

# **WHISTLEBLOWER POLICY AND PROCEDURES**

## **THE GEOMET COMPANIES**

### **POLICY**

This policy governs reporting and investigation of allegations of suspected improper activities, and together with GeoMet's Business Conduct and Ethics Code represents the Company's implementing policies for the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters directly to the Board of Directors, as stipulated in the Sarbanes Oxley Act of 2002.

GeoMet, Inc. has a responsibility for the stewardship of shareholder assets. It is committed to compliance with the laws and regulations to which it is subject and to promulgating policies and procedures to interpret and apply these laws and regulations in the workplace. Laws, regulations, policies and procedures strengthen and promote ethical practices and ethical treatment of the employees of the Company and those who conduct business with the Company.

Our internal controls and operating procedures are intended to detect and to prevent or deter improper activities. However, even the best systems of control cannot provide absolute safeguards against irregularities. Intentional and unintentional violations of laws, regulations, policies and procedures may occur and may constitute improper activities as defined by statute. The Company will investigate and report allegations of suspected improper activities and will take other appropriate actions as appropriate in response.

Employees and others are encouraged to use guidance provided herein for reporting all allegations of suspected improper activities, which include serious or substantial violations of Company policy. Everyone is responsible for reporting any suspected compliance issue that is identified in the workplace in a timely manner. Anyone with knowledge of a potential violation of law, regulation, code of conduct, policy or procedure has an affirmative duty to report that information in accordance with this policy. Failure to report a potential violation may result in appropriate disciplinary action. Employees cannot exempt themselves from the consequences of their own misconduct by reporting the issue, although self-reporting may be taken into account in determining appropriate disciplinary action..

All those who report under this Policy shall be assured anonymity, or in the case wherein they identify themselves, confidentiality, to the extent practicable or allowed by law. However, their identity may become known for reasons outside of the control of the Company . Similarly, the identity of the subjects of the investigation will be maintained in confidence with the same limitations.

All those who report in good faith will be protected from any form of retaliation or retribution. A good faith disclosure is one that is made for the purpose of remedying the condition reported.

Any form of retaliation against any employee who reports a perceived problem or concern in good faith is strictly prohibited, and any employee who commits or condones any form of retaliation will be subject to discipline up to, and including, termination. Any indication of a violation of this non-retaliation policy will be investigated immediately by the Chief Compliance Officer. Discipline will be significant if violations of this non-retaliation policy are substantiated.

## **IMPLEMENTATION**

The Chairman of the Company's Audit Committee along with the Company's Chief Compliance Officer are responsible for the implementation of this Policy.

## **PROCEDURES**

1. **Making a Report.** Anyone with knowledge of a potential violation of law, regulation, code of conduct, policy or procedure has an affirmative duty to report that information. Those who report problems and concerns in good faith will be protected from any form of retaliation or retribution.

The information may be reported to:

- (a) A Company supervisor,
- (b) The Company's Chief Compliance Officer,
- (c) Directly to the Chairman of the Audit Committee, J. Hord Armstrong III at 7701 Forsyth Blvd., 10<sup>th</sup> Floor, St. Louis, Missouri 63105, or
- (d) The compliance hotline at 877-874-8416 which is available 24 hours a day, 365 days a year.

In the event that any person with a reporting obligation under this policy believes that there is a conflict of interest on the part of the person to whom the allegations of suspected improper activities are to be reported, the next higher level of authority shall receive the report.

2. **Receipt of a Report.**

*In General.* All allegations of wrongdoing, including criminal allegations, in the workplace will be acted upon immediately. All reports will be documented, including the nature of the complaint or violation reported, the date and time reported, and the department or facility affected. No attempt will be made to identify a person reporting who requests anonymity. Whenever a person reporting discloses their identity, it will be held in confidence to the fullest extent allowed by law.

When a report has been received, the individual who receives it should forward it to the Chairman of the Audit Committee, J. Hord Armstrong III at 7701 Forsyth Blvd., 10<sup>th</sup> Floor, St. Louis, Missouri 63105, for further handling.

All those who are involved in whistleblower operations are expected to act with utmost discretion and integrity in assuring that information received is acted upon in a reasonable and proper

manner. They will maintain records of information received but will take all appropriate steps to avoid compromising those with whom they are in communication. All information that identifies or could lead to the identification of those reporting will be expunged as soon as the information provided is no longer needed.

The Chief Compliance Officer together with the Chairman of the Audit Committee, shall: ensure that all reports received shall be appropriately and promptly received, addressed and resolved; ensure that any matter requiring external reporting, such as to regulatory or law enforcement agencies, is properly disclosed; and bring issues to the attention of the Board of Directors or the General Counsel in cases where, in their good faith judgment, it is appropriate to do so.

*Hotline.* The hotline will be staffed with qualified and properly trained personnel. All callers will be given the opportunity to speak with a live operator. All callers to the hotline will hear the same pre-recorded message explaining their rights, any limitations, the non-retaliation policy and other pertinent information. Calls will be documented on the confidential hotline intake form. All call records will be logged and sequentially numbered upon receipt on this form and placed in the care and custody of the Chairman of the Audit Committee. When a new hotline report is submitted, all callers will be assigned a confidential report number and asked to contact the hotline in ten business days for any required follow-up.

3. **Managing an investigation.** The responsibilities of the investigators are to

- Fully debrief complainant
- Notify appropriate internal parties
- Assure that the proper investigative channels are utilized according to appropriate expertise and jurisdiction and that the plan to address the reported improper activities is appropriate to the circumstances
- Ensure that appropriate resources and expertise are brought to bear to cause the timely and thorough review of reports of allegations of suspected improper activities
- Ensure that there are no conflicts of interest on the part of any party involved in specific investigations
- Coordinate and facilitate communications across investigative channels as necessary to ensure comprehensive attention to all facets of the matter;
- Monitor significant elements and progress of investigations to ensure that allegations are timely and thoroughly addressed
- Coordinate and facilitate in an advisory capacity the corrective and remedial action that may be initiated in accordance with applicable conduct and disciplinary procedures
- Identify the possible regulatory or financial impact
- Provide a complete list of findings and recommendations
- Determine the necessary corrective measures
- Document the inquiry, the investigation and the conclusions reached

All investigations of wrongdoing will be conducted promptly and include a review of all pertinent documents, audit and other investigative techniques, and, in some cases, interviews with employees.

The designated investigator should conduct a fair and impartial review of all relevant facts; restrict the inquiry so as to resolve the issues without compromising the quality of the investigation and ensure protection of the confidentiality of the sources of information.

In some cases, the entire matter should be discussed only with legal counsel. In each case, the facts of the situation will dictate the appropriate manner in which the issue will be handled.

*Interviews.* Interviews should be conducted by two people representing the Chief Compliance Officer, in person and in private, with one interviewee at a time in accordance with the following:

- The interviewers should obtain the interviewee's full name, title, employment history, and his/her supervisor's name.
- The interviewers should state that the interview will remain in confidence to the extent compatible with the proper resolution of all issues, correction of any improprieties, and the commitment to disclose certain types of wrongdoing to appropriate enforcement and regulatory authorities
- The person being interviewed should be told that the purpose of the inquiry is to gather facts in connection with suspected wrongdoing. Interviewees should be informed that the communication is privileged, but that the privilege rests with the organization, and that the organization can waive the privilege as it deems appropriate to resolve the issue in question.
- Those who are interviewed should be treated respectfully and with dignity. The interviewers should not threaten the interviewee, offer opinions on whether the interviewee has acted appropriately, or speculate how the matter under review will be resolved.
- If the interview is to be conducted with an employee who is suspected of serious misconduct, legal counsel should be present for the interview. Counsel should advise the employee of the seriousness of the matter and, if applicable, of the Company's commitment to disclose the result of its investigation to the government. The interviewee should be reminded that he or she is free to retain independent counsel if he or she so chooses. If he or she is already represented by counsel or is a member of a union, the ramifications must be thoroughly discussed with legal counsel before proceeding.
- If, at any time during an interview, the interviewee requests that his or her lawyer be present, suspend the interview immediately and contact legal counsel.

*Written reports.* In most cases, the interviewer should organize the results of the interview and the investigation into a written report, with the assumption that it may eventually be read by an outside party. If the investigation and report has been requested or directed by legal counsel, the report should be marked "Legal Confidential" and must be furnished only to counsel. Under those circumstances, it will be the responsibility of legal counsel to report and advise management about the facts, circumstances, and alternative courses of action.

4. **The Chief Compliance Officer.** The Chief Compliance Officer, or if necessary, the Chairman of the Audit Committee and the General Counsel, is responsible for the investigation and resolution of the issue which will include developing an action plan and monitoring the action plan through resolution. If a compliance issue is confirmed, the Chairman of the Audit Committee and the Chief Compliance Officer will develop a formal action plan to monitor and resolve the issue, with the appropriate management staff. The Chief Compliance Officer will ensure that all reports are addressed in an appropriate and timely manner, as well as in accordance with these and all related policies and procedures.

Other responsibilities include:

- ensuring proper functioning of the hotline
- establishing reporting and records maintenance procedures
- providing feedback to those reporting when necessary
- providing whistleblower activity summaries to management
- maintaining security for all reporter information and related documents

5. **Recordkeeping.** In general, detailed records related to a specific incident should be retained if a review or investigation is ongoing. All program overview memoranda, reports, and meeting minutes should be retained in order to maintain a record of the compliance program operations. Records will only be destroyed pursuant to a standard policy in order to avoid any implication that the hotline function deliberately destroyed records in anticipation of a particular problem. Records will be kept secure and confidential to protect employee and patient privacy rights, as well as the organization's proprietary information.

Records of all compliance reviews and/or investigations will be maintained according to this procedure. Records will be kept secure and confidential to protect employee and patient privacy rights, as well as the organization's proprietary information. Records will be destroyed only in accordance with this procedure in order to avoid any implication that records were deliberately destroyed in anticipation of a particular problem.

*No Spoliation.* Upon receipt of notice regarding the initiation of an investigation or the service of legal process, the hotline officer will take immediate steps to cease the destruction of any relevant documents pending further notice that the investigation or litigation has concluded.

*Retention.* All whistleblower records will be maintained in a secure area and electronic databases will be controlled via password.

- a. **Reports.** All whistleblower reports received will be maintained, at a minimum, until the related matter is resolved.
- b. **Investigation Records.**
- c. **Program Overview Information.** All program overview memoranda, reports, and meeting minutes should be retained in order to maintain a record of the compliance program operations.

A log system will be utilized to document the following steps in the records management process:

- Identification, control and maintenance of records
- Retrieval/return of records to and from storage
- Destruction of records and deletion from storage

*Destruction.* All records related to information received under this Policy will be reviewed every 90 days. Records will be destroyed only after resolution of all issues pertaining to a specific incident and a decision made by the Chief Compliance Officer to destroy them. If the decision is to defer destroying the records, a new date will be set to review the decision, along with a written notation as to the reason for continued retention. This resetting of the date of review may continue indefinitely. Retention for a longer period may well be wise in order to have on file proof of the existence of a viable compliance program.

Correspondence, calendars, diaries, notepads, personal files, telephone message pads, chronological correspondence files and other similar materials will be part of a general quarterly review for determination as to record maintenance and destruction. Records generated and maintained in the information systems or equipment will also be part of the quarterly review to ensure that the policy requirements are applied to these documents.

**6. The Role of the Whistleblower.** A whistleblower provides initial information related to a reasonable belief that an improper activity has occurred. The motivation of a whistleblower is irrelevant to the consideration of the validity of the allegations. However, the intentional filing of a false report, whether orally or in writing, is itself considered an improper activity upon which GeoMet has the right to act.

Whistleblowers shall refrain from obtaining evidence for which they do not have a right of access. Such improper access may itself be considered an improper activity. Whistleblowers have a responsibility to be candid with the investigators or others to whom they make a report of alleged improper activities and shall set forth all known information regarding any reported allegations. Persons making a report of alleged improper activities should be prepared to be interviewed by the investigators.

Anonymous whistleblowers must provide sufficient corroborating evidence to justify the commencement of an investigation. An investigation of unspecified wrongdoing or broad allegations will not be undertaken without verifiable evidentiary support. Because investigators are unable to interview anonymous whistleblowers, it may be more difficult to evaluate the credibility of the allegations and therefore, less likely to cause an investigation to be initiated.

Whistleblowers are “reporting parties” not investigators. They are not to act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by investigators.

Protection of a whistleblower’s identity will be maintained to the extent possible within the legitimate needs of law and the investigation. Should the whistleblower self-disclose his or

her identity, GeoMet will no longer be obligated to maintain such confidence. A whistleblower's right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the allegations or an ensuing investigation.

Whistleblowers have a right to be informed of the disposition of their disclosure absent overriding legal or public interest reasons.

**7. Dissemination.** The Chief Compliance Officer will take appropriate measures to ensure support for this policy and encourage the reporting of problems and concerns, including the following:

- Meeting with employees to discuss the main points of this policy.
- Providing all employees with a copy of this policy.
- Posting a copy of this policy on employee bulletin boards and online.