

ALGOMA CENTRAL CORPORATION CODE OF CONDUCT

MESSAGE FROM THE PRESIDENT AND CEO

Over our history, employees have developed a culture of honesty, integrity and ethical conduct. This Code of Conduct (“Code”) reflects ACC’s commitment to this culture. The Code applies to directors, officers and employees of ACC, including independent directors and officers of entities in which ACC holds a controlling interest. We all have access to the Code and we verify each year that we have complied with the Code.

It is our individual responsibility to understand and follow the Code and to act in accordance with the highest level of personal and professional integrity when fulfilling our duties and representing the Company.

Each employee of ACC represents the Company and is expected to act in a manner that will reflect the Company’s commitment to our Core Values of Teamwork, Integrity, Leadership, Responsibility and Respect. The matters dealt with in this code are to be considered representative of the behaviour expected from employees and are to be regarded as the minimum standards of performance required.

COMPLIANCE WITH LAWS, REGULATIONS, AND COMPANY POLICIES

We must comply with all applicable laws and regulations, as well as Company policies and procedures, which apply to the duties we undertake for the Company. Employees should ask for guidance from the Assistant Vice President – Human Resources if they are uncertain as to the legal or ethical implications of a particular situation.

Employees who come to realize that they may be engaged in activities which could conflict with the best interests of ACC are required to report the situation in writing to their supervisor as soon as possible.

BRIBERY AND ANTI-MONEY LAUNDERING

ACC strictly prohibits bribery. ACC employees, and any third party to whom this Principle applies, must not provide, offer or accept bribes, kickbacks, corrupt payments, facilitation payments, or inappropriate gifts, to or from Government Officials or any commercial person or entity, regardless of local practices or customs. All ACC employees and any third party acting on ACC's behalf must comply with all applicable anti-bribery laws and regulations, including, but not limited to, the Canadian Corruption of Foreign Public Officials Act (CFPOA), the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act (UKBA).

ACC is committed to complying fully with all anti-money laundering and anti-terrorism laws throughout the world. ACC will conduct business only with reputable customers involved in legitimate business activities, with funds derived from legitimate sources. Employees must comply with all laws, regulations and company policies, guidelines, standards, and other procedures to ensure compliance with this Principle.

CONFIDENTIALITY OF INFORMATION

Directors, officers and employees may obtain or have access to non-public information relating to the Company, its subsidiaries, and companies with which it does business. This information may include, but not be limited to, information that is personal in nature, financial in nature or information contained in databases developed or maintained by the Company or on its behalf. In certain instances, this information may be the subject of specific confidentiality agreements executed by ACC. It is expected that all such information will be held in strict confidence.

In addition, only information required to carry out the Company's business, and allowed under applicable laws, will be collected. This information will then be accessed, used or retained only for legitimate business reasons.

CONFLICTS OF INTEREST AND PERSONAL OPPORTUNITIES

Directors, officers and employees must not use their positions with the Company for personal gain. Activities which conflict or have the appearance of a conflict between the Company's interests and personal interests or which would cause the performance of one's duties to be impaired must be avoided.

Directors, officers and employees are not permitted to accept gifts or favours which could influence their ability to exercise objective and independent business judgment.

Should a conflict or appearance of a conflict arise or if there are concerns about the acceptance of a gift or favour, the circumstances should be discussed with the Assistant Vice President – Human Resources.

COMPANY ASSETS

The Company has developed a number of internal controls and security processes to safeguard its physical and financial assets. Officers and employees who have access to Company assets must, at all times, follow procedures for the use and protection of these assets, such as using the assets properly and only for legitimate business purposes. In particular, signing procedures must be followed and access cards and passwords must be kept confidential and secure.

RESPECT IN THE WORKPLACE

All employees have the right to work in a safe environment which fosters respect for each employee and which is free from discrimination or harassment. Any situation where an employee feels he/she has been subjected to discrimination or harassment should be disclosed to the Assistant Vice President – Human Resources, in accordance with the Company's *Respect in the Workplace* policy.

FAIR DEALING

All directors, officers and employees are expected to deal fairly with the Company's customers, security holders, suppliers, competitors and fellow employees. All directors, officers and employees must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practices.

REPORTING CONCERNS

Any known or suspected breaches of the Code should be brought to the attention of the Assistant Vice President – Human Resources, the CFO or the CEO of the Company. Reporting of such concerns must be made in good faith with reasonable grounds for believing that reportable conduct has occurred. The identity of any individual making such a report in good faith shall remain strictly confidential. Employees who have reported concerns in good faith in accordance with this policy will be protected from termination, demotion or other adverse consequences as a result of their reporting. “Good faith” does not necessarily mean that you have to be right but it does mean that you must believe that you are providing truthful information for the purpose of upholding the Code.

If you are uncomfortable reporting breaches of the Code in person, you may choose to use the Algoma Compliance hotline that has been established as part of the *Policy Regarding Complaints on Accounting and Auditing Matters* referred to below and which provides a mechanism for anonymous reporting.

This hotline can be contacted by going to <http://www.openboard.info/alc>.

SUPPLEMENTARY POLICIES

The Code is supplemented by policies which address various compliance requirements. These policies include:

Policy Regarding Employee Complaints on Accounting and Auditing Matters

Corporate Disclosure Policy

Insider Trading Policy

Information Resource Policy

Environmental Policy

Health and Safety Policy

Employment Equity Policy

Employee Privacy Policy

Respect in the Workplace Policy

The Company recognizes that there are professional codes with which certain employees are expected to adhere by virtue of their profession. If there is a conflict between this Code and any such professional code, guidance on how to proceed should be obtained from the Assistant Vice President – Human Resources.

CONSEQUENCES OF VIOLATIONS OF THE CODE OF CONDUCT

Compliance with the Code is mandatory. Failure to comply with this Code may be grounds for disciplinary action, including termination.

REVIEW OF THE CODE

Management Report to Audit Committee

On at least an annual basis, the Assistant Vice President – Human Resources will report to the Audit Committee of the Company on matters relating to compliance with the Code, including:

- the number and nature of inquiries made to the Assistant Vice President – Human Resources;
- any violations and potential violations of the Code;
- the status of any investigations undertaken pursuant to the Code; and
- any actions taken following a violation of the Code.

In addition, in rare circumstances, it may be appropriate for the Company to waive a provision of the Code and such a waiver may be provided only by the Audit Committee of the Company.

Each year directors, officers and employees will be required to acknowledge reading and complying with the Code.