

## **1. PURPOSE OF THIS CODE**

### **1.1**

This Code of Business Conduct and Ethics (“Code”) is intended to document the principles of conduct and ethics to be followed by the employees, officers (including, without limitation, the Chief Executive Officer, Chief Financial Officer and other executive officers) and directors of **IC Potash Corp.** and its wholly-owned subsidiaries (collectively referred to as the “Company”). Its purpose is to:

- promote honest and ethical conduct;
- promote avoidance of conflicts of interest between personal and professional relationships;
- promote compliance with applicable governmental laws, rules and regulations;
- promote accountability for adherence to this Code;
- provide guidance to employees, officers and directors of the Company to help them recognize and deal with ethical issues;
- promote effective and efficient interaction between employees; and
- help foster a culture of honesty and accountability for the Company.

### **1.2**

The Company will expect all its employees, officers and directors to, at all times, comply and act in accordance with the principles stated above and the more detailed provisions hereinafter set forth. Violations of this Code by any employee, officer or director may be grounds for disciplinary action up to and including immediate termination of employment, officership and directorship. This Code applies equally, without limiting the generality of the foregoing, to all permanent, contract, secondment and temporary agency employees who are on long-term assignments with the Company, as well as to consultants to the Company.

## **2. WORKPLACE**

### **2.1 A Non-Discriminatory Environment**

The Company fosters a work environment in which all individuals are treated with respect and dignity. The Company is an equal opportunity employer and does not discriminate against employees, officers, directors or potential employees, officers or directors on the basis of race, color, religion, sex, national origin, age, sexual orientation or disability or any other category protected by Canadian federal or provincial laws and regulations, or any laws or regulations applicable in the jurisdiction where such employees, officers or directors are located. The Company will make reasonable accommodations for its employees in compliance with applicable laws and regulations. The Company is committed to actions and policies to assure fair employment, including equal treatment in hiring, promotion, training, compensation, termination and corrective action and will not tolerate discrimination by its employees and agents.

### **2.2 Harassment-Free Workplace**

The Company will not tolerate harassment of its employees, customers or suppliers in any form. This includes physical harassment, menacing communication, disrespectful comments made about an employee to another employee or to a person outside the company, whether they may be viewed by the employee as reasonable or not. Criticisms may only be made as part of the formal evaluation process, or as part of a formal complaint. Any other such statements will be viewed as harassment.

### **2.3 Sexual Harassment**

Sexual harassment is illegal and all employees, officers and directors of the Company are prohibited from engaging in any form of sexually harassing behaviour. Sexual harassment means unwelcome sexual conduct, either visual, verbal or physical, and may include, but is not limited to, unwanted sexual advances, unwanted touching and suggestive touching, language of a sexual nature, telling sexual jokes, innuendoes, suggestions, suggestive looks and displaying sexually suggestive visual materials.

### **2.4 Substance Abuse**

The Company is committed to maintaining a safe and healthy work environment free of substance abuse. Employees, officers and directors of the Company are expected to perform their responsibilities in a professional manner and, to the degree that job performance or judgment may be hindered, be free from the effects of drugs and/or alcohol.

### **2.5 Workplace Violence**

The workplace must be free from violent behaviour. Threatening, intimidating or aggressive behaviour, as well as bullying, subjecting to ridicule or other similar behaviour toward fellow employees or others in the workplace will not be tolerated.

### **2.6 Employment of Family Members**

Employment of more than one family member at an office of the Company or other premises is permissible but the direct supervision of one family member by another is not permitted unless otherwise authorized by the Chair of the Audit Committee of the Company (the "Audit Committee"). If such employment is allowed, any personnel actions affecting that employee must also be reviewed and endorsed by the Chair of the Audit Committee.

## **3. ENVIRONMENT, HEALTH AND SAFETY**

### **3.1 Environment**

The Company is committed to sound environmental management. It is the intent of the Company to conduct itself in partnership with the environment and community at large as a responsible and caring business entity. The Company is committed to managing all phases of its business in a manner that minimizes any adverse effects of its operations on the environment.

### **3.2 Health and Safety**

The Company is committed to providing a healthy and safe workplace in compliance with applicable laws, rules and regulations. Employees must be aware of the safety issues and policies that affect their job, other employees and the community in general. Managers, upon learning of any circumstance affecting the health and safety of the workplace or the community, must act immediately to address the situation. Employees must immediately advise their managers of any workplace injury or any circumstance presenting a dangerous situation to them, other co-workers or the community in general, so that timely corrective action can be taken.

## **4. THIRD PARTY RELATIONSHIPS**

### **4.1 Conflict of Interest**

Employees, officers and directors of the Company are required to act with honesty and integrity and to avoid any relationship or activity that might create, or appear to create, a conflict between their personal interests and the interests of the Company. Employees must disclose promptly in writing possible conflicts of interest to their manager, or if the manager is involved in the conflict of interest, to the Chair of the Audit Committee. Directors or officers of the Company shall disclose in writing

conflicts of interest to the board of directors of the Company (the "Board") or request to have entered in the minutes of meetings of the Board the nature and extent of such interest.

Conflicts of interest arise where an individual's position or responsibilities with the Company present an opportunity for personal gain apart from the normal rewards of employment, officership or directorship. They also arise where an employee's, officer's or director's personal interests are inconsistent with those of the Company and create conflicting loyalties. Such conflicting loyalties can cause an employee, a director or an officer to give preference to personal interests in situations where corporate responsibilities should come first. Employees, officers and directors of the Company shall perform the responsibilities of their positions on the basis of what is in the best interests of the Company and free from the influence of personal considerations and relationships.

Employees, officers and directors of the Company shall not acquire any property, security or any business interest which they know that the Company is interested in acquiring. Moreover, based on such advance information, employees, officers and directors of the Company shall not acquire any property, security or business interest for speculation or investment. It is not, however, typically considered a conflict of interest if an employee, officer or director acquires an interest in a competitor, customer or supplier that is listed on a stock exchange so long as the total value of the investment is less than 5% of the outstanding stock of the company and the amount of the investment is not so significant that it would affect the person's business judgment on behalf of the Company. Notwithstanding the foregoing, any such investment is subject to and must comply with the Company's Corporate Disclosure Policy, Insider Trading Policy and applicable securities laws.

#### **4.2 Gifts and Entertainment**

Employees, officers and directors of the Company or their immediate families shall not use their position with the Company to solicit any cash, gifts or free services from any Company 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 the Company's business relationship with or create an obligation to a customer, supplier or contractor. The following are guidelines regarding gifts and entertainment:

- nominal gifts and entertainment, such as logo items, pens, calendars, caps, shirts and mugs are acceptable;
- invitations to business-related meetings, conventions, conferences or product
- relevant training seminars may be accepted or social gatherings with a primary business purpose;
- 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; and
- invitations to golfing, fishing, sports events or similar trips that are usual and customary for your position within the organization and the industry and promote good working relationships with customers and suppliers may be accepted provided, in the case of employees, they are approved in advance by your manager.

#### **4.3 Competitive Practices**

The Company firmly believes that fair competition is fundamental to the continuation of the free enterprise system. The Company complies with and supports laws of all jurisdictions which prohibit restraints of trade, unfair practices, or abuse of economic power. The Company will not enter into arrangements that unlawfully restrict its ability to compete with other businesses, or the ability of any other business organization to compete freely with the Company. The Company's policy also prohibits its employees, officers and directors from entering into or discussing any unlawful

arrangement or understanding that may result in unfair business practices or anti-competitive behaviour.

#### **4.4 Supplier and Contractor Relationships**

The Company selects its suppliers and contractors in a non-discriminatory manner based on the quality, price, service, delivery and supply of goods and services. Your decision must never be based on personal interests or the interests of family members or friends. All employees are required to conduct themselves in a business-like manner that promotes equal opportunity and prohibits discriminatory practices.

Employees must inform their managers, and officers and directors must inform the Chair of the Audit Committee, of any relationships that appear to create a conflict of interest.

#### **4.5 Public Relations**

The Company's Chief Executive Officer and Senior Vice President are responsible for all public relations, including all contact with the media. Unless you are specifically authorized to represent the Company to the media, you may not respond to inquiries or requests for information. This includes newspapers, magazines, trade publications, radio, television and shareholders as well as any other external sources requesting information about the Company. If the media contacts you about any topic, immediately refer the call to one of the above individuals.

Employees must be careful not to disclose confidential, personal or business information through public or casual discussions to the media or others.

#### **4.6 Business and Government Relations**

Employees, officers and directors of the Company may participate in the political process as private citizens. It is important to separate personal political activity and the Company's political activities, if any, in order to comply with the appropriate rules and regulations relating to lobbying or attempting to influence government officials. The Company's political activities, if any, shall be subject to the overall direction of the Board. The Company will not reimburse employees for money or personal time contributed to political campaigns. In addition, employees may not work on behalf of a candidate's campaign while at work or at any time use the Company's facilities for that purpose unless approved by the Chair of the Audit Committee.

No employee or officer may offer improper payments when acting on behalf of the Company. Bribery laws (which can vary from country to country) prohibit companies from, directly or indirectly, promising, offering or making payment of money or anything of value to anyone (including a government official, an agent or employee of a political party, labour organization or business entity, or a political candidate) with the intent to induce favourable business treatment or to improperly affect business or government decisions. Decisions about gift giving using the Company's funds must be carefully evaluated to ensure they are customary, reasonable and legal in the local market.

If you are in doubt about the legitimacy of a payment or a gift of any kind that you have been requested to make, refer such situations to the Chair of the Audit Committee.

In addition, the Company, its employees, officers and directors are strictly prohibited from attempting to influence any person's testimony in any manner whatsoever in courts of justice or any administrative tribunals or other government bodies.

#### **4.7 Officerships and Directorships**

Employees of the Company shall not act as officers or directors of any other corporate entity or organization, public or private, without the prior written approval of the Chief Executive Officer and

Chief Financial Officer. Officerships or directorships with such entities will not be authorized if they are considered to be contrary to the interests of the Company.

## **5. LEGAL COMPLIANCE**

### **5.1 Compliance with Laws, Rules and Regulations (including Insider Trading Laws)**

Employees, officers and directors of the Company are expected to comply in good faith at all times with all applicable laws, rules and regulations and behave in an ethical manner.

Employees, officers and directors of the Company are required to comply with the Company's Corporate Disclosure Policy, Insider Trading Policy and all other policies and procedures applicable to them that are adopted by the Company from time to time and provide full, fair, accurate, understandable and timely disclosure in reports and documents filed with, or submitted to, securities regulatory authorities and other materials that are made available to the investing public.

Employees, officers, directors, and consultants shall not trade securities of the Company during a closed blackout period proclaimed by the CEO or other authorized employee or officer of the Company.

Employees, officers and directors of the Company must cooperate fully with those responsible for preparing reports filed with the securities regulatory authorities and all other materials that are made available to the investing public to ensure those persons are aware in a timely manner of all information that is required to be disclosed. Employees, officers and directors of the Company should also cooperate fully with the independent auditors in their audits and in assisting in the preparation of financial disclosure.

## **6. INFORMATION AND RECORDS**

### **6.1 Confidential and Proprietary Information and Trade Secrets**

Employees, officers and directors of the Company may be exposed to certain information that is considered confidential by the Company, or may be involved in the design or development of new procedures related to the business of the Company. All such information and procedures, whether or not the subject of copyright or patent, are the sole property of the Company. Employees shall not disclose confidential information to persons outside the Company, including family members, and should share it only with other employees who have a "need to know".

Employees, officers and directors of the Company are responsible and accountable for safeguarding the Company documents and information to which they have direct or indirect access as a result of their employment, officership or directorship with the Company.

The Company maintains a high standard of accuracy and completeness in its financial records. These records serve as a basis for managing the Company's business and are crucial for meeting obligations to employees, customers, investors and others, as well as for compliance with regulatory, tax, financial reporting and other legal requirements. Employees, officers and directors of the Company who make entries into business records or who issue regulatory or financial reports, have a responsibility to fairly present all information in a truthful, accurate and timely manner. No employee, officer or director shall exert any influence over, coerce, mislead or in any way manipulate or attempt to manipulate the independent auditors of the Company.

### **6.2 Record Retention**

The Company maintains all records in accordance with laws and regulations regarding retention of business records. The term "business records" covers a broad range of files, reports, business plans, receipts, policies and communications, including hard copy, electronic, audio recording, microfiche and microfilm files whether maintained at work or at home. The Company prohibits the unauthorized destruction of or tampering with any records, whether written or in electronic form,

where the Company is required by law or government regulation to maintain such records or where it has reason to know of a threatened or pending government investigation or litigation relating to such records.

## **7. ASSETS OF THE COMPANY**

### **7.1 Use of Company's Property**

The use of Company property for individual profit or any unlawful unauthorized personal or unethical purpose is prohibited. The Company's information, technology, intellectual property, buildings, land, equipment, machines, software and cash must be used only for business purposes except as provided by this Code or approved by the Chief Executive Officer.

### **7.2 Destruction of Property and Theft**

Employees, officers and directors of the Company shall not intentionally damage or destroy the property of the Company or others or commit theft.

### **7.3 Intellectual Property of Others**

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

### **7.4 Information Technology**

The Company's information technology systems, including computers, e-mail, intranet and internet access, telephones and voice mail are the property of the Company and are to be used primarily for business purposes. The Company's information technology systems may be used for minor or incidental reasonable personal messages provided that such use is kept at a minimum and is in compliance with the Company's policies generally. The Company may monitor the use of its information technology systems.

## **8. USING THIS CODE AND REPORTING VIOLATIONS**

It is the responsibility of all employees, officers and directors of the Company to understand and comply with this Code. Any waiver from any part of this Code for employees requires the approval of the President of the Company. Any waiver from any part of this Code for officers or directors requires the express approval of the Board and, if required by applicable securities regulatory authorities, public disclosure.

If you observe or become aware of an actual or potential violation of this Code or of any law or regulation, whether committed by employees of the Company or by others associated with the Company, it is your responsibility to report the circumstances in accordance with the Company's *Whistle Blower Policy*.

***Adopted by the Board: June 14, 2009***

**FORM 7 - Code of Business Conduct and Ethics Acknowledgement**

The undersigned hereby acknowledges having received and read a copy of the "Code of Business Conduct and Ethics" dated February 19, 2010 and agrees to respect its terms and its intent at all times.

Non-compliance with the Code of Business Conduct and Ethics will result in disciplinary action up to and including termination of employment or consulting.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_