

CODE OF BUSINESS CONDUCT AND ETHICS

March 24, 2016



SUMMARY OF THE CODE'S RULES

PROTECTING THE COMPANY'S ASSETS

- 1) Use all company assets for legitimate business purposes.
- 2) Protect all confidential information.
- 3) All intellectual property that you may have a role in creating belongs to the company.
- 4) The documents of the company must be preserved.

ACCURACY OF BOOKS AND RECORDS AND PUBLIC DISCLOSURES

- 5) Ensure that the books of the company are accurate and all business transactions are authorized.
- 6) Ensure that the company provides true, plain and full disclosure.

DUTIES TO STAKEHOLDERS

- 7) Deal fairly with the company's stakeholders.
- 8) Exercise extra caution when managing client capital.

COMMUNICATIONS AND MEDIA

- 9) Use the company's various forms of communication properly and appropriately.
- 10) Be cautious in your use of social media.
- 11) Only speak on behalf of the company when authorized to do so.

CONFLICTS OF INTEREST AND PERSONAL BEHAVIOUR

- 12) Avoid situations in which your personal interests conflict with the interests of the company.
- 13) Exhibit personal behavior that reinforces a positive image of you and the company.
- 14) Remember your duties to North American Palladium when participating in outside interests.
- 15) Obtain permission before joining the board of directors or similar body of another entity.
- 16) Do not take corporate opportunities as your own personal opportunities.

POSITIVE WORK ENVIRONMENT

- 17) Help create a tolerant work environment free from discrimination and harassment.
- 18) Report all incidents of discrimination and harassment.
- 19) Help ensure the health and safety of fellow directors, officers and employees.
- 20) Protect private personal information.

COMPLIANCE WITH LAWS, RULES, REGULATIONS AND POLICIES

- 21) Know and comply with all laws, rules, regulations and policies applicable to your position.
- 22) Do not trade in securities if you possess material non-public information.
- 23) Depending on your role, you may have to pre-clear trades or avoid trading altogether.
- 24) Do not give or receive bribes, including "facilitation payments".
- 25) The giving or receiving of gifts and entertainment should be proportionate and reasonable.
- 26) There may be restrictions on your political donations to candidates and political parties.
- 27) Ensure that our operations are not used for money laundering.



FREQUENTLY ASKED QUESTIONS

WHY DO WE HAVE A CODE?

The Code serves as a guide for how you should conduct yourself as a member of the North American Palladium team. Preserving our corporate culture is vital to the organization and following the Code helps us do that.

WHO MUST FOLLOW THE CODE?

All directors, officers and employees of North American Palladium Ltd. and its wholly-owned subsidiaries.

WHAT ARE YOUR RESPONSIBILITIES?

You have two responsibilities. First, you must follow every aspect of the Code and certify your commitment each year. Second, if you suspect someone may be violating the Code you have an obligation to report it. To make a report, follow the section of the Code: “Reports and Complaints”.

HOW WILL I KNOW IF THERE IS A PROBLEM?

The Code attempts to deal with the most common issues that you may encounter, but it cannot address every question that may arise. When you’re not sure what to do, ask yourself the following questions:

- Is it illegal?
- Does it feel like the wrong thing to do?
- Would you feel uncomfortable if others knew about it?
- Will it have the potential to create a negative perception of you or the company?
- Do you have a personal interest that has the potential to conflict with the company’s interest?

If you answer “yes” to any of these questions your proposed conduct may violate the Code and you should ask for help.

HOW SHOULD I ASK FOR HELP?

If you have questions about the Code or about the best course of action to take in a particular situation, you should seek guidance from your supervisor or internal legal counsel.

WHAT IF I WOULD LIKE TO MAKE AN ANONYMOUS REPORT?

You may make an anonymous report by contacting the company’s Reporting Hotline (Whistleblower Security), which is operated by an independent third party and is available 24 hours a day, 7 days a week. If you choose to make an anonymous report, your anonymity will be protected to the fullest extent possible. Keep in mind, however, that maintaining your anonymity may limit the company’s ability to investigate your concerns.

WHAT ARE THE CONSEQUENCES FOR VIOLATING THE CODE?

Violations of the Code can vary in its consequences. If you’re an employee, it could result in a reprimand or other disciplinary action, including the termination of your employment at the company for cause. If you’re a director, a violation may necessitate your resignation. Certain violations of the Code also contravene applicable laws and therefore can have severe consequences outside of North American

Palladium. Depending on your actions, failing to comply with the Code could lead to civil or criminal prosecution, which could result in substantial fines, penalties and/or imprisonment.

INTRODUCTION

This Code of Business Conduct and Ethics (“the Code”) applies to all directors, officers and employees (collectively, “you”) of North American Palladium Inc. and its wholly-owned subsidiaries, (“North American Palladium”).

PROTECTING THE COMPANY’S ASSETS AND RESOURCES

The company’s assets are to be used only for legitimate business purposes.

The company’s assets are meant for business use, not for personal use. We all have a responsibility to protect and safeguard the company’s assets from loss, damage, theft, misuse and waste. If you become aware of loss, damage, theft, misuse or waste of our assets, or have any questions about your proper use of them, you should speak with your supervisor. The company’s name (including its corporate letterhead and logo), facilities and relationships are valuable assets and must only be used for authorized company business and never for personal activities.

If you use the company’s assets for personal benefit, or otherwise are careless or wasteful with the company’s assets, you may be in breach of your duty to the company. You have a responsibility not to abuse company resources for expense reimbursement. Any requests for reimbursement for authorized company expenses must be for legitimate business expenses. If you are unsure whether a certain expense is legitimate, you should speak with your supervisor or refer to the company’s *Travel and Expense Policy*.

Confidential information must be protected at all times.

We must protect confidential information in our possession from disclosure – both information about us and information about other companies and our clients. This includes all confidential memos, notes, lists, records and other documents in your possession, in hard and soft copy. All of these are to be delivered to the company promptly after your employment ceases or at any time upon the company’s request, and your obligation to protect this information continues after you leave the company. You must protect hard and soft copies of confidential information that are removed from the office (e.g. to be worked with at home or at external meetings).

It is also important to use discretion when discussing company business in public places such as elevators, restaurants, and public transportation, or when using your phone or email outside of the office. You should also be careful not to leave confidential information in unattended conference rooms or in public places where others can access it. While at North American Palladium, if you become aware of confidential information about the company or another entity that you know or suspect has been inadvertently disclosed, seek guidance from internal legal counsel before using or acting upon this information.

Intellectual property belongs to the company.

While employed at the company, you may be involved in the creation, development or invention of intellectual property such as concepts, methods, processes, inventions, confidential information and

trade secrets, works of authorship, trademarks, service marks and designs. All such intellectual property and the rights therein, such as copyrights and patents, will be owned by the company. You are responsible for cooperating with the company and providing all necessary assistance to ensure that all intellectual property and related rights developed during the course of your employment become the exclusive property of the company.

The documents of the company must be preserved.

It is critical that you help preserve our business records, follow the guidelines set forth in any document retention policies and comply with related legal and regulatory requirements. If you are notified that your documents are relevant to an anticipated or pending litigation, investigation or audit, you must follow the guidance set forth in the notification you receive from legal counsel.

ACCURACY OF BOOKS AND RECORDS AND PUBLIC DISCLOSURES

Ensure that the books and records of the company are complete and accurate and that all business transactions are properly authorized.

The books and records of the company must reflect all its transactions in order to permit the preparation of accurate financial statements. Employees must never conceal information from (i) an external auditor; (ii) internal audit; or (iii) an audit committee of the company. In addition, it is unlawful for any person to fraudulently influence, coerce, manipulate or mislead an external auditor of the company.

The company's contracts and agreements govern our business relationships. Because the laws governing contracts and agreements are numerous and complicated we have put in place policies and procedures to ensure that any contract entered into by the company has the appropriate level of approval. As a result, employees who enter into contracts or agreements on behalf of the company must have proper authorization and, prior to their execution, these documents must be reviewed by legal counsel where required by policy or practice.

Ensure that the company provides true, plain and full disclosure.

All employees who are responsible for the preparation of the company's public disclosures, or who provide information as part of this process, must ensure that disclosures of information are made honestly and accurately. Employees must be aware of and report any of the following: (a) fraud or deliberate errors in the preparation, maintenance, evaluation, review or audit of any financial statement or financial record; (b) deficiencies in, or noncompliance with, internal accounting controls; (c) misrepresentation or false statements in any public disclosure document, such as annual and quarterly reports, prospectuses, information/proxy circulars and press releases; or (d) deviations from full and fair reporting of the company's financial condition.

DUTIES TO STAKEHOLDERS

Deal fairly with the company's stakeholders.

You must deal fairly with the company's security holders, customers, clients, suppliers, other stakeholders and competitors. To preserve our reputation, do not engage in any illegal or unethical conduct when dealing with stakeholders or competitors.

COMMUNICATIONS AND MEDIA

Use the company's various forms of communication properly and appropriately.

All business matters that involve electronic, written communication must be conducted by employees on the company's email system or through other systems provided by the company (such as Lync). You must at all times use our e-mail, Internet, telephones and other forms of communication appropriately and professionally. While we appreciate the need for limited use of these tools for personal purposes, your use should not be excessive or detract from your work. Employees should not email business information to their personal email accounts or maintain a copy of business information on their personal computers or other non-work electronic devices. When using company-provided technologies such as computers, cell phones and voicemail, you should not expect that the information you send or receive is private. Your activity may be monitored to ensure these resources are used appropriately.

Be cautious in your use of social media.

Unless you are expressly authorized, you are strictly prohibited from commenting, posting or discussing the company, its customers and clients, and its securities, investments and other business matters on social networks, chat rooms, wikis, virtual worlds and blogs (collectively, "social media").

Do not speak on behalf of the company unless authorized to do so.

As a public company it is important to ensure our communications to the investing public are: (a) timely; (b) full, true and plain; and (c) consistent and broadly disseminated in accordance with all applicable legal and regulatory requirements. You may not make public statements on North American Palladium's behalf unless you have been designated as a "Spokesperson" under its *Disclosure Policy*. If a shareholder, financial analyst, member of the media or other third party contacts you to request information, even if the request is informal, do not respond to it unless you are authorized to do so. In this event, refer the request to your supervisor or forward the request to an individual at the company employed in investor relations or communications.

CONFLICTS OF INTEREST AND PERSONAL BEHAVIOUR

Avoid situations in which your personal interests conflict with the interests of the company or others as clients of the company.

A "conflict of interest" for this purpose occurs when a person's private interest interferes, or even appears to interfere, with the interests of the company. You may have a conflict of interest if you are involved in any activity that prevents you from performing your duties to the company properly, or that may create a situation that could affect your judgment or ability to act in the best interests of the

company. Accordingly, you should place the company's interest in any business matter ahead of any personal interest.

The best way to judge whether you may have a conflict of interest is to ask yourself whether a well-informed person would reasonably conclude that your interest could in any way influence your decision or performance in carrying out a duty on behalf of the company.

Exhibit personal behavior that reinforces a positive image of you and the company.

Your personal behavior, both inside and outside work, should reinforce a positive image of you and the company. It is essential to use good judgment in all your personal and business dealings. You should refrain from engaging in activities that could hurt the company's reputation, or yours, and that could undermine the relationship of trust between you and the company. Employees who have acted inappropriately may be subject to disciplinary action up to and including termination for cause.

Remember your duties to North American Palladium when participating in outside interests.

The company encourages directors and employees to be active participants in their community. While pursuing personal, political or not-for-profit activities, be mindful that your participation in any outside interest must not prevent you from adequately discharging your duties to North American Palladium. In addition, ensure that when you are involved in these activities you are not seen to be speaking on behalf of the company.

Obtain permission before joining the board of directors or similar body of another entity.

Before accepting an appointment to the board or a committee of another company with significant operations, employees must receive approval from the President and CEO. Directors and officers of the company must advise the Chair of the Board of Directors. Prior approval is not required to serve on boards of charities or nonprofit organizations or small, private family holding companies that have no relation to the company.

Do not take corporate opportunities as your own personal opportunities.

You are prohibited from taking personal advantage of a business or investment opportunity that you become aware of through your work at North American Palladium. You owe a duty to the company to advance its interests when the opportunity arises and you must not compete with the company in any way. As one example, if a person or company offers North American Palladium an opportunity regarding an exploration property, you must not become involved in an alternative proposal that does not involve us.

POSITIVE WORK ENVIRONMENT

Be committed to creating a tolerant work environment free from discrimination¹ and harassment².

The company does not tolerate workplace discrimination and harassment. All directors, officers and employees must ensure that the company is a safe and respectful environment where high value is placed on equity, fairness and dignity.

You have a duty to report discrimination and harassment.

If you experience or become aware of discrimination or harassment, you have a duty to report it. An employee should report discrimination in accordance with the “Reports and Complaints” section of the Code. Complaints of discrimination or harassment will be taken seriously and investigated. Any employee found to be harassing or discriminating against another individual, or any employee who knowingly condones the discrimination or harassment of another individual, will be subject to disciplinary action up to and including termination for cause.

The company reserves the right to discipline employees who knowingly make a false accusation about an innocent party; however, you will not face retaliation for making a good faith report, or assisting in the investigation of a complaint.

Be committed to ensuring the health and safety of fellow directors, officers and employees.

We all have the right to work in an environment that is safe and healthy. In this regard, employees must:

- a. comply strictly with all occupational, health and safety laws and internal procedures;
- b. not engage in illegal or dangerous behaviour, including any acts or threats of violence;
- c. not possess, distribute or be under the influence of illicit drugs while on company premises or when conducting company business; and
- d. not possess or use weapons or firearms in the company’s facilities, or at company-sponsored functions.

If you or someone you know is in immediate danger of serious bodily harm, first call local law enforcement authorities and then report the incident in accordance with the “Reports and Complaints” section of the Code.

Protect private personal information.

While at North American Palladium, you may be asked to provide sensitive personal, medical and financial information. Those with access to this information have an obligation to protect it, and use it

¹ “Discrimination” is the denial of opportunity through differential treatment of an individual or group. It does not matter whether the discrimination is intentional; it is the effect of the behaviour that matters. Discrimination on the basis of age, colour, race, religion, gender, marital status, ancestry, sexual orientation, national origin, disability or any other characteristic protected by law is prohibited.

² “Harassment” generally means offensive verbal or physical conduct that singles out a person to the detriment or objection of that person. Harassment covers a wide range of conduct, from direct requests of a sexual nature to insults, disparaging remarks, offensive jokes or slurs. Harassment may occur in a variety of ways and may, in some circumstances, be unintentional. Regardless of intent, all harassment negatively affects individual work performance and our workplace as a whole, and is not tolerated.

only to the extent necessary to do their work. Common examples of confidential employee information include: benefits information; compensation information; medical records; and contact information, such as a home address.

COMPLIANCE WITH LAWS, RULES, REGULATIONS AND POLICIES

Know and comply with all laws, rules, regulations and policies applicable to your position.

Many of the company's activities are governed by laws, rules, regulations and policies that are subject to change. If you have questions about the applicability or interpretation of certain laws, rules, regulations or policies relevant to your duties at North American Palladium you should consult with the company's Director, Human Resources, Health & Environment. In the event a local law, custom or practice conflicts with the Code you must adhere to whichever is most stringent. If you know of any of our practices that may be illegal, you have a duty to report it. Ignorance of the law is not, in general, a defense to breaking the law. We expect you to make every reasonable effort to become familiar with the laws, rules, regulations and policies affecting your activities and to comply with them. If you have any doubts as to the applicability or interpretation of any of the above, you should obtain advice from the company's Director, Human Resources, Health & Environment.

Do not trade in the company's securities and in any other publicly-traded securities if you possess material non-public information

While at North American Palladium, you may have access to or become aware of material non-public information, about North American Palladium or an unrelated publicly-traded entity. You must not use this information to gain a financial advantage for yourself or others, either by way of making a trade for yourself, "tipping" others on the information, or otherwise. Doing so is not only a violation of the Code that will result in immediate termination for cause, but is also a serious violation of securities laws and will expose any individuals involved to potential civil and criminal prosecution.

Prohibitions on trading in North American Palladium securities may apply when the Company is in a quarterly blackout period relating to the release of its earnings, or when it is in a special blackout period.

If you have questions about securities laws or the company's internal trading policies and procedures, contact the company's internal legal counsel or the Chief Financial Officer.

Depending on your role at the company, you may have to pre-clear trades.

All directors, officers and senior managers must pre-clear trades in North American Palladium and receive prior approval from the company before executing any trade. All non-employee directors must pre-clear trades in North American Palladium securities only.

Do not give or receive bribes, including "facilitation payments".

We value our reputation for conducting business with honesty and integrity. It is vital for us to maintain this reputation as it generates confidence in our business by our stakeholders, which ultimately means it is good for business. We do not pay bribes in furtherance of our business, either directly or indirectly, and you are not permitted to pay bribes on our behalf or authorize others to pay bribes on our behalf. This commitment comes from the highest levels of management and you must meet this standard.

Facilitation payments³ are also a form of bribe, and are therefore, not permitted. Refer to the company's *Anti-Bribery and Corruption Policy* for further details.

The giving or receiving of gifts and entertainment should be proportionate and reasonable for the circumstances.

Gifts and entertainment given to or received from persons who have a business relationship with the company are generally acceptable, if the gift or entertainment is modest in value, appropriate to the business relationship, and does not create an appearance of impropriety. No cash payments should be given or received. In addition, gifts should not be given to or received from public officials. Employees who do not comply with these requirements may be required to reimburse the company for the value of any gifts or benefits they receive on behalf of the company. Refer to the company's *Anti-Bribery and Corruption Policy* for further details.

There may be restrictions on your political donations to candidates and political parties.

To ensure that we do not breach the law regarding political donations in any country, all political donations, no matter how small, made on behalf of the company (directly or indirectly) must be approved in advance by one of the Chief Executive Officer or Chief Financial Officer. Political donations made by individuals on their own behalf should comply with local laws and regulations.

We must prevent the use of our operations for money laundering or any activity that facilitates money laundering, the financing of terrorism, or other criminal activities.

The company is strongly committed to preventing the use of its operations for money laundering, the financing of terrorism, or other criminal activities and will take appropriate actions to comply with applicable anti-money laundering laws.

REPORTS AND COMPLAINTS

You are strongly encouraged to make good faith reports and complaints.

Internal reporting is critical to the company's success, and it is both expected and valued. You are required to be proactive and promptly report any suspected violations of the Code, or any illegal or unethical behavior that you become aware of. When making a report, please include specific details and back-up documentation where feasible in order to permit adequate investigation of the concern or conduct reported. Vague, nonspecific or unsupported allegations are inherently more difficult to pursue.

Employees should report violations of the Code to their supervisor, since their supervisor is generally in the best position to resolve the issue. Alternatively, you may contact the company's Director, Human Resources, Health & Environment to report potential Code violations, or if you have any specific or general questions. Directors should promptly report violations to the Chair of the Board of Directors.

³ Facilitation payments are small payments made to secure or speed up routine actions or otherwise induce public officials or other third parties to perform routine functions they are otherwise obligated to perform, such as issuing permits, approving immigration documents or releasing goods held in customs. This does not include legally required administrative fees or fees to fast-track services.

In the event you do not want to report violations to your supervisor or internal legal counsel, you can always report a complaint through the company's reporting hotline.

Our reporting hotline (the "Reporting Hotline") is managed by an independent third party called Whistleblower Security. The Reporting Hotline allows anyone to call anonymously (if they so choose) to report suspected unethical, illegal or unsafe behaviour in English and other languages. The Reporting Hotline (Whistleblower Security) is available toll-free, 24 hours a day, 7 days a week.

Complaints will be kept confidential and will be dealt with appropriately.

The confidentiality of reported violations will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review and subject to applicable law. We would prefer that you identify yourself to facilitate our investigation of any report; however, if you do not feel comfortable doing so you can make an anonymous report, as noted previously.

The party receiving the complaint must record its receipt, document how the situation was dealt with and file a report with internal audit, which will be retained for the record. The Reporting Hotline (Whistleblower Security) will report all illegal and unethical conduct in violation of the Code to the appropriate North American Palladium Board of Directors, or a committee thereof, and externally in accordance with applicable laws.

You will not experience retribution or retaliation for a complaint made in "good faith".

No retribution or retaliation will be taken against any person who has filed a report based on the reasonable good faith belief that a violation of the Code has occurred or may in the future occur; however, making a report does not necessarily absolve you (if you are involved) or anyone else of the breach or suspected breach of the Code. The company reserves the right to discipline you if you provide false information or make an accusation you know to be untrue. This does not mean that the information that you provide has to be correct, but it does mean that you must reasonably believe that the information is truthful and demonstrates a possible violation of the Code. If you believe that you have been unfairly or unlawfully retaliated against, you may file a complaint with your supervisor or the company's internal legal counsel, or by calling the Reporting Hotline.

DISCIPLINARY ACTION FOR CODE VIOLATIONS

We will impose discipline for each Code violation that fits the nature and particular facts of the violation. Depending on the nature of the violation you may be disciplined up to and including immediate termination for cause and, if warranted, legal proceedings may be brought against you.

STATEMENT OF COMPLIANCE

Upon joining North American Palladium, each director, officer and employee will be provided with a copy of the Code and required to sign an acknowledgement. Each director, officer and employee will also be required to re-certify compliance with the Code on an annual basis. **Annual execution of a Statement of Compliance with the Code shall be a condition of your continued directorship or employment with the company.**

AMENDMENTS

North American Palladium's Board of Directors reviews and approves the Code on at least an annual basis and is ultimately responsible for monitoring compliance with the Code.

CONTACT INFORMATION

REPORTING HOTLINE

Whistleblower Security
Telephone: 1-866-921-6714
info@whistleblowersecurity.com

INTERNAL CONTACTS – NORTH AMERICAN PALLADIUM

Chair of the Board

J. Peter Gordon
181 Bay Street, Suite 300
Toronto, ON, M5J 2T3
Telephone: (416) 359-8614

Chief Executive Officer

Jim Gallagher
One University Avenue, Suite 402,
Toronto, ON M5J 2P1
Telephone: (416) 360-7492

LEGAL NOTICE

The company reserves the right to modify, suspend or revoke the Code and any related policies, procedures, and programs at any time. The company also reserves the right to interpret and amend the Code and these policies in its sole discretion. Any amendments to the Code will be disclosed and reported as required by applicable law.

The company employs unionized employees. If the Code conflicts with a collective bargaining agreement governing the wages and/or conditions of employment for unionized employees, the collective bargaining agreement will prevail; if a collective bargaining agreement is silent with respect to an area addressed in the Code, or if the Code supplements a collective bargaining agreement, unionized employees are expected to abide by the Code.

Neither the Code, nor any of the policies referred to herein, confer any rights, privileges or benefits on any employee, create an entitlement to continued employment at the company, establish conditions of employment for the employee, or create an express or implied contract of any kind between employees and the company. In addition, the Code does not modify the employment relationship between employees and the company.

The Code is posted on our website and intranet. The version of the Code on our website and intranet may be more current and supersedes any paper copies, should there be any discrepancy between paper copies and what is posted online.

SCHEDULE A

NORTH AMERICAN PALLADIUM

**CODE OF BUSINESS CONDUCT AND ETHICS
STATEMENT OF COMPLIANCE**

All directors, officers and employees must complete this Statement of Compliance.

I have received, reviewed and understand the Code of Business Conduct and Ethics (the “Code”) of North American Palladium Inc. (the “company”) for directors, officers and employees.

I hereby agree to comply with the Code, including its provisions for nondisclosure of information both during and after appointment or employment.

To the best of my knowledge, I am not involved in any situation that conflicts or might appear to conflict with the Code.

I also agree to notify my supervisor, the Director, Human Resources of the company, or in the case of directors, the Chair of the company’s Board of Directors, immediately of any change that might adversely affect my compliance with the Code.

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| Name: | <hr/> | |
| | <i>(Please print)</i> | |
| Company: | <hr/> | |
| Position Title: | <hr/> | |
| Branch/Department: | <hr/> | |
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