



Date: 2013 Jan 7
Subject: Code of Conduct and Business Ethics Policy

This policy defines minimum standards of business conduct and ethics within Carrier Lumber Ltd. (“the Company”).

Applicability

All employees are responsible to comply with this and all other Company policies and procedures. For the purpose of this policy, the term “employee” includes permanent and part-time employees, directors, owners, officers and any other person in a relationship that involves a regular ongoing engagement with the Company.

Core Values

You will:

- Perform Company work ethically and lawfully,
- Treat everyone you deal with in the course of Company work fairly, in a businesslike manner and with respect,
- Ensure our accounting system, records and practices conform to Generally Accepted Accounting Principles,
- Ensure our workplace is free from harassment and discrimination as is further set out in the *Harassment and Discrimination Policy*,
- Be a leader in environmental stewardship in accordance with the *Environmental Policy*,
- Create a safe working environment in accordance with the *Health and Safety Policy*,
- Safeguard Company assets and resources including intellectual property and confidential information from fraud, theft or other losses,
- Outperform our competition through fair and honest effort,
- Apply impartiality and integrity in your decision making,
- Use the internet as a business tool, limiting personal use to a minimum, and not view, access or store pornographic or otherwise objectionable material, and
- Act in the best interests of the Company.

Conflicts of Interest

Conflicts of interest are situations where your obligation to serve the best interests of the Company may be impacted by other motivation, including self-interest, obligation or objective.

You are obligated to avoid all situations where your personal interests conflict (directly, or indirectly thru a spouse, child, relative, charity or organization you represent) with the interests of the Company. Some examples are (but not limited to):

- Participation in activities that detract from your ability to perform work related duties,
- Obtaining unauthorized personal material benefit resultant from transactions between the Company and another individual or another company,
- Competing against the Company by selling, consulting, operating, maintaining, repairing, constructing or installing any product or service that is offered by the Company,
- Accepting a position as an officer or member of a board of directors of a customer or competitor company without written permission from the President,
- Becoming a significant investor or influential shareholder of any competitor, or of any supplier to the Company, and
- Using your position or influence in the Company to coerce or compel others to benefit yourself or an organization you represent.

Secondary Employment

You are prohibited from engaging in secondary employment where it:

- Involves you acting in any capacity for a supplier, contractor, sub-contractor, customer or competitor,
- Interferes with your availability, duties, or performance of your job with the Company,
- Involves duties or business relations during any portion of your company work time, unless authorized by the President, and
- Creates or appears to create ethical or legal conflicts of interest.

Community Involvement

You may exercise your rights as a citizen (including serving as a director, officer or representative of any religious, educational, cultural, social or philanthropic entity or non-profit organization) provided it is clear you are representing yourself as a private citizen, and are not representing the Company or associating yourself as an employee of the Company, without prior written approval from the President.

Intellectual Property and Confidential Information

All intellectual property and confidential information created in the course of Company business activity is the exclusive property of the Company. All such information is proprietary unless disclosure is required by legislation or business agreement.

Intellectual property includes (but is not limited to) specialized tools, computer programs, and work methods.

Confidential information includes (but is not limited to) technical or financial data, files, records, contracts, or photographs. It also includes sensitive information related to Company plans or strategies, customers, suppliers or business associates. All such information could be written or verbal.

Employees are obligated to safeguard all intellectual property and confidential information against unauthorized internal and external disclosure.

Accepting Gifts and Favours

You may accept modest gifts, mementos, tokens, favours, lunches, dinners or entertainment (“Gifts”) from customers, suppliers, contractors, sub-contractors, prospective employees, competitors, government representatives, business associates or any third party conducting business with the company (“Business Associates”) with a value of less than approximately \$75.00.

If you are offered

- a) more than five Gifts per year of up to \$75.00 each, or
- b) any one Gift exceeding \$75.00 in value

you must obtain permission from your supervisor prior to accepting. Regardless of the value of the Gift, do not accept Gifts that could be perceived as being intended to be in exchange for past or future advantage to any Business Associate. Also, do not accept Gifts in the form of cash, coupons, gift certificates or negotiable securities that could be perceived as a bribe or a commission.

If you accept clothing (hats, jackets, coveralls, etc.) from a Business Associate please refrain from wearing this apparel on the job.

Avoid situations where you may become “ beholden ” to Business Associates. For example, ensure you “ pick up the tab ” for business meals on a suitable frequency to make it clear you owe no favours. Also, avoid having Business Associates deliver any company purchases directly to your home or personal property to avoid the perception of inappropriate activity.

Giving Gifts

Any Gifts given to Business Associates must be approved by your supervisor.

Donations

All requests for donations must be directed to the Accounting Assistant for further processing. If media coverage is deemed to be appropriate, the President will provide direction to persons responsible to coordinate.

Political Activity

You are not authorized to engage in political activities during work time or at your place of work without prior permission from the President.

You are not authorized to use any Company assets or make contributions of Company funds to any political campaign, organization, party, or to any individual who holds public office or is a candidate for public office without prior permission from the President.

In the event that you are elected to full time office, you will resign as an employee of the Company as soon as reasonably possible thereafter. Employees covered by the Big River collective agreement are eligible for a leave of absence per the terms of the collective agreement.

Absenteeism

You are expected to regularly and consistently attend work. Inappropriate absenteeism and misuses of leaves (paid or unpaid) are subject to the disciplinary process.

If you are absent from work due to illness or injury you may not engage in secondary employment or outside responsibilities or activities. It is an expectation that employees absent under these circumstances are taking appropriate actions to return to work in good health as soon as is reasonably possible.

Interpretation

If you find yourself in a situation where there are questions regarding the interpretation of this policy, you are encouraged to discuss the matter with your supervisor. Alternatively, you may discuss the matter in confidence with the Administration Manager or President, located in the corporate office, who will research the question; confer with senior persons in the company, and/or legal resources as appropriate, and will then provide a reply in confidence.

Reporting

You are obligated to report any apparent violations of this or any other policy or wrongdoing or unethical behaviour.

The normal protocol is to discuss the matter with your supervisor, or with the supervisor of the person who is allegedly breaching the policy. The supervisor is responsible to coordinate a confidential investigation, to appropriately channel the information within the organization, and to take appropriate follow-up action. Alternatively, you may discuss the matter in confidence with the Administration Manager. The Administration Manager will coordinate a confidential investigation, appropriately channel the information within the organization, and take follow-up action.

Under special circumstances it may be appropriate to submit reports of violations on an anonymous basis. Such complaints should be forwarded to the Administration Manager, who will be responsible to coordinate a confidential investigation, appropriately channel the information within the organization, and take follow-up action.

Confirmed violations of the policy are subject to disciplinary action, up to and including dismissal. Confirmed violations may also result in civil proceedings or criminal prosecution.

Unfounded, frivolous or vexatious claims are subject to disciplinary action, up to and including dismissal.