policy on Harassment in the Workplace.

**Use Common Sense.** Use common sense in all communications, particularly on a website accessible to anyone. What you say online could potentially be grounds for dismissal. If you would not be comfortable with your manager, co-workers, or the executive team reading your words, do not write them.

# ENVIRONMENT, HEALTH AND SAFETY

Comstock highly values the health and safety of our employees, customers and communities. Protecting and responsibly managing natural resources are critical to the quality of life in the areas we serve, the environment and Comstock's long-term business success.

Comstock will periodically conduct environmental, health and safety assessments to measure compliance with environmental, health, and safety laws, regulations and other requirements. To meet our high standards, each employee should:

 Conduct operations in a manner that meets applicable environmental, health and safety laws, regulations, permits and other requirements, such as those dealing with employee and public safety, work conditions, pollution control and waste management.

- Follow instructions on environmental, health and safety laws, regulations and hazards, and apply training to protect yourself, others and the environment. Report immediately all environmental, health and safety incidents, including significant near misses.
- To make sure that you are fit for your duties and that your work environment is safe, do not unlawfully use, possess, sell or transfer illegal drugs, narcotics or alcohol either on or off the job. Employees are expected to be free of all the effects of alcohol or drugs at work.

# STATEMENT OF EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of Comstock to seek qualified applicants for positions throughout the company without regard to race, color, religion, national origin, sex, age, veteran/military status or disability in accordance with the provisions of the Civil Rights Act of 1964, as amended, and other applicable federal and state laws. This policy fully embraces equality of compensation, benefits, promotions, transfers, terminations, layoffs, recall, company-sponsored training, education, assistance and social and recreational programs will be administered without regard to race, color, religion, sex, national origin, age, disability, veteran/military status or any other legally protected trait.

Comstock and its employees must comply with all applicable laws concerning discrimination. Comstock does not tolerate discrimination in its workplace or against its employees. Comstock will recruit, select, train and pay based on merit, experience and other work-related criteria.

### HARASSMENT IN THE WORKPLACE

Comstock is firmly committed to a work environment free from all forms of harassment based upon protected status of any employee or applicant for employment by anyone, including managers, co-workers, clients/customers or visitors. Such harassment violates both Company policy and state and federal discrimination laws. It is neither permitted nor condoned.

This policy prohibits any verbal, physical or visual conduct that belittles or demeans an individual on the basis of race, religion, national origin, sex, age or disability.

This policy specifically prohibits sexual harassment as well as all other forms of harassment. Sexual harassment includes any unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature when:

- 1. Submission to such conduct is an explicit or implicit condition of employment;
- 2. Employment decisions are based on an employee's submission to or rejection of such conduct; or

3. Such conduct unreasonably interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment.

Any employee or applicant for employment who feels that he or she has been harassed, sexually or otherwise, or knows of or suspects the occurrence of harassment is strongly urged and encouraged to inform the harasser that his or her conduct is unwelcome and must stop, and to contact either his or her manager or the Human Resources Department. If an employee feels uncomfortable about approaching his or her manager or the Human Resources Department, the employee should contact any higher level manager, or any officer of Comstock, including the Chief Financial Officer. Any employee who becomes aware of an incident of harassment, whether by witnessing the incident or being told of it, should contact his or her manager, the Human Resources Department, or any officer of Comstock, including the President. Any person making a harassment complaint may do so without fear of retaliation. The company will discipline, including discharge, any person who engages in retaliatory activity against a person making a harassment complaint.

Because of the sensitivity of harassment issues, each case will be promptly and thoroughly investigated to determine whether the complained-of harassment has occurred. The investigation will be conducted in a confidential manner, to the extent consistent with the need to conduct a thorough and complete investigation.

Any employee found to have violated the Company's Policy on Harassment in the Workplace will be subject to immediate disciplinary action, including written disciplinary warnings, transfer, demotion, suspension and/or discharge. By enforcing this policy, we will preserve the right of every employee and applicant for employment to enjoy a workplace free of harassment of any type.

### DRUG AND ALCOHOL POLICY

#### **Definitions**

- <u>A.</u> <u>Company Premises</u> All Company property including without limitation, vehicles, lockers, and parking lots.
- **<u>B.</u>** <u>Company Property</u> All Company owned or leased property used by employees including without limitation, vehicles, lockers, desks, closets, etc.
- <u>C. Controlled Substance</u> Any substance listed in Schedules I-V of Section 202 of the Controlled Substance Act (21 U.S.C. S 812), as amended. Copies are maintained by the Company for employee review.
- <u>D.</u> <u>Drug</u>- A drug is any chemical substance that produces physical, mental, emotional or behavioral change in the user, including, but not limited to, alcoholic beverages, illegal inhalants and illegal drugs.
- <u>E. Drug Paraphernalia</u> Equipment, a product or material that is used or intended for use in concealing an illegal drug for use in injecting, ingesting, inhaling or otherwise introducing into the human body an illegal drug or controlled substance.

<u>F. Illegal Drug</u> - An illegal drug is any drug or derivative thereof which the use, possession, sale, transfer, attempted sale or transfer, manufacture or storage of is illegal or regulated under any federal, state, or local law or regulation and any other drug, including (but not limited to) a prescription drug, used for any reason other than a legitimate medical reason and inhalants used illegally. Included is marijuana or cannabis in all forms.

# Purpose and Scope

The objective of this Drug and Alcohol Policy (the "Policy") is to develop a drug and alcohol-free workplace which will insure a safe and productive workplace for our employees. In order to further this objective, the following rules regarding alcohol and illegal drugs in the workplace have been established. Any individual who conducts business for or on behalf of the Company or who is on Company Premises is covered by this drug and alcohol-free workplace policy. This policy applies during all working hours, at any time while conducting Company business, while representing the Company, while on call and while on Company's Premises.

### **Prohibited Behavior**

It is a violation of this policy to use, possess, sell, trade, distribute, dispense, purchase, and/or offer for sale, on Company Premises or on or in Company Property, any alcoholic beverages, illegal drugs, drug paraphernalia, intoxicants and/or illegal inhalants. This policy may include prescription drugs.

#### **Preventive Acts**

No employee shall report to work while their ability to perform their job duties is impaired due to on-or off-duty use of alcohol, drugs or Controlled Substances. Any employee involved in a work related accident where alcohol or drugs are believed to be a contributing factor will be terminated.

If an employee is taking medication that has been medically prescribed, and the employee believes that such medication may affect his or her job performance, they should inform their manager of this fact. (This written information must be kept confidential and communicated to the direct manager prior to the employee commencing work.) All medical information will be kept confidential and the Company, without exception, will punish any breach of privacy and confidentiality in this regard. All prescription drugs must be kept in their original container.

### Consequences

If an employee violates the policy, he or she may be subject to disciplinary action, up to and including termination. Nothing in this policy prohibits the employee from being disciplined or discharged for other violations and/or performance problems.

### **Employee Testing**

Drug testing will be administered for all safety-sensitive positions, including those positions in which an employee drives or operates a Company owned and/or leased vehicle (including, but not limited to, any machinery, such as a forklift). The Company will require drug tests for all Company safety-sensitive positions at the pre-employment stage and may also require random drug testing for employees in safety-sensitive positions. The Company may require all employees (including those not in safety-sensitive positions) to submit to reasonable suspicion and/or post-accident drug testing, as well as drug testing during routine physical examinations, such as an annual physical or return-to-work physical. In addition, employees who apply for a vacant safety-sensitive position will be required to undergo drug testing.

All random drug testing will be done in an occupational medical facility near the Company location and will be coordinated through the Human Resources Department. At that time, employees will be asked to sign a Consent to Drug and Alcohol Screening Form. Random drug testing will be administered for existing employees in safety-sensitive positions. Employees who test positive for alcohol and/or drugs while at work, will be subject to disciplinary action, up to and including termination.

If the Company has reasonable cause to believe that any employee (including those in non-safety-sensitive positions) is under the influence of illegal drugs, intoxicants, illegal inhalants and/or alcohol, the Company will require the employee to submit to a drug and alcohol test. Reasonable cause is defined as a belief based on observation, specific, articulable, objective facts where the rational inference to be drawn under the circumstances and in light of experience is that the person is under the influence of drugs or alcohol.

In the event that an employee is involved in an accident while driving a Company owned/leased vehicle (including any machinery), the Company will require the employee to submit to a drug and alcohol test.

Any employee who refuses to submit to drug testing as provided for in this Policy, may be asked to leave the office or client facility immediately and the employee may be terminated.

The Company recognizes that in certain states employers are prohibited from subjecting employees to random drug testing; therefore, in those states where random drug testing is prohibited, this part of the Policy will be suspended.

Drug and alcohol tests that may be used include (but are not limited to) blood tests, breath analysis, saliva tests, hair tests, as well as urinalysis or other scientific methods. Any measurable amount of illegal drugs detected by scientific testing in an employee's system is a violation of the Drug and Alcohol Policy of the Company and may result in immediate termination.

### Coordination with Law Enforcement Agencies

The Company reserves the right, at all times, and without prior notice, to inspect and search any and all Company Property and Premises for purposes of determining whether this

Company policy or any other Company policy has been violated, or whether such inspection and investigation is necessary for purposes of promoting safety in the workplace or compliance with state and federal laws. Moreover, the Company may permit or request public safety and law enforcement officials to conduct searches of Company Property. Such inspections may be conducted during or after business hours and in the presence or absence of the employee.

The sale, use, purchase, transfer or possession of an illegal drug or drug paraphernalia is a violation of the law. The Company will report information concerning possession, distribution, or use of any illegal drugs to law enforcement officials and will turn over to the custody of law enforcement officials any such substances found on Company Premises or Property. The Company will cooperate fully in the prosecution and/or conviction, of any violation of the law.

#### Treatment and Education

The Company encourages employees to seek help if they are concerned that they have a drug and/or alcohol problem. The Company encourages employees to utilize the services of qualified professionals in the community to assess the seriousness of suspected drug or alcohol problems and identify appropriate sources of help.

The Company will not provide any assessment, referral, treatment or education assistance to employees other than as provided by the Company's health care insurance. Entering into or use of any assessment, referral, treatment or education program relating to drug and alcohol abuse shall be at the sole discretion of the employee, and unless the Company's health care insurance pays for such a program, the entire cost of the program shall be borne by the employee.

### **Reservation of Rights**

The Company reserves the right to interpret, change, suspend, cancel or dispute, with or without notice, all or any part of this Policy, or procedures or benefits discussed herein. The Company expressly reserves the right to initiate employee testing procedures if the Company determines the same to be advisable. Employees will be notified before the implementation of any change and a description of any drug testing program will be provided to employees prior to the implementation of such program. Employees will also be provided with a copy of any revised Drug and Alcohol Policy.

Although adherence to this Policy is considered a condition of continued employment, nothing in this Policy alters an employee's status and shall not constitute nor be deemed a contract or promise of employment. Employees remain free to resign their employment at any time for any or no reason, without notice, and the Company retains the right to terminate any employee at any time, for any or no reason, without notice.

## Other Laws and Regulations

The provisions of this Policy shall apply in addition to, and shall be subordinated to, any requirements imposed by applicable federal, state or local laws, regulations or judicial decisions. Unenforceable provisions of this policy shall be deemed to be deleted.

### **FAIR COMPETITION**

The purpose of fair competition standards is to ensure full, effective and fair competition and, in particular, to protect consumers from unfair or anti-competitive behavior. It is Comstock's policy not only to adhere strictly to the fair competition standards that are a matter of law in virtually every country in which we operate, but also to conduct company affairs with the highest moral, legal and ethical principles consistent with the spirit of these laws.