

CODE OF CONDUCT & ETHICS

1.0 INTRODUCTION

Alberta Beverage Container Recycling Corporation ("ABCRC") requires the highest standards of professional and ethical conduct from our employees, officers and directors. The reputation of ABCRC for honesty and integrity among its stakeholders is key to its success. No employee will be permitted to achieve results through violations of laws or regulations, or through unscrupulous dealings. All employees, officers and directors of ABCRC must respect and comply with all of the laws, rules and regulations of Alberta and of Canada and other countries, and the states, counties, cities and other jurisdictions, in which ABCRC conducts its business or the laws, rules and regulations of which are applicable to ABCRC.

We intend that ABCRC's practices will be compatible with the economic and social priorities of each location in which we operate. Although customs vary from country to country and standards of ethics may vary in different environments, honesty and integrity must always characterize our activity.

This Code reflects ABCRC's commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees, officers and directors are expected to comply.

In addition to following this Code in all aspects of ABCRC's activities, all employees, officers and directors are expected to seek guidance in any case where there is a question about compliance with both the letter and spirit of ABCRC's policies and applicable laws. This Code sets forth general principles and does not supersede the specific policies and procedures that are covered in ABCRC's separate specific policies statements.

Cooperation is necessary for the continued success of ABCRC and the cultivation and maintenance of the reputation of ABCRC as a good corporate citizen.

2.0 CONFLICTS OF INTEREST

All employees, officers and directors of ABCRC must be scrupulous in avoiding a conflict of interest with regard to ABCRC's interests. A "conflict of interest" exists whenever an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of ABCRC. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her corporate work objectively and effectively. Conflicts of interest may also arise when an employee, officer or director, or members of his or her family, receives improper personal benefits as a result of his or her position in ABCRC, whether received from ABCRC or a third party. Loans to, or guarantees of obligations of, employees, officers and directors and their respective family members would create conflicts of interest.

Conflicts of interest are prohibited as a matter of corporate policy, except under guidelines approved by the board of directors or committees of the board. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with higher levels of management. Any employee, officer or director who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in this Code.

3.0 CORPORATE OPPORTUNITIES

Employees, officers and directors are prohibited from

- 3.1 taking for themselves personally opportunities that properly belong to ABCRC or are discovered through the use of corporate property, information or position;
- 3.2 using corporate property, information or position for personal gain; and
- 3.3 competing with ABCRC.

Employees, officers and directors owe a duty to ABCRC to advance its legitimate interests when the opportunity to do so arises.

4.0 CONFIDENTIALITY

Employees, officers and directors of ABCRC must maintain the confidentiality of confidential information entrusted to them by ABCRC or its suppliers or customers, except when disclosure is authorized or required by laws, regulations or legal proceedings. Whenever feasible, employees, officers and directors should consult the General Counsel of ABCRC if they believe they have a legal obligation to disclose confidential information. Confidential information includes all non-public information, or harmful to ABCRC or its stakeholders if disclosed. It also includes information that suppliers and customers have entrusted to ABCRC.

5.0 PROTECTION AND PROPER USE OF ABCRC'S ASSETS

All employees should endeavor to protect ABCRC's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on ABCRC's financial position. Any suspected incidents of fraud or theft should be immediately reported for investigation.

ABCRC's assets, such as funds, processing equipment, products or computers, may only be used for legitimate purposes or other purposes approved by management. ABCRC's assets may never be used for illegal purposes.

The obligation to protect ABCRC's assets includes proprietary information. Proprietary information includes any information that is not generally known to the public. Examples of proprietary information are intellectual property, business and marketing plans and employee information. The obligation to preserve proprietary information continues even after the employee, officer or director leaves the employment of ABCRC.

6.0 FAIR DEALING

Each employee, officer and director should endeavor to deal fairly with ABCRC's customers, suppliers and shareholders. None should take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

7.0 ACCURACY OF ABCRC'S RECORDS AND REPORTING

Honest and accurate recording and reporting of information is critical to ABCRC's ability to make responsible decisions. ABCRC's accounting records are relied upon to produce reports for ABCRC's management, shareholders, creditors, governmental agencies and others. The financial statements and the books and records on which they are based must accurately reflect all transactions and conform to all legal and accounting requirements and our system of internal controls.

Employees have a responsibility to ensure that ABCRC's accounting records do not contain any false or intentionally misleading entries. We do not permit intentional misclassification of transactions as to accounts, departments or accounting periods. All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.

Business records and communications often become public through legal or regulatory investigations or the media. Avoid exaggeration, derogatory remarks, legal conclusions or inappropriate characterizations of people and companies. This applies to communications of all kinds, including email and informal notes or interoffice memos. Records should be retained and destroyed in accordance with ABCRC's records retention policy.

ABCRC's policy is to comply with all applicable financial reporting and accounting regulations applicable to ABCRC. If any employee, officer or director of ABCRC has concerns or complaints regarding questionable accounting or auditing matters of ABCRC, then he or she is encouraged to submit those concerns or complaints (anonymously, confidentially or otherwise) to the Audit Committee which will (subject to its duties arising under applicable law, regulations and legal proceedings) treat such submissions confidentially. Such submissions may be directed to the attention of the Audit Committee, or any director who is a member of the Audit Committee, at the principal executive offices of ABCRC.

8.0 REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOUR

Employees are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behaviour and, when in doubt, about the best course of action in a particular situation. Employees, officers and directors who are concerned that violations of this Code or that other illegal or unethical conduct by employees, officers or directors of ABCRC have occurred or may occur should either contact their supervisors or superiors. If they do not believe it appropriate or are not comfortable approaching their supervisors or superiors about their concerns or complaints, then they may contact either the General Counsel of ABCRC or the Audit Committee. If their concerns or complaints require confidentiality, including keeping their identity anonymous, then this confidentiality will be protected, subject to applicable law, regulation or legal proceedings.

ABCRC has a strong commitment to conduct operations in a lawful and ethical manner. Employees are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation and to report violations of laws, rules, regulations or this Code. ABCRC prohibits retaliatory action against any employee who, in good faith, reports a possible violation. It is unacceptable to file a report knowing it to be false.

9.0 USE OF E-MAIL AND INTERNET SERVICES

E-mail systems and Internet services are provided to help employees do work. Incidental and occasional personal use is permitted, but never for personal gain or any improper purpose. Employees may not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit messages, cartoons, jokes, unwelcome propositions, ethnic or racial slurs, or any other message that could be viewed as harassment. “Flooding” the systems with junk mail and trivia hampers the ability of the systems to handle legitimate operations and is prohibited.

Messages (including voice mail) and computer information are considered corporate property and employees should not have any expectation of privacy. Unless prohibited by law, ABCRC reserves the right to access and disclose this information as necessary for its purposes. Employees must use good judgment, and do not access, send messages or store any information that they would not want to be seen or heard by other individuals.

10.0 WAIVERS OF THE CODE OF CONDUCT AND ETHICS

Any waiver of this Code for executive officers or directors will be made only by the board of directors and will be promptly disclosed as required by law or regulation.

11.0 COMPLIANCE PROCEDURES

This Code cannot, and is not intended to, address all of the situations that may be encountered. There will be occasions where an employee is confronted by circumstances not covered by policy or procedure and where an employee must make a judgment as to the appropriate course of action. In those circumstances employees are encouraged to use common sense, and to contact their supervisor, manager or a member of human resources for guidance.

If employees do not feel comfortable discussing the matter with their supervisor, manager or human resources, please contact the Audit Committee or any director who is a member of the Audit Committee. Any complaints or concerns related to accounting, internal controls or auditing matters will be passed on to the Audit Committee to be dealt with and a record of the concern or complaint will be retained for 5 years. ABCRC strives to ensure that all questions or concerns are handled fairly, discreetly and thoroughly. Employees need not identify themselves.