



## **TERRA-SINE RESOURCES LTD.**

### **Statement of Values and Business Ethics**

#### **INTRODUCTION**

The following statements are not intended to address every situation in which we are called upon to observe and practice sound business ethics. It is however intended to remind us that if we each strive to live and abide by basic ethical principles in the conduct of our business, we will foster a work environment of mutual trust and respect, which enables us to build on our industry reputation for integrity, honesty and trust which are the foundation of the company.

Terra-Sine Resources believes long-term relationships are built through honesty, openness and fair play. Therefore all aspects of our business must be based on the highest ethical standards. We are all part of a team, and must take responsibility for our own actions and conduct. Further, it should be noted that no one has authority to require or influence another employee to violate this code of conduct. Any attempt to do so may result in immediate disciplinary action, up to and including termination of employment.

Good judgment is the fundamental basis for all we do as a company, therefore understanding our ethical and legal parameters can only strengthen our judgment. We have a responsibility to follow applicable laws and regulations in all locations where we do business. Instances where the law is not explicit require using good judgment, adhering to the spirit of the law, and following the principles of honesty, integrity, and common sense.

#### **WORKPLACE ENVIRONMENT**

Terra-Sine Resources respects and highly values its diverse employee/contractor population. Thus the company has an unwavering ethical commitment toward promoting a workplace that is respectful of personal differences and free of discrimination and harassment. This principle applies in our hiring and interviewing process and all aspects of our work environment creating a respectful, positive atmosphere where our employees can be successful and achieve.

Terra-Sine Resources is committed to providing a work environment free of discrimination and harassment based on age, ancestry, color, marital status, medical condition, mental disability, physical disability (including persons infected with the HIV virus or persons with AIDS), national origin, race, religion, sex, sexual orientation or veteran status.

Terra-Sine Resources is committed to providing an atmosphere free of harassment that creates tension and/or an intimidating, offensive, or hostile work environment. Conduct that causes such conditions violates Terra-Sine's code of business conduct. Abusive, insulting, or offensive actions of any kind, including unwelcome requests for sexual favors, sexual advances, and conversation containing sexual comments, are considered harassment that disrupts or interferes with work performance or that creates an intimidating, hostile, or otherwise offensive environment. Any employee experiencing such harassment is encouraged to report the incident without fear of reprisal. All incidents will be immediately investigated and the appropriate action taken.

### **EMPLOYEE CONDUCT AND BEHAVIOR STANDARDS**

All employees are expected to contribute to the success of Terra-Sine Resources by performing their jobs as required and conducting themselves in a professional manner consistent with the company's business philosophy, values and standards of business conduct. Employee honesty and integrity are essential to ethical business practices. Employees are required to prepare all reports, including expense reports, accurately and truthfully. Additionally, it is essential to avoid making misrepresentations or dishonest statements to anyone inside or outside the company.

The following list includes, but is not limited to, unacceptable conduct that is considered detrimental to the company's best interests and may result in immediate disciplinary action, up to and including termination of employment:

- Violation of the Employee Nondisclosure and Assignment of Inventions Agreement
- Falsification of facts or company records
- Unethical, immoral, indecent or illegal conduct
- Harassment (which includes, but is not limited to, sexual harassment, physical fighting, or other abusive conduct creating an intimidating, hostile or offensive work environment)
- Discrimination against any employee or applicant due to age, ancestry, color, marital status, medical condition, mental disability, physical disability, national origin, race, religion, sex, sexual orientation, or veteran status.
- Deliberate destruction of company or other employee's property
- Theft, misappropriation, or unauthorized personal use of company property or property of others
- Insubordination/refusal to follow legitimate direction from a manager or deliberately undermining a manager's authority
- Bringing weapons, illegal substances or other contraband onto company property or being in possession, or in the case of illegal substances, under the influence, of same
- Any action which seriously impacts the company business or image in a negative or destructive way
- Any conduct that poses a threat to the health or safety of employees or company field - office operations

- Unsatisfactory attendance or abuse of sick leave
- Gambling during work hours or on company property
- Consumption or being under the influence of alcoholic beverages on company premises

Misuse of Terra-Sine Resources property, including the company's equipment, supplies, e-mail, intranet, and computer and voicemail systems can constitute unethical conduct. These tools and resources are intended to assist employees in conducting legitimate company business, and any other use of such property is discouraged.

### **CONFLICTS OF INTEREST**

A conflict of interest is generally any activity that is, or appears to be, opposed to the best business interests of Terra-Sine Resources.

Employees shall not directly or indirectly work or consult for a competitor or engage in activity that is competitive with Terra-Sine Resources business interests. It is unacceptable for an employee to utilize Terra-Sine Resources customer lists or contacts to market their own or third-party goods and services.

- Employees shall avoid having a material financial interest in any company where that interest might conflict with Terra-Sine Resources business concerns.
- Employees are not permitted to give or accept gifts and/or favored treatment. Bribes and kickbacks are in all circumstances absolutely not allowed. Receipt or provision of money is not allowed (regardless of the amount).
- Personal gifts or favored treatment expressly or tacitly conditional to obtaining business in exchange for the gift or favored treatment are never permitted. No management personnel or employees of Terra-Sine Resources may take or give bribes or kickbacks from or to contractors, subcontractors, consultants, vendors, suppliers, competitors or clients.
- Employees shall generally avoid conducting Terra-Sine Resources business with family members or other significant relationships, or taking any business action that benefits a family member or significant relationship. For example, if a Terra-Sine Resources employee has decision making authority, they should avoid dealing with any vendor that employs an immediate family member or significant relationship.
- Terra-Sine Resources expects employees to devote full attention to their work, and therefore discourages other employment outside Terra-Sine Resources. No Terra-Sine Resources employee, whether full time or part time, may engage in outside work or services for an actual or potential customer, competitor or vendor under any circumstances.

### **COMPANY CONFIDENTIAL INFORMATION**

Trade secrets, technology, ideas, client lists, marketing strategies and business plans are among Terra-Sine Resources most valuable business assets and protecting their confidential and proprietary nature is the ethical duty of every

Terra-Sine Resources employee. Employees must consider whether information they handle or share might give Terra-Sine Resources a competitive advantage or could damage Terra-Sine Resources if its disclosure were out of the company's control. If so, it would be considered Terra-Sine Resources confidential. No employee must ever attempt to obtain or use another company's proprietary information for Terra-Sine Resources benefit.

#### **CLIENT-VENDOR INFORMATION SECURITY**

Client information is vital to Terra-Sine Resources continuing success. Inadequate protection or misuse of Terra-Sine Resources information assets could give the company's competition an unfair advantage, diminish the quality of our products and services, increase the risk of litigation, or otherwise harm the company. All Terra-Sine Resources employees share a responsibility to our clients, and each other to protect Terra-Sine Resources, client, and vendor information assets from unauthorized access, use, modification, destruction, theft, or disclosure and must treat such assets in accordance with any information handling policies issued by Terra-Sine Resources

#### **LAWS AND REGULATIONS**

Ethical conduct requires the observance of the laws of all localities where Terra-Sine Resources conducts business. Violation of governing laws subjects Terra-Sine Resources to significant risk that could lead to fines, penalties and damaged reputation. Although laws and regulations vary, the following general guidelines should be followed when dealing with any governmental agency:

- **NEVER** discuss or offer employment or business opportunities to contracting officers or governmental officials who may influence an official act or decision affecting Terra-Sine Resources or its business.
- **NEVER** offer or give gifts or favors to anyone in connection with any government contracting activity, including "kickbacks" to any customer who is a prime contractor with a government entity.
- **NEVER** offer or give bribes or other questionable or irregular payments if you know, or have reason to believe, that such payments will be used to influence officials or their representatives to facilitate official decisions involving Terra-Sine Resources.