
CODE OF CONDUCT AND ETHICS

1. OVERVIEW

1.1 Purpose

The Company has established and documented the standards of ethical behaviour expected of its directors, officers, management, employees, consultants, agents and contractors (Company Staff).

The Code of Conduct and Ethics (the Code) is a practical set of principles giving direction and reflecting an open and ethical approach to business conduct. By complying with the Code, it is anticipated that the Company's long-term goals will be achieved, as adherence will demonstrate honesty, integrity, fairness and equity and will create loyalty and trust in employees, clients, the community and other stakeholders.

The Code is not intended to be a set of prescriptive rules but a practical set of principles giving direction and reflecting an approach to business conduct, which is open and ethical.

The Company Staff will not knowingly participate in any illegal or unethical activity. They will not enter into any arrangement or participate in any activity that would conflict with the interests of the Company or prejudice the performance of their duties to the Company. The Board and management of the Company will actively promote compliance with all relevant laws and regulations, together with the Code.

1.2 Provision of this Code

A copy of this Code will be given to all incumbent and new Company Staff and will also be available on the Company website via the Corporate Governance Manual.

1.3 Questions – Interpretation & Enforcement of this Code

Any questions relating to the interpretation or enforcement of this Code should be forwarded to the Company Secretary.

2. GENERAL PRINCIPLES

2.1 Compliance with Laws

The Company and Company Staff are expected to comply, at all times, with all applicable laws, both in letter and in spirit. They are also expected to conduct operations in keeping with the highest legal, moral and ethical standards.

2.2 Performance of Duties by Company Staff

All Company Staff must conduct the business of the Company with the highest level of ethics and integrity in relation to each other and all others with whom they deal.

Company Staff must act:

- (a) ethically, honestly, responsibly and diligently;
 - (b) in full compliance with the letter and spirit of the law and this Code; and
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(c) in the best interest of the Company.

2.3 Breach of the Code

Any breach of applicable laws, accepted ethical commercial practices or other aspects of this Code will result in disciplinary action. Depending on the severity of the breach, such disciplinary action may include reprimand, formal warning, demotion or termination of employment/engagement (as the case may be).

Similar disciplinary action may be taken against any manager who directly approves of such action or has knowledge of the action and does not take appropriate remedial action.

Breach of applicable laws or regulations may also result in prosecution by the appropriate authorities. The Company will not pay, directly or indirectly, any penalties imposed on any Company Staff as a result of a breach of law or regulation.

2.4 Reporting Breaches of the Code

All Company Staff are requested to report immediately any circumstances which may involve a breach of this Code to the Company Secretary, the Managing Director or the Chairman.

It is in the best interests of the Company for all Company Staff to immediately report any observance of a breach of this Code.

The external auditors of the Company are responsible for reviewing the operations of the Company. Part of this review will be to report to the Board any breaches of this Code which they detect.

3. STATEMENT OF COMPLIANCE

3.1 Certificate of Compliance

From time to time, the Managing Director and Chief Financial Officer will be required to certify compliance with this Code personally and in their areas of responsibility.

3.2 Reference to Compliance in the Company's Annual Report

The Board will include reference to compliance with this Code in the Annual Report to shareholders in its Corporate Governance Statement.

4. COMPLIANCE WITH LAWS AND REGULATIONS

4.1 The Company's Operations – Compliance with Laws

The operations of the Company **must** be conducted in compliance with all laws and regulations applicable in Australia and in the jurisdictions in which the Company's operations and activities are being undertaken.

4.2 Observing the Letter and Spirit of the Law

Compliance with the law means observing the letter and spirit of the law as well as managing the business of the Company so that the Company and its Staff are recognised as "good corporate citizens" at all times.

5. UNACCEPTABLE PAYMENTS & CONTRIBUTIONS

5.1 Prohibited Payments & Contributions

Bribes, kickbacks, inducements or other illegal payments of any kind must not be made (either directly or indirectly) to or for the benefit of any government official (of any country) or any other third party in connection with obtaining orders or favourable treatment or for any other purpose.

Political contributions (to any government or political official or party) must not be made directly or indirectly on behalf of the Company without the prior approval of the Board.

5.2 Company Staff Responsibilities

Company Staff must not seek or accept any type of compensation, fee, commission or gratuity from a third party in connection with the operations of the Company.

6. GIVING OR RECEIVING GIFTS

Gifts and entertainment should not be given or received if they could be viewed as creating an obligation or that impartiality may be compromised or if they go beyond common courtesies associated with accepted ethical commercial practice.

The following items must not be given or accepted under any circumstances: cash, personal cheques, drugs, or loan payments.

Reasonable offers of entertainment may be accepted or offered up to a maximum dollar value of A\$500.00. The onus for this determination rests with individuals but frequency and circumstances must always be taken into account.

For avoidance of doubt, any gift (or series of gifts) received by Company Staff from the one party which might, as a matter of judgement, fall outside the ambit of this clause, must be reported to the Company Secretary with full details of the background of the gift.

7. PROTECTION OF COMPANY ASSETS

7.1 Responsibilities of Company Staff

The Company assets must be acquired, maintained, protected and used in an efficient manner and for legitimate business purposes.

Employees are responsible for both safeguarding the company resources under their control, including information and for maintaining the records regarding the use of resources.

Employees should not destroy or dispose of Company assets without management approval, unless the items are of nominal value or can no longer be used. Intentional damage of any asset is strictly prohibited and will be considered unacceptable behaviour.

In particular, Employees should take care to minimise the possibility of theft or misappropriation of the Company's assets and resources by any person.

7.2 Assets used for the Company's purpose only

Employees must ensure that the Company's assets and resources are used only for the purposes of the Company and in accordance with appropriate authorisations.

Employees must not use Company funds, property, or other resources for personal benefit.

Expenditures must be reported accurately and in a timely way.

Unauthorised removal of Company assets will be regarded as theft.

8. PROPER ACCOUNTING

8.1 Accounting Roles

Company Staff must ensure that all the Company's accounting records accurately and fairly reflect, in reasonable detail, all underlying transactions and all of the Company's cash, assets and liabilities.

8.2 Maintenance of Accounting Records

Accounting records must be maintained in accordance with International Financial Reporting Standards and any financial and accounting policies issued by the Company.

9. DEALING WITH AUDITORS

Company Staff must fully co-operate with the external auditors of the Company.

Company Staff must not make a false or misleading statement to the external auditors of the Company and must not conceal any relevant information from the external auditors of the Company.

10. UNAUTHORISED PUBLIC STATEMENTS

10.1 Unauthorised Statements

Company staff and directors must not respond to market speculation or rumours. Only the Managing Director and Chief Executive Officer or his delegate may respond to contacts from the media or authorize press releases for distribution.

Company Staff must not, without prior consent of the Board which may be included in the terms of engagement or as advised from time to time, directly or indirectly state that they are representing the Company or its public position in respect of any matter.

10.2 Unauthorised Activity

Company Staff must not directly or indirectly engage in any activity which could by association cause the Company public embarrassment or other damage.

11. CONFLICT OF INTEREST

11.1 Use of Position for Personal Benefit

Company Staff must not use their position for personal benefit independent from the business of the Company or to benefit any other business or person. Once a conflict of interest arises, or where the potential for a conflict is recognized, such conflict must be notified to the manager responsible for the affected business function.

Any member of the Company Staff who becomes aware of a conflict of interest must ensure that it is notified to the appropriate management.

Depending upon the seriousness and extent of the conflict, such measures as are necessary to ensure the protection of all relevant parties shall be put in place. This may include, but not be limited to, removal of individuals from positions of conflict, notification of third parties who may be affected by the situation and involvement of non-conflicted individuals in the processes, activities or decisions as required.

Directors of the Company will ensure compliance with the provisions in the Corporations Act governing conflicts of interest. Where doubt exists, the subject matter of the conflict should be referred to the Chairman of the Company, his delegate or the Chairman of the Board Audit Committee. In the case of the Chairman the subject matter should be referred to the Chairman of the Board Audit Committee.

11.2 Taking Advantage of Property

Company Staff must not take advantage of any property or information belonging to the Company, or opportunities arising from those, for personal benefit independent from the business of the Company or to benefit any other business or person.

11.3 Interest in Third Parties

No Company Staff, or any family member or companion over which the Staff member has influence, may directly or indirectly have an equity interest in, or have a significant beneficial connection with, any business or individual with whom the Company have entered into a commercial contract, without the prior written consent of the Chairman or his nominee. This paragraph permits contractors and consultants to have outside interests, providing that they are disclosed by the individual at the time of entry into contract with the Company.

11.4 Outside Business Activity

Company Staff must not engage directly or indirectly in any outside business activity involving commercial contact with, or work for the benefit of, third parties with whom the Company have entered into a commercial contract, without the prior written consent of the Chairman or his nominee.

12. USE OF INSIDE INFORMATION

12.1 Non Disclosure of Confidential Information

The Company Staff will protect the Company's confidential information. Confidential information of the Company will only be used in accordance with the authorized procedures of the Company or as required by relevant laws and regulations.

The same protection applies to third-party or personal information, which comes into the possession or control of the Company.

All contractual relationships involving the Company, including employment agreements, will contain provisions for the protection of the confidential or personal information of the Company and third parties. Confidentiality is promoted throughout the Company with regular reinforcement, in particular to price sensitive information.

Each member of staff is required to sign a confidentiality agreement on commencement of employment to protect both Company and client information.

12.2 The Company's Confidential Documents

Company Staff must maintain the confidentiality of all the Company's documents and must not disclose any information contained within the documents to any third party without the prior consent of a Director of the Company.

If employees breach the policy of non-disclosure they may be disciplined.

13. RESPONSIBILITIES TO STAKEHOLDERS

13.1 Shareholders and Investment Community

It is Management's task to achieve and the Board's role to oversee the delivery of shareholder value through the sustainable and efficient operation of the Company, sound reporting and risk management practices and compliance with the continuous disclosure regime.

13.2 Employees

Through its Occupational Health and Safety Policy and Procedures, the Company aims to maintain a safe environment for both its employees and clients, as far as is reasonably practicable. It is the employee's responsibility to comply with the requirements specified in the Policy. The Company manage its operations in line with the dictates of Equal Employment Opportunity (EEO). All employees regardless of sex, race, marital status or religious beliefs, are given equal opportunities in terms of promotion, transfer and training. Refer to our Social Responsibility Charter for further details.

The Company aims to be considered an "employer of choice" by establishing policies & practices that promote a healthy work/life balance, such as:

- Enabling flexible working hours.
- Allowing unpaid leave.
- Recruiting both graduates and more mature age staff.
- Adopting an equal opportunity policy.
- Maintaining an effective occupational health & safety system.
- Developing individual training plans for all employees where appropriate.

13.3 Stakeholders

The Company Staff will deal fairly, honestly and lawfully with all customers, suppliers, competitors, employees and any other parties with whom the Company conducts business.

13.4 Corporate Social Responsibility

The Company strives to be trusted and to operate in a manner which encourages lasting, beneficial and interactive relationships with the communities in which we operate. The Company's commitment is to be a socially responsible corporate citizen and to make a positive contribution, which is beyond any legal requirements. The Company recognises how vital it is to contribute to the wider community and to this end, actively encourages its employees to perform voluntary activities either as individuals or as teams. The Company may from time to time contribute to any sponsorships in which its employees are involved.

13.5 Social Responsibility

The Company recognises the need to create and maintain high environmental, social and ethical standards. Sustainable long-term shareholder growth can be delivered only with strong corporate responsibility in every aspect of business operations.

This Code outlines what stakeholders can expect of the Company: fair dealing and responsible treatment, with the objective of promoting positive outcomes for all parties while maximising economic value.

