



## **CODE OF BUSINESS CONDUCT AND ETHICS DATED AS OF AUGUST 1ST, 2010**

### **1. PURPOSE**

This Code of Business Conduct and Ethics (the "Code") is intended to document the principles of conduct and ethics to be followed by MBAC Fertilizer Corp. ("MBAC" or the "Company") and its employees, officers and directors. Its purpose is to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest. All employees, officers and directors are also required to adhere to the Company's Timely Disclosure, Confidentiality and Insider Trading Policy.

### **2. CONFLICTS OF INTEREST**

Employees, officers and directors of MBAC shall avoid situations where their personal interest could conflict with, or even appear to conflict with, the interests of the Company and its shareholders. In the event that any potential conflict or potential conflict of interest arises involving an employee or an officer, the individual involved must immediately notify the President and Chief Executive Officer in writing and no further action may be taken unless authorized by the President and Chief Executive Officer. In the event that any potential conflict of interest arises involving a director, the individual must immediately notify the Chairman or, in the case of a conflict involving the Chairman, the Chairman of the Corporate Governance and Nominating Committee and President and Chief Executive Officer, in writing and no further action may be taken unless authorized by the Chairman of the Board and/or the Chairman of the Corporate Governance and Nominating Committee and the President and Chief Executive Officer, as applicable.

### **3. DEALING WITH SUPPLIERS AND SERVICE PROVIDERS**

All purchases of goods and services by the Company will be made exclusively on the basis of price, quality, service and suitability to the Company's needs. Employees, officers or directors are prohibited from accepting gifts of money or receiving any type of personal kickbacks, rebates or other "under-the-table" payments. Employees, officers and directors may accept unsolicited non-monetary gifts provided they are appropriate and customary client development gifts for the industry.

### **4. DEALING WITH PUBLIC OFFICIALS**

No employee shall make any form of payment, direct or indirect, to any public official as inducement to procuring or keeping business or having a law or regulation enacted, defeated, or violated or obtaining a license or permit.

### **5. EQUAL OPPORTUNITY**

There shall be no discrimination against any employee or applicant because of race, religion, color, sex, sexual orientation, age, national or ethnic origin, or physical handicap (unless demands of the position are prohibitive). The Company will maintain a work environment free of discriminatory practice of any kind.

6. **HEALTH, SAFETY, AND ENVIRONMENTAL PROTECTION**

The Company is committed to managing and operating its assets in a manner that is protective of human health and safety and the environment. It is the Company's policy to comply, in all material respects, with applicable health, safety and environmental laws and regulations. It is the duty of each employee, officer and director to ensure compliance with the goal of protecting human health and safety and the environment and to report violations immediately in compliance with the Whistleblower Policy.

7. **USE OF AGENTS**

Agents or other non-employees cannot be used to circumvent the law or to engage in practices that run contrary to this Code.

8. **CORPORATE OPPORTUNITIES**

Employees, officers and directors of MBAC are prohibited from (a) taking for themselves personally opportunities that are discovered through the use of corporate property, information or position, unless MBAC has already been offered the opportunity and declined it; (b) using corporate property, information or position for personal gain; and (c) competing with MBAC.

9. **PROTECTION AND PROPER USE OF COMPANY ASSETS**

All employees, officers and directors should protect MBAC's assets and ensure their efficient use. MBAC's assets must be protected from loss, damage, theft, misuse, and waste. Company assets include your time at work and work product, as well as Company's equipment and vehicles, computers and software, trading and bank accounts, company information and MBAC's reputation, trademarks and name. MBAC's telephone, email, internet and other electronic systems are primarily for business purposes. Personal communications using these systems should be kept to a minimum. Employees, officers and directors should exercise prudence in incurring business expenses, work to minimize such expenses and ensure that such expenses are reasonable and serve MBAC's business interests.

10. **FRAUD**

No Employee, Officer, Director or Contractor shall commit any fraud against or involving MBAC or any third party in a business relationship with MBAC. Fraud includes, but is not limited to, misappropriation of funds, securities, supplies or other assets; improper handling or reporting of monetary or financial transactions; profiteering as a result of insider knowledge of company activities; disclosing confidential and proprietary information to third parties; disclosing actual or contemplated securities activities of the company; accepting or seeking anything of material value from contractors, vendors or other service providers except as permitted by this Code; destruction, removal or inappropriate use of records, furniture, fixtures and equipment; or any similar or related activity.

11. **INTELLECTUAL PROPERTY**

All information, technology and intellectual property, including, but not limited to all creative materials, programs, designs, inventions, developments, strategies, etc. developed by an

Employee during the course of employment with MBAC belong to the Company and all Employees assign to the Company all rights the Employee may have in the information, technology and intellectual property. Such materials shall remain with MBAC following termination of employment and Employees shall take such reasonable steps as requested by the Company to confirm ownership of such materials by MBAC, and to enable MBAC to perfect and maintain its title to such information, technology and intellectual property. All Employees waive all authorship and moral rights which they may have in such information, technology and intellectual property.

Employees, Officers, Directors and Contractors may not reproduce, distribute or alter copyrighted materials without permission of the copyright owner or its authorized agents. Software used in connection with MBAC' business must be properly licensed and used only in accordance with that license.

12. **FAIR DEALING**

MBAC expects every employee, officer and director to act at all times with the highest degree of integrity, They should endeavour to deal fairly with MBAC's counterparties, suppliers, competitors and employees. No employee, officer or director may take advantage of anyone through manipulation, concealment, abuse or privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

13. **GIFTS AND ENTERTAINMENT**

Employees, officers and directors or their immediate families shall not use their position with MBAC to solicit any cash, gifts or free services from any MBAC customer, supplier or Contractor for their or their immediate family's or friend's personal benefit. Gifts or entertainment from others should not be accepted if they could be reasonably considered to be extravagant for the Employee, Officer or Director who receives it, or otherwise improperly influence MBAC' business relationship with or create an obligation to a customer, supplier or Contractor. The following are guidelines regarding gifts and entertainment:

- a) Nominal gifts and entertainment, such as logo items, pens, calendars, caps, shirts and mugs are acceptable.
- b) Reasonable invitations to business-related meetings, conventions, conferences or product
- c) training seminars may be accepted.
- d) Invitations to social, cultural or sporting events may be accepted if the cost is reasonable and your attendance serves a customary business purpose such as networking (e.g. meals, holiday parties and tickets).

Invitations to golfing, fishing, sports events or similar trips that are usual and customary for your position within MBAC and the industry and promote good working relationships with customers, suppliers and Contractors may be accepted provided that, in the case of Employees, they are approved in advance by your manager.

14. **SUPPLIER AND CONTRACTOR RELATIONSHIPS**

MBAC will select its suppliers and contractors in a non-discriminatory manner based on the quality, price, service, delivery and supply of goods and services. Selection of suppliers and contractors must never be based on personal interests or the interests of family members or friends.

Employees should inform their managers (who should report the issue to the Chief Legal Officer or his or her delegate), and Officers, Directors and Contractors should inform the Chief Legal Officer and the Chairman of the Audit Committee, of any supplier and contractor relationships that create a conflict of interest (or possible conflict of interest). It is the Company's policy to treat all competing suppliers and contractors on a merit basis.

MBAC will only deal with suppliers and contractors who comply with applicable legal requirements and any MBAC standards relating to labour, environment, health and safety, intellectual property rights, improper payments or inducements to public or government officials and prohibitions against child or forced labour.

Confidential information received from a supplier or contractor shall be treated as if it were MBAC' Confidential Information. Confidential Information shall not be disclosed to a supplier until an appropriate confidentiality agreement has been signed by the supplier or contractor.

Use of MBAC' name or intellectual property by a supplier or contractor requires approval in writing by the Chief Legal Officer, the Vice President, Legal, Director, Legal Services or their respective delegate.

MBAC shall not use the name or intellectual property of a supplier or contractor without the supplier's or contractor's consent in writing.

15. **COMPLIANCE WITH APPLICABLE LAWS**

The Company and its employees, officers and directors shall endeavour to comply with all applicable governmental laws, rules and regulations, including those relating to foreign corrupt practices. Employees, officers and directors operating outside of Canada have a special responsibility to know and obey laws and regulations of countries where they act for the Company and to conduct themselves in accordance with local business practices. The Company recognizes that laws, regulations, business practices and customs vary throughout the world and that, in certain cases, may be different from laws, regulations, business practices and customs in Canada.

16. **ACCOUNTING AND DISCLOSURE POLICIES**

The Company and each of its subsidiaries will make and keep books, records and accounts, which in reasonable detail, accurately and fairly present the transaction and disposition of the assets of the Company.

The Company has an obligation to provide full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with or submits to securities regulators or other governmental entities and no director, officer or employee shall act in any manner that is contrary to such obligation.

It is an important element of good business practice for all employees, directors and officers to cause proper care to be taken to ensure that all books and records of the Company and audits are properly completed.

17. **FINANCIAL CONTROLS AND RECORDS**

MBAC's accounting and financial records must reflect in an accurate, complete and timely manner, in reasonable detail, every business transaction undertaken by the Company, and must conform to applicable legal requirements and MBAC's system of internal controls. All employees, officers and directors who have control over MBAC's assets and transactions are responsible for establishing and/or maintaining a system of internal controls in their area of responsibility designed to (a) prevent unauthorized, unrecorded or inaccurately recorded transactions; and (b) permit the preparation of financial statements according to generally accepted accounting principles.

Mineral reserves and resources must be defined, calculated and disclosed in a manner consistent with applicable laws and regulations and MBAC's established procedures.

18. **EMPLOYEE PRIVACY AND PERSONAL INFORMATION**

MBAC believes in taking steps to protect the privacy of its employees, officers, directors and contractors and others with whom MBAC has a business relationship. MBAC will not interfere in the personal lives of such individuals unless their conduct impairs their work performance or adversely affects the work environment or reputation of MBAC.

MBAC limits the collection of personal information to that which is necessary for business, legal, security or contractual purposes and collection of personal information is to be conducted by fair and lawful means with the knowledge and consent of the individual from whom the information is being collected. Access to employee personnel and medical records and the information contained therein shall be limited to those with a need to know for a legitimate business purpose. All employees have the right to see their own personnel record. Personal information shall not be used or disclosed for purposes other than those for which it was collected, except with the knowledge and consent of the individual or as required by law. Personal information shall be retained only as long as necessary for the fulfillment of those purposes and shall be kept sufficiently accurate, complete and up-to-date to minimize the possibility that inappropriate information may be used or disclosed. MBAC and its representatives will observe obligations of confidentiality and non-disclosure of personal information, including information of its employees, officers, directors and contractors and other persons with whom MBAC has a business relationship, with the same degree of diligence that employees, officers, directors and contractors are expected to use in protecting confidential information of MBAC. MBAC is responsible for all personal information in its possession or custody, including information that has been transferred to a third party for processing, and all employees, officers, directors and contractors shall adhere to MBAC's policies and procedures in place to protect personal information against loss or theft, as well as unauthorized access, disclosure, copying, use or modification. MBAC and all employees, officers, directors and contractors shall also comply with all applicable laws regulating the disclosure of personal information.

19. **CONFIDENTIALITY**

Employees, officers and directors should maintain all confidential information in strict confidence, except when disclosure is authorized by MBAC or legally mandated. Confidential information includes, among other things, any non-public information concerning MBAC, including its business, financial performance, results or prospects, and non public information provided by a

third-party with the expectation that the information will be kept confidential and used solely for the business purpose for which it was conveyed. Your obligation to safeguard MBAC's confidential information continues after your employment with MBAC ends.

MBAC's policy on maintaining confidentiality is set forth in our Timely Disclosure, Confidentiality and Insider Trading Policy.

#### **DISCIPLINE FOR NONCOMPLIANCE WITH THIS CODE**

Violations of this Code by a director, officer or employee are grounds for disciplinary action. All directors, officers and employees must understand that it is a condition of employment and appointment that they comply with the provisions of the Code. The Code endeavours to codify good governance practices and is in addition to any application of applicable laws.

Violations of the Code must be reported in compliance with the Company's Whistleblower Policy.