



**Queensland Magnesia Pty Ltd**

**CODE OF BUSINESS CONDUCT AND ETHICS**

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## QUEENSLAND MAGNESIA PTY LTD

### CODE OF BUSINESS CONDUCT AND ETHICS

#### 1. Introduction

Queensland Magnesia Pty Ltd (QMAG) aims to maintain a high standard of ethical business behaviour at all times and expects its Directors, Senior Executives and employees to treat others with fairness, honesty and respect.

1.1 The purpose of this Code is to:

- a) Articulate the high standards of honest, ethical and legal behaviour expected of its Directors, Senior Executives and employees;
- b) Encourage the observance of those standards so as to protect and promote the interests of shareholders and other stakeholders in QMAG;
- c) Guide Directors, Senior Executives and employees as to the practices thought necessary to maintain confidence in QMAG's integrity;
- d) Set out the responsibility and accountability of Directors and Senior Executives in particular to report and investigate reports of unethical practices.

1.2 This Code applies to:

- a) The Board of Directors of QMAG, including the Managing Director ("Directors");
- b) Senior Executives of QMAG including:
  - The Managing Director;
  - Any other employee or officer who has the opportunity to materially influence the integrity, strategy and operation of the business and financial performance of QMAG ("Senior Executives").
- c) All employees of the QMAG Group.

1.3 In this Code, a reference to QMAG also includes a reference to any one or more of the QMAG Group entities.

#### 2. Compliance with Laws, Regulations, Policies and Procedures

2.1 QMAG requires and expects its Directors, Senior Executives and employees to:

- a) Comply with all laws, rules and regulations that apply to QMAG in the conduct of its business and affairs;
- b) Abide by all applicable rules and standards of bodies empowered to regulate the businesses in which QMAG operates;

- c) Comply with all contractual obligations and other undertakings without attempting to evade or delay compliance;
  - d) Abide by all protocols, policies and procedures of QMAG, including those of its related entities and as are directly applicable to Directors, Senior Executives and other employees respectively.
- 2.2** Employees are encouraged to seek guidance from QMAG's Senior Executives concerning the appropriate response to perceived unethical behaviour encountered within QMAG or by competitors or customers.
- 2.3** QMAG, its Directors, Senior Executives and employees will co-operate with regulatory bodies in any properly constituted investigation.

### **3. Honesty and Integrity**

QMAG expects that its Directors, Senior Executives and employees will:

- a) Deal fairly with all parties;
- b) Be respectful in all dealings with others and treat them openly and honestly without prejudice or discrimination;
- c) Not behave in a manner that is fraudulent, corrupt or unlawful;
- d) Refuse all payments and incentives from third parties that may compromise decisions or judgements.

### **4. Proper Use of Position and Resources**

**4.1** QMAG requires Directors, Senior Executives and employees to comply with their legal, statutory and equitable duties as officers or employees of QMAG. Each will apply and use their corporate position and corporate resources in a responsible manner.

Broadly, this includes duties to:

- a) Act in good faith and in the best interests of QMAG as a whole;
- b) Act with due care and diligence;
- c) Act for proper purposes;
- d) Avoid conflicts of interest or duty;
- e) Refrain from:
  - Making improper use of information gained through their office or employment;
  - Taking improper advantage of their position;
  - Soliciting gifts or benefits from other parties.

## **5. Confidentiality and Privacy**

- 5.1** All Directors, Senior Executives and employees must:
- a) Maintain the confidentiality of all proprietary, commercial or other information that is confidential to QMAG, its customers, suppliers or employees that is acquired in the course of performing their duties for QMAG;
  - b) Not make improper use of, or improperly disclose, such confidential information to third parties, except as otherwise approved by Directors or Senior Executives required by law or the listing rules of an applicable stock exchange.
- 5.2** Directors, Senior Executives and employees must keep confidential the existence and details of Board and management information, discussions deliberations and decisions to the extent that they:
- a) Are not publicly known;
  - b) Have not been approved by Directors or Senior Executives for public release.
- 5.3** All other information that is not generally available concerning the activities, results, or plans of QMAG must be used for authorised purposes only. Such confidential information should be treated and communicated with care, and must not be disclosed outside QMAG without permission from management.
- 5.4** Directors, Senior Executives and employees must treat all information given to QMAG by customers as confidential.
- 5.5** These obligations of confidentiality continue after Directors, Senior Executives and employees retire from or otherwise leave QMAG.

## **6. Conflicts of Interest**

- 6.1** A conflict of interest may arise if Directors, Senior Executives or employees, or their family, friends or business associates have a personal interest in a business decision involving QMAG.
- 6.2** Directors, Senior Executives and employees must all use reasonable endeavours to avoid being in a situation in which their personal or external interests could conflict with the best interests of QMAG.
- 6.3** Where a Director or Senior Executive has (or becomes aware of) an actual or potential conflict of interest or duty in connection QMAG's affairs (whether the conflict involves that Director or Senior Executive or another officer or employee), QMAG expects the Director or Senior Executive to be vigilant in seeking to ensure that:
- a) The person who has the conflict complies with all applicable fiduciary obligations to QMAG;

- b) Adequate and appropriate steps are taken to safeguard the interests of QMAG and its shareholders.

**6.4** Where an employee has (or becomes aware of) an actual or potential conflict of interest, QMAG requires the employee to:

- a) Disclose the conflict or potential conflict to their manager;
- b) Follow their manager's instructions about how to resolve the conflict.

**6.5** Directors must obtain the Chairman's, and all other employees their manager's, permission to serve in any capacity in a business, company or other organisation if there is a possibility that their role or duties in that capacity could conflict with the best interests of QMAG.

## **7. Fair Dealing**

**7.1** QMAG will respect the rights and dignity of employees by providing:

- a) Fair, open, honest, dignified and non-discriminatory treatment;
- b) A safe and healthy working environment;
- c) Training and development to maximise individual potential and contribution to QMAG;
- d) Fair and equitable remuneration;
- e) The opportunity to give and receive feedback on their work and individual performance.

**7.2** QMAG will engage only in fair and vigorous competition.

**7.3** QMAG will treat customers in a fair, open and honest manner.

**7.4** QMAG expects its Directors, Senior Executives and employees to also deal fairly with its customers, competitors and fellow employees.

**7.5** QMAG expects its Directors, Senior Executives and employees will not take unfair advantage of any party dealing with QMAG through illegal conduct, manipulation, undue influence, concealment, abuse of privileged or confidential information, misrepresentation of material facts, or any other unfair dealing practice.

## **8. Gifts, Benefits and Improper Payments**

**8.1** As previously stated in paragraph 4.1, Directors, Senior Executives and employees must refrain from soliciting gifts or benefits from other parties. All employees must exercise due care and discretion when giving or receiving business related gifts or benefits.

**8.2** Directors, Senior Executives and employees must not give or accept any gifts or benefits from any person doing business with QMAG if the gifts or benefits could reasonably be regarded as influencing the recipient or creating business obligations



on the part of the recipient. This includes but is not limited to improper payments such as bribes, kickbacks, facilitation payments and extortion.

- 8.3** Reasonable offers of gifts or benefits of moderate value may be provided or accepted where it is legal and in accordance with business practice.

## **9. Protection and Proper Use of QMAG's Assets**

- 9.1** QMAG expects Directors, Senior Executives and employees to use reasonable endeavours to protect the assets of QMAG and to ensure their efficient use. Any suspected (on reasonable grounds) incidents of fraud or theft should be reported immediately for investigation.
- 9.2** Directors, Senior Executives and employees must use the assets of QMAG (such as funds, products, vehicles and computers) for legitimate business purposes only. Use for other purposes must be approved by Directors or Senior Executives.
- 9.3** Directors, Senior Executives and employees must protect the assets of QMAG (including proprietary information such as intellectual property, business and marketing plans, employee information and any information concerning QMAG that is not generally known to the public, subject to any Continuous Disclosure protocols). This obligation to protect QMAG's assets continues after Directors, Senior Executives and employees retire from or cease employment with QMAG.

## **10. Political Donations and Activities**

- 10.1** QMAG will not make direct political donations to any political party, no matter what the persuasion, at any level of government be it Federal, State or Local, without explicit approval from the Board. However, it is recognised that it may be necessary from time to time, for legitimate business reasons, for Directors, Senior Executives and employees to attend politically related functions.
- 10.2** Directors, Senior Executives and employees may personally make contributions to, and participate in, political activities provided they do not use QMAG's funds, time, equipment, supplies, facilities or other resources without Board approval in relation to those contributions or activities.
- 10.3** When attending political activities, Directors, Senior Executives and employees must ensure that they:
- a) Do not represent, or claim to represent the views of QMAG;
  - b) Do not claim to have the endorsement of QMAG in expressing their private views.

## **11. Compliance with the Code of Conduct**

- 11.1** QMAG is committed to promoting and maintaining a culture of honest, ethical and law abiding behaviour. To fulfil this commitment, QMAG needs to be able to ensure that:
- a) Violations of these standards, requirements and expectations are detected and reported;

- b) Appropriate action is taken in response to any such violations.

**11.2** Accordingly, QMAG encourages Directors, Senior Executives and employees to report promptly in good faith any serious violations or suspected violations of this Code. Directors should report any such violations initially to the Chairman of the Board, or failing that, Company Secretary. Senior Executives should report any such violations to the Company Secretary, or failing that, to the Chairman of the Board. Employees should report any such violations to their immediate supervisor, or failing them, to their department manager or the Company Secretary.

**11.3** QMAG affirms that where a Director, Senior Executive or employee (Reporting Officer) reports, in good faith, an actual or suspected violation of this Code, the position of the Reporting Officer will be protected, including through the following measures:

- a) The Reporting Officer's identity will not be revealed without the consent of the Reporting Officer (except where such disclosure is required by law);
- b) No disciplinary, discriminatory or other adverse action will be taken (or tolerated) against the Reporting Officer as a consequence of reporting, in good faith, that violation or suspected violation.

**11.4** QMAG requires all Directors, Senior Executives and employees who receive a report of an actual or suspected violation of this Code to take all reasonable steps within their control to ensure that:

- a) The behaviour alleged in the report is thoroughly investigated, the rules of natural justice are observed in that investigation and that appropriate disciplinary action is taken if the allegation is substantiated;
- b) The requirements set out in paragraph 11.3 are strictly complied with.

**11.5** Directors, Senior Executives and employees who are proven to have breached this Code will face disciplinary action which, depending on the seriousness and severity of the breach, could include dismissal or legal action, or both.