



# CODE OF CONDUCT

## **PREAMBLE**

The reputation and integrity of Ausgold Limited and its subsidiaries ("Ausgold") depends on its directors and employees acting, and being seen as acting, in a way which is consistent with best practice for corporate governance in the community in which Ausgold operates.

Ausgold expects all employees to adhere to the highest standards of personal and professional integrity and to avoid any conduct that might reflect unfavourably upon them, other employees or upon Ausgold. Ausgold's business goals are important and demanding but these goals must be achieved honestly and ethically.

With these qualifications in mind, the Board has adopted this Code of Conduct, which sets forth the standards of behaviour that Ausgold requires of its officers and employees. The Board, management and all employees of Ausgold are committed to implementing this Code of Conduct.

## **COMPLIANCE**

The provisions of this Code are mandatory and apply to all employees of Ausgold Limited and its subsidiaries, and to joint ventures managed by Ausgold Limited. It is the responsibility of the CEO to ensure that the provisions of this Code are complied with.

It is the responsibility of all employees with executive or managerial responsibilities to ensure that the provisions of this Code are communicated to all employees reporting to him or her and to report any contraventions of this Code to the CEO, Chairman or Company Secretary. While a record of such reports will be kept by Ausgold for investigation purposes, the identity of the employee making the report in good faith is to remain confidential insofar as is possible and that employee will not be subject to any form of retribution.

Disclosure of an employee's personal situation or transaction which may be in contravention of this Code must be made promptly and in writing to the employee's immediate supervisor. The supervisor must determine what action, if any, should be taken by both the supervisor and employee and must recommend that action in writing for approval by the Board.

If a conflict with this Code exists but there is no failure of good faith on the part of the employee, it is Ausgold's policy to allow a reasonable amount of time for the employee to correct the situation in order to prevent undue hardship or loss. Decisions in this regard are, however, within the sole discretion of Ausgold's management, whose paramount concern is in the best interests of Ausgold.

Failure to adhere with laws or regulations governing Ausgold's business, this Code or other Ausgold policy or requirement, may result in disciplinary action including termination and if warranted, legal proceedings.

Action or failure of action in contravention of the Code may be considered as unauthorised and outside the course of employment and over zealousness, good intentions and failure to seek timely legal advice will not excuse violations of this Code. Ausgold will not indemnify the officer or employee for his or her costs that arise out of such conduct and an employee's failure to adhere to the provisions of this Code or other policies of Ausgold, or the relevant law and regulations, may

result in disciplinary action including termination of and (if warranted) legal proceedings against that employee. Employees are encouraged to discuss the application of this Code to specific business circumstances with, and are required to report any contravention of the Code to, the CEO, the Chairman or the Company Secretary.

### **COMPLIANCE WITH THE LAW**

Employees are expected to comply with the laws and regulations of the country in which they work.

Ignorance of the law is not a defence. Moreover, agreements or arrangements need not necessarily be in writing for contravention to be inferred from the conduct of the parties. If this Code does not cover a particular situation or if the application or interpretation of a local law is uncertain, or in circumstances where the proper course of ethical conduct is unclear, employees should seek the assistance of their supervisor who, if necessary, should seek competent local legal advice or, if necessary, the advice of Ausgold's counsel. If there is insufficient time to obtain such advice, employees should conduct themselves in a manner they would not hesitate to have publicly disclosed.

### **CONFLICTS OF INTEREST**

Directors and employees should not engage in activities or hold property which would involve a material conflict of interest or which might impair the exercise of his or her independent judgment, fiduciary responsibility, initiative or efficiency in acting for Ausgold, or expose the employee and/or Ausgold to legal liability or public criticism. If a conflict of interest or potential conflict of interest arises, immediate full disclosure must be made to the CEO who must manage the conflict in such a way that the interests of Ausgold as a whole are safeguarded.

Employees and their immediate family members must not have interests or investments in a competitor, customer, partner, co-venturer or supplier of Ausgold that would create, or appear to create, a conflict of interest. A conflict of interest would not normally arise out of merely holding shares in a company. However, a conflict of interest could arise if, for example, the employee held shares in a company which is a supplier and the employee was able to influence decisions relating to the award of contracts to that company.

Employees must not be in a position of influence regarding the employment conditions or performance assessment of a partner or family member except in exceptional circumstances and with the knowledge of the employee's supervisor or as approved by the CEO.

### **CONFIDENTIALITY**

It is a condition of employment that employees must not, unless authorised to do so, reveal to any person or company any information concerning Ausgold which is not already in the public domain, including each employee's terms and conditions of employment. Employees must not make improper use, including for personal benefit of himself or herself or any other person or company, of any knowledge, documents, company resources and assets or information concerning the affairs of Ausgold.

On termination of employment, for whatever reason, employees must remit to Ausgold all information, reports, maps, documents, and materials which an employee may have in his or her possession relating to the affairs of Ausgold. Employees are subject to an obligation of secrecy and non-use regarding all information, ideas, techniques, process, and knowledge acquired regarding the affairs of Ausgold during employment which is not already in the public domain.

All inventions, information, ideas, techniques, processes and knowledge developed by Ausgold or an employee during employment with Ausgold is the property of Ausgold and employees have no right of ownership or right to patent without the express prior written consent of the Board of Ausgold.

Any breach of an employee's obligation of confidentiality will justify Ausgold in obtaining an injunction to prevent further damage being done to Ausgold or its affairs resulting from this breach.

Ausgold is committed to recognising and respecting the privacy of its employees. Ausgold will only collect personal information from employees ethically and lawfully and in a manner which is not unreasonably intrusive. Personal information will be used only for the purposes for which an employee has disclosed it to Ausgold. However, Ausgold may use or disclose an employee's personal information where it is necessary to prevent a serious threat to health or safety, or is required by law, or to enforce the law.

### **PROFESSIONAL BEHAVIOUR**

All employees are required to maintain the highest levels of professional conduct in their interactions with each other and in representing Ausgold in the community. Business relationships must be maintained in a manner which is consistent with principles of honesty, integrity and fairness which meet, as a minimum, the laws applicable to behaviour in the work environment.

All forms of discrimination and harassment are prohibited. Ausgold is committed to equal opportunity, personal rights and freedom, in all aspects of its operations.

Each employee has an obligation to use their best efforts to deal in a fair and responsible manner with each of Ausgold's third parties to allow Ausgold to build successful and lasting business relationships.

Ausgold does not seek competitive advantage through illegal or unethical business practices. Employees must not take unfair advantage of any person or company through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any unfair dealing practice.

### **RESPONSIBILITY TO EMPLOYEES**

Ausgold recognises and values the contribution made by its employees. Employment practices are guided by:

- fairness and privacy;
- absence of discrimination and harassment;
- safe work systems; and
- respect of environmental obligations and practices.

## **CONDUCT OF EMPLOYEES**

Ausgold's employees:

- must not engage in any illegal activities;
- are expected to act and behave in a professional manner commensurate with the employee's position and to diligently fulfil their responsibilities to the highest professional and ethical standards;
- must conduct their affairs with contractors and suppliers in such a manner that the interests of Ausgold are not compromised in any way;
- must respect the local culture, politics, religion, customs and lifestyle of Australia or any other countries that the employee may be required to visit on Company business;
- must not, without prior consent of management, become involved in any way whatsoever in the local political, religious, or socio-economic situations in Australia or any other countries that the employee may be required to visit on company business;
- are expected to be loyal to peers, subordinates, supervisors and Ausgold;
- are required to be honest in dealings with fellow employees and suppliers/contractors and with the community; and
- must respect and must not discriminate against any other person for whatever reason, including but not limited to race, culture, politics, religion, gender, age or life style.

Ausgold follows safety policies and procedures which facilitate a safe workplace for all employees.

Each employee is expected to actively participate in all safety and health programs and assist in providing a safe and healthy work and leisure environment for fellow employees. It is a condition of employment that each employee complies with relevant Acts, regulations, other Ausgold codes of practice and Ausgold's safety policy systems and procedures. Breaches of any aspects of these programs are regarded as serious disciplinary offences. All injuries and accidents must be reported immediately to the employees' supervisor or the Company Safety Officer. Employees have the right to work in an environment free from violence and threats, physical, verbal or written.

## **CONFLICT WITH EMPLOYEE'S RESPONSIBILITIES**

Ausgold commends part-time participation by its employees in public service and management will, whenever practicable, approve and support such activity. Employees should, however, obtain such approval before assuming any office or directorship or participating in any activity that would tend to deprive Ausgold of the time and attention required of the employee to perform his or her duties properly.

## **DRUGS AND ALCOHOL**

Ausgold recognises its duty to ensure the health and safety of all employees and persons at their place of work, and, further, recognises the potential danger of drugs and alcohol, and individuals affected by drugs and alcohol, in the workplace.

Ausgold's policies include a comprehensive drug and alcohol program. Ausgold may, from time-to-time, run a random testing program in the workplace, and will take strict disciplinary action if an employee is found to be adversely affected by drugs or alcohol.

Ausgold does not allow the use or storage of narcotic drugs on its properties, in its offices or accommodation buildings or in its vehicles.

Ausgold does not allow persons that are affected by drugs and/or alcohol in the workplace or to operate any Company vehicles or equipment. For the purposes of this policy, employees are required to maintain a blood alcohol content of equal to or less than 0.00% whilst at their normal place of work or within Ausgold working property or premises.

Ausgold reserves the right to carry out:

- random searches for narcotic drugs;
- random testing of people in the workplace or operating Company vehicles and equipment to identify those persons affected by drugs and/or alcohol. Those found in possession of narcotic drugs or affected by alcohol and/or drugs will be subject to disciplinary action which may include dismissal depending on the severity and circumstance of the incident; and/or
- testing of people in the workplace or operating Company vehicles and equipment where the person is reasonably suspected to be affected by drugs or alcohol.

#### **GIFTS AND ENTERTAINMENT**

Employees must not seek, offer or accept any payments, gifts, benefits or entertainment (including courtesies, bribes, facilitation payments, inducements or commissions) beyond that which is considered as normal and legitimate business practice. If a gift is offered to an employee that could be construed by others as improper, the offer of the gift must be reported to that employee's immediate manager whose approval is required before such a gift can be accepted. It is important to assess the value having regard to local customs and traditions. A record of any gift, entertainment or other personal favour or assistance given or received which has a value in excess of AUD\$50 must be declared to the employee's supervisor. A gift may be viewed as a bribe if it is not declared.

#### **IMPROPER PAYMENTS AND DEALINGS WITH THIRD PARTIES**

Any payment or gift made or offered to a third party, such as an agent or a consultant, in connection with the obtaining or retaining business or benefit for Ausgold shall be no more than an amount which by normal commercial standards would be properly and openly payable for the services rendered by the third party. Any payment in the nature of a bribe or "kick-back" is prohibited.

Dealings with third parties must be conducted in a manner that will not compromise the integrity, or place in question the reputation, of Ausgold or its officers and employees.

#### **COMMUNITY RESPONSIBILITY**

Ausgold will recognise, consider and respect community issues which arise in relation to Ausgold's activities and comply with all applicable legal requirements.

Ausgold's ability to conduct business may be affected by federal, state or local government decision making. Therefore, Ausgold seeks to have open and constructive relationships with various governments departments and agencies where appropriate. Ausgold regularly shares information and opinions with governments on issues that affect it. The exchange of information and opinions is essential to informed decision-making by both government officials and Ausgold. Employees must have permission in order to disclose information on Ausgold's operations to governments on behalf of Ausgold and must ensure that the information is accurate, complete and disclosed in accordance with Ausgold's Continuous Disclosure Policy. Errors or omissions may be construed as a violation of the law or regulations and may damage Ausgold's credibility.

## **SHAREHOLDER AND FINANCIAL COMMUNITY RESPONSIBILITY**

Ausgold is committed to delivering value to its shareholders and to representing Ausgold's growth and progress truthfully and accurately. Ausgold also complies with the laws and regulations that govern shareholder's rights.

Ausgold is committed to safeguarding the integrity of financial reporting and as such will openly promote and instigate a structure of review and authorisation designed to ensure the truthful and factual presentation of Ausgold's financial position.

Ausgold's books, records and accounts are to reflect accurately, fairly and in reasonable detail, all transactions in accordance with the highest standards of integrity and applicable generally accepted accounting principles.

Appropriate records must be kept of all transactions and there are to be no cash funds, bank accounts, investments or other assets, which are either not recorded or inadequately recorded on the books. No payment is to be approved without adequate supporting documentation.

Individuals and entities with whom Ausgold deals may request that commissions, service fees and other amounts be remitted to third persons or bank accounts in third countries. Such payments may only be made if:

- the amount payable does not arise from artificial additions to normal pricing;
- payment is authorised in writing by the individual or entity earning the commission, fee or other amounts;
- payment is made to the same individual or entity to which it is owed or to an affiliate under common ownership; and
- payment will not violate applicable law.

Frank disclosure is to be made to all reasonable enquiries of Ausgold auditors and legal advisors.

Employees shall not influence, coerce, manipulate or mislead any internal auditor or any independent public accountant or adviser engaged by Ausgold in the performance of an audit for the purposes of rendering the financial statements materially misleading.

Ausgold's mineral reserves and resources must be defined, calculated and disclosed in a manner consistent with applicable laws, security regulations and Ausgold's established procedures.

Ausgold has obligations in relation to the periodic and continuous disclosure of information about Ausgold and its activities. In order to comply with its disclosure obligations, Ausgold has developed a Continuous Disclosure Policy, applicable to all employees. A failure to comply with these disclosure obligations may result in Ausgold's shares being suspended, or in exceptional circumstances, removed from trading on the Australian Securities Exchange.

#### **AMENDMENT OF THIS CODE**

This code has been adopted by the Board. Any amendment to this code can only be approved by the Board.

#### **REVIEW OF THIS CODE**

The Company will monitor compliance with this code periodically by liaising with the Board, management and staff, especially in relation to any areas of difficulty which arise from this code and will consider any suggestions for improvement. The Company Secretary will conduct a review of this code and the effectiveness of Ausgold's standards of conduct with respect to the objects of this code at least once annually, to ensure compliance with the law and determine the extent to which the ASX Corporate Governance Council's Principles and Recommendations ("ASX Principles") have been met. The Company Secretary will report to the Board with his or her recommendations for consideration by the Board.

#### **DISCLOSURE**

Ausgold's annual report must include an explanation of any departure from Recommendation 3.1 of the ASX Principles.

A copy of this code should be made available on Ausgold's website and is to be made available to shareholders of Ausgold upon request.