

## TREE ISLAND WIRE INCOME FUND

### CODE OF BUSINESS ETHICS

Trustees, directors, officers and employees (including all full-time, part-time and temporary employees) of Tree Island Wire Income Fund and Tree Island Industries Ltd. and its subsidiaries (“Tree Island”) represent Tree Island and are expected to act in a manner that will enhance its reputation for honesty, integrity and reliability. Our Code of Business Ethics (the “Code”) is a statement of Tree Island’s business practices and applies to all trustees, directors, officers and employees of Tree Island. Consultants and contractors retained by Tree Island shall conduct themselves in accordance with this Code in their activities relating to Tree Island. It is the responsibility of the person retaining the consultant or contractor to ensure that they are aware of the requirements of this Code and agree to abide by it in their dealings with or on behalf of Tree Island.

The Code will not give you an answer for every situation. In addition to adhering to the Code, you must also follow other applicable policies and procedures when conducting business on behalf of Tree Island. If you have questions, please seek additional guidance from your supervisor or manager.

#### **A. Compliance with Laws**

Tree Island will conduct its business in compliance with all applicable laws, regulations and other legal requirements. We must, at all times, abide by the law and respect its intent in the best interests of Tree Island, our customers, suppliers, employees and unitholders.

#### **B. Fair Dealing and Competition**

We must not engage in anti-competitive behaviour, such as agreements with competitors to allocate markets or customers, price fixing, price discrimination, tied selling or abuse of dominant position. We must deal with all customers, suppliers and independent contractors purchasing or furnishing goods and services fairly. We must make decisions to obtain services or source materials on the basis of objective criteria such as quality, reliability, technical excellence, price, delivery and service.

#### **C. Conflict of Interest**

We must ensure that no conflict exists between our personal interests and those of Tree Island. We must not place ourselves in positions that may be perceived as giving rise to a conflict. You are required to disclose or avoid any activity or interest that may be regarded as a possible conflict with the interests of Tree Island. Trustees, directors and officers must also adhere to Tree Island’s Conflict of Interest Policy.

Some examples of possible conflicts include:

- Social Relationships – You must disclose social relationships that could lead to a weakness, or a perceived weakness, in Tree Island’s system of internal controls.
- Financial Interests - Employees and their families (families including spouse, children or spouse equivalent residing together) shall not own, control or direct a material

financial interest (greater than 5 percent) in a customer, supplier, contractor, competitor, or in any business enterprise which does or seeks to do business with Tree Island without permission from their manager or supervisor.

- Outside Business Activities – You must not engage in any outside business or activity that is detrimental to Tree Island. Unless approved by your manager or supervisor, you are expected to spend your full time and attention performing your job during normal business hours or as contracted. This section is not applicable to trustees or directors.
- Outside Directorships – You must not serve as a director, officer, partner, consultant or in any other role in unaffiliated organizations, including not-for-profit organizations, if that activity is detrimental to Tree Island. Directorships in unaffiliated entities require the consent of your supervisor or manager, of the EHS, Compensation and Governance Committee of the Board of Trustees in the case of a member of senior management and of the Board of Trustees in the case of a trustee where such a position may create a conflict of interest for the trustee.
- Gifts and Entertainment - You must be prudent in offering or accepting gifts (including tickets to sporting, recreational or other events) to or from a person or entity with which Tree Island does or seeks to do business. We must accept only personal gifts that would be considered common business courtesies and for which we would reasonably expect to give something similar in return in the normal course of business. We must refrain from giving or receiving gifts that are intended to influence, or could appear to influence, business decisions.
- Payments to Government Officials and Others – You must not make any payment, gift or favour to any person in a position of trust or public responsibility, such as government or corporate officials, with the intent to induce them to violate their duties or to obtain favourable treatment for Tree Island. The payment of bribes to foreign officials is explicitly prohibited by the Foreign Corrupt Practises Act in the United States and the Corruption of Foreign Officials Act in Canada. If you contravene these laws you can be subject to criminal sanctions.
- Government and Community Relations - Tree Island's financial support to political organizations requires the express approval of the President and Chief Executive Officer of Tree Island. Trustees, directors, officers and employees engaging in personal political activities must do so in their own right and not on behalf of Tree Island. Corporate donations to charities made on behalf of Tree Island shall be within approved budgets.

#### **D. Confidential Information and Insider Trading**

- Confidential Information - We may have access to information that is non-public, confidential, privileged, or of value to competitors of Tree Island or that may be damaging to Tree Island if improperly disclosed. We may also have access to the confidential information of companies with which Tree Island does business. We must protect the confidentiality of information concerning Tree Island and its business activities as well as that of companies having business dealings with Tree Island. You must not discuss or pass on such information to anyone other than to

other trustees, directors, officers or employees, or external professionals or consultants engaged by Tree Island who need to know, and you must not use such information for personal benefit or against the interests of Tree Island. Trustees, directors, officers and employees who leave Tree Island have an ongoing obligation to keep such information confidential.

Confidential information includes reports, analyses, intellectual property, computer software, confidential corporate information (such as financial projections and details of proposed projects), confidential information obtained, prepared or developed by employees or contractors relating to Tree Island's business and all confidential information received from third parties with whom Tree Island transacts business.

- Insider Trading - Insider trading may occur when you know material non-public information about Tree Island or any entity with which Tree Island has a business relationship, and you trade that entity's securities, such as stocks or bonds, while in possession of that information or tell others about it before it is made public. Securities laws prohibit insider trading and prohibit you from informing another person of any "material non-public" or "insider" information which has not been generally disclosed to the public ("tipping"). Circumstances suggesting the possibility of insider trading can result in an investigation by a stock exchange or by governmental authorities. Such an investigation could damage Tree Island's brand and reputation and result in liabilities or penalties, including criminal charges and fines.

"Material" refers to information that could affect the price of the security or information that an investor could consider important in deciding whether or not to buy or sell Tree Island's securities. Examples of material non-public information include, but are not limited to plans to issue securities, sharp changes in earnings patterns, changes in dividend rates, changes in key management employees and mergers and acquisitions affecting Tree Island.

We must scrupulously avoid using, sharing or disclosing material non-public information about Tree Island or any entity with which Tree Island does business. You must follow the requirements of this Code and of Tree Island's Communications Policy and Insider Trading Policy before disclosing any information to the public or trading in securities of Tree Island. If in doubt, seek guidance from your manager or supervisor.

- Information privacy – In addition to information about Tree Island and companies that we do business with, you may have access to personal information about co-workers, vendors, suppliers and customers. This information must be kept confidential and communicated only to those who need it to perform their job. Personal information must be dealt with in accordance with applicable privacy laws.

## **E. Protection and Proper Use of Corporate Assets and Opportunities**

We are responsible for protecting Tree Island's assets, including establishing and maintaining appropriate internal controls to safeguard its assets against loss from unauthorised or improper use or disposition.

Tree Island's resources include company time, materials, supplies, equipment, information, electronic mail and computer systems. These resources are generally only to be used for business purposes. Limited personal use of these assets is allowed. However, since excessive personal use can be costly and impact profitability, we are expected to use good judgment. We must use Tree Island's assets and resources responsibly and for legitimate business purposes.

- Reporting Integrity - Tree Island applies the highest ethical standards in its financial and non-financial reporting and follows all applicable securities laws, rules and regulations regarding financial and non-financial reporting. It is critical to the reputation of Tree Island that information provided to management and the public is accurate, complete and timely. Misstating information can carry serious criminal and civil fines and penalties for Tree Island and personal criminal liability for trustees, directors, officers and employees.

We must maintain books, accounts and records according to GAAP and record transactions in a timely manner. We must not manipulate financial accounts, records or reports and we must not take any action or cause anyone else to take any action to influence, coerce, manipulate or mislead auditors for the purpose of rendering financial statements misleading. You should talk to someone in management immediately if you are subject to pressure or threats to use questionable accounting techniques, manage earnings or manipulate results in any way.

Fraud, or the potential for fraud, compromises the integrity of our financial reporting system and the safety of our assets, both physical and intellectual. If you become aware of fraud in any amount, or suspect fraud or become aware of allegations of fraud committed by anyone that could result in a material misstatement in financial statements, it should be promptly reported to your manager. You may also report such concerns to the Chair of the Audit Committee.

The Tree Island Audit Committee reviews concerns regarding questionable accounting, internal financial controls (including internal accounting controls) and auditing matters and has established a procedure to allow for confidential, anonymous submission of concerns by employees to the Chair of the Audit Committee. All such concerns will be investigated and the Audit Committee will receive a summary of such reported concerns together with a synopsis of Tree Island's assessment of and resolution of each concern.

- Use of Internet and Email - We are all responsible for information security. We must be aware of information security processes and policies and take steps to reduce the risk of security breaches. We must follow all policies and procedures related to the protection of information and information resources, including network access and appropriate use of the Internet and e-mail. We must not let personal use of information system technologies interfere with business activities or incur unnecessary cost and not use Tree Island's computer resources to view, retrieve or send messages or material that are pornographic, violent, hate-related, bigoted, racist or otherwise offensive or illegal.
- Records Retention - Tree Island's integrity can be seriously questioned if records are not retained for the appropriate length of time or are not disposed of properly. Failure to retain records for the required amount of time places us at risk for possible

penalties, fines and other sanctions. It could also put Tree Island at a serious disadvantage in any litigation. We must manage our business records in accordance with applicable procedures and not knowingly destroy, alter, or falsify records in order to impede any pending or potential internal, civil, or governmental investigation or proceeding.

- Intellectual Property - Reproducing, distributing or altering any intellectual property subject to copyright, whether owned by Tree Island or licensed from a third party, without the permission of the copyright owner is an unauthorized use and constitutes illegal copyright infringement.

Inventions, discoveries, and copyright material, made or developed by employees in the course of, and relating to, their employment with Tree Island, are the property of Tree Island unless a written release is obtained or covered by contract.

In protecting Tree Island's resources, Tree Island reserves the right to periodically monitor access and contents of Tree Island's computer systems and networks. You should not assume you have any right to privacy of electronic data, including email, residing on Tree Island's computer resources.

#### **F. Health, Safety and Environment**

Tree Island is committed to providing a safe and healthy working environment and protecting the environment with standards and programs that meet or exceed industry standards and applicable government codes, standards and regulations in all jurisdictions in which it does business.

We must comply with all applicable environmental, health and safety laws, regulations, permits and other requirements, follow work instructions or procedures on environmental, health and safety laws, regulations and risk management, and apply our training to protect others, the environment and ourselves. We must promptly report to our supervisor or other appropriate people all environmental, health and safety incidents and report to work fit to perform our duties and be free of the effects of alcohol or drugs at work.

#### **G. Employment Practices**

Tree Island is committed to a workplace environment where everyone is treated with dignity, fairness and respect. We all have the right to work in an atmosphere that provides equal employment opportunities and is free of discriminatory practices and harassment.

- Discrimination - No one shall refuse to employ or continue to employ, nor discriminate against any person with regard to employment, term or condition of employment, based on race, national or ethnic origin, colour, religion, age, gender, sexual orientation, marital status, family status, disability, political beliefs or a conviction for which a pardon has been granted. There will be no retaliation against a person who makes a complaint of discrimination in good faith, reports suspected unethical conduct, violations of laws, regulations, or company policies, or participates in an investigation.

- Harassment - Any form of harassment or any other conduct that interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment will not be tolerated. Harassment covers a wide range of conduct, from direct requests of a sexual nature to situations where offensive behavior (for example, insults, offensive jokes or slurs or offensive material in the workplace) results in a hostile work environment. We must do our part to ensure a safe and secure workplace in which everyone can perform their duties without fear of harassment. Reports of harassment will be promptly and thoroughly investigated in as confidential a manner as possible. Tree Island will take immediate and appropriate action if harassment is determined to have occurred.

## **H. COMPLIANCE**

We must comply with all aspects of the Code and support others in doing so. In the event that anyone violates the Code, company policies and procedures or any of the laws that govern Tree Island's business, Tree Island will take immediate and appropriate action up to and including termination of employment, claims for reimbursement of losses or damages and reference to criminal authorities.

## **I. HOW TO RAISE A CONCERN**

You are obligated to promptly report any problems or concerns or any potential or actual violation of the Code. The first action should be to raise the problem with your manager or supervisor. If that is not possible for some reason or if taking it to your supervisor does not resolve the matter, it is your responsibility to take it up the chain of management or speak to someone in the Human Resources Department.

Managers and supervisors who receive reports of a possible violation of this Code must take immediate action and seek advice from a member of the senior management team on an appropriate course of action.

## **J. RETALIATION IS PROHIBITED**

Tree Island will not retaliate against anyone who reports suspected unethical conduct, breach of this Code or any company policy or any violations of laws or regulations. This means that Tree Island will not terminate, demote, transfer to an undesirable assignment or otherwise discriminate against anyone for calling attention to suspected illegal or unethical acts. This includes anyone giving information in relation to an investigation. However, Tree Island reserves the right to discipline anyone who knowingly makes a false accusation or provides false information to Tree Island.

Revised: August 2009