



## **Alio Gold Code of Business Conduct**

This Code of Business Conduct (the “Code”) is part of the integrated Statement of Business Conduct of the Company, which includes more detailed guideline standards of conduct for directors, officers and employees. [This Code is organized in three parts: Purposes, Duties and Responsibilities, and; Principles of Business Conduct].

### **Purposes**

This Code and associated Standards of Conduct are to promote integrity and deter wrongdoing by the directors, officers and employees, of Alio Gold Inc. (the Company”) by requiring adherence in all work and conduct which may be associated with the Company, to the following purposes:

- (a) promote honesty, accountability, good faith, and fair and respectful conduct;
- (b) promote the ethical handling of actual or apparent conflicts of interest among personal and business relationships, and the best interests of the Company, including practices for the avoidance of such conflicts;
- (c) promote full, fair, accurate, timely and understandable disclosure in reports and documents provided to securities regulators and in other public communications made by the Company or its directors, officers, agents and employees;
- (d) promote compliance with applicable laws, rules and regulations, and;
- (e) promote the protection and proper use of corporate assets, information and opportunities.

This Code is to provide guidance to recognize and deal with ethical issues, be accountable to this Code, and provide practices for inquiries and prompt internal reporting of breaches or questionable conduct.

### **Duties and Responsibilities**

- A. Each director and officer of the Company, and its senior management and employees in or related to their work for the Company, must comply fully with the applicable laws and should avoid any situation that could be perceived as improper or indicate a casual attitude towards such compliance. This includes duties to comply with all laws and corporate policies and protocols, and to act,
  - a. honestly and in good faith with a view to the best interests of the Company, and
  - b. with due skill, care and diligence that a reasonably prudent person would exercise in comparable circumstances.
- B. The Board of Directors is responsible for the strategic principles and oversight of this Code, including monitoring compliance, and may interpret or determine by resolution of a majority of directors the application to any special circumstances or conditions from time to time, including waivers from the Code that are granted for the benefit of the directors or executive officers.

- C. The Governance Committee is responsible for this Code as a policy of the Company, including (a) the statement of principles of conduct in this Code, and; (b) clarifying guideline standards and policies of business conduct. The Governance Committee will require and oversee an annual review and periodic updating to reflect changes in the legal and regulatory framework, industry practices, and the Company's business and governance approach.
- D. The Chief Risk Officer is responsible and authorized for the administration and enforcement of this Code and Standards of Business Conduct. The Chief Risk Officer must inform the Board in a timely way of all material risks. It is expected that the Chief Risk Officer will be local to mining operations, and recommended by the CEO or President for Board approval; in the absence of a separate appointment by the Board, the Chief Financial Officer will be the Chief Risk Officer for these purposes.
- E. It is the individual responsibility of each director, officer, and employee, to understand and comply with the Code of Business Conduct, including statements of purpose, duties and responsibilities, and principles of business conduct, and applicable standards, in both letter and spirit, and to ask for assistance or counsel from the Chief Risk Officer whenever a question or concern arises. As with any statement of policy, the exercise of judgment is required in determining the applicability of the Code to each individual situation. Ignorance of the Code will not excuse individuals from its requirements; never engage in behavior that harms the reputation of the Company.

## **PRINCIPLES OF BUSINESS CONDUCT**

The following Principles will guide the development and interpretation of standards of conduct for the Company:

### **1. To Act in the Best Interests of the Company**

#### **1.1 Conflicts of Interest**

The duty to act in the best interests of the Company includes avoiding situations where personal or other interests could conflict with, or appear to conflict with, the interests of the Company and its shareholders. This duty is related to principles for corporate accountability, to act impartially and without bias or interference from outside or personal interests.

Conflicts-of-interest concerns arise where an individual's personal, family, special, charitable, business or other interests, whether direct or indirect, either are in conflict with, or appear to conflict, or could conflict in the future with, the best interests of the Company.

#### **1.2 Confidentiality**

A related duty in the best interests of the Company is to preserve and protect confidential or private information of the Company, its directors, officers and employees, and of the corporate group. The duty of confidentiality survives even after the individual no longer serves on behalf of or for the Company.

### **2. To Promote Competitive Business Practices**

2.1 Fair competition is fundamental to all of the Company's operations and business. The Company complies with and supports laws of all countries which prohibit restraints of trade, unfair practices, or abuse of economic power.



2.2 The Company will not enter into arrangements which unlawfully restrict its ability to compete with other businesses, or the ability of any other business organization to compete freely.

2.3 Company directors, officers and employees are prohibited from entering into, or even discussing, any unlawful arrangement or understanding.

### 3. To Promote a Respectful Workplace Environment

3.1 Directors, officers and employees must treat each other with professional courtesy and respect at all times.

3.2 Everyone working for or with the Company must be accorded an equal opportunity to participate in a workplace free from discrimination and harassment.

3.3 Subject to compliance with this Code, no corporate action, direct or indirect, will infringe on the right of any director, officer or employee individually to decide whether, to whom, and in what amount, they will make personal political contributions; similarly, such individuals who participate in political activities in their capacities as private individuals must make every effort to ensure that they do not leave the impression that they speak or act for the Company.

3.4 The Company will pay due regard to the health and safety of its directors, officers, employees, and to the state of the environment, through compliance with federal, provincial, state and local workplace safety and environmental laws which through various governmental agencies regulate both physical safety and workplace conditions. Information systems will be established and maintained for workplace matters.

### 4. To Promote Integrity of Information, Records and Reporting

#### 4.1 Integrity of Records and Reporting

As a public company, it is of critical importance that the Company's filings with the appropriate regulatory authorities be accurate and timely, complete, fair and understandable.

#### 4.2 Accountability and Compliance

The Company will provide for the confidential and anonymous reporting of concerns or questions related to this Code, including suspected breaches or violations.

**<END OF ALIO GOLD INC. CODE OF BUSINESS CONDUCT >**

*Adopted by Board Resolution on September 29, 2009.*