



## CODE OF CONDUCT AND ETHICS

### **1. OVERVIEW**

#### **1.1 Purpose**

The Afton Energy Pty Ltd (Afton) Code of Conduct and Ethics (Code) governs all Afton's commercial operations and the conduct of Directors, employees, consultants, contractors and all other people when they represent Afton (Personnel).

#### **1.2 Provision of this Code**

A copy of this Code will be given to all incumbent and new Personnel.

#### **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**

Afton, its subsidiaries and associated entities and Personnel are expected to comply, at all times, with all applicable laws. They are also expected to conduct Afton operations in keeping with the highest legal, moral and ethical standards.

#### **2.2 Performance of Duties by Personnel**

All Personnel of Afton, its subsidiaries and associated entities must conduct the business of Afton with the highest level of ethics and integrity in relation to each other and all others with whom they deal.

Personnel must act:

- i. ethically, honestly, responsibly and diligently;
- ii. in full compliance with the letter and spirit of the law and this Code; and
- iii. in the best interest of Afton.

#### **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. Afton will not pay, directly or indirectly, any penalties imposed on any Personnel as a result of a breach of law or regulation.

## **2.4 Reporting Breaches of the Code**

All Personnel 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 Afton for all Personnel to immediately report any observation of a breach of this Code.

The external auditors of Afton are responsible for reviewing the operations of Afton. 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.

## **4 COMPLIANCE WITH LAWS AND REGULATIONS**

### **4.1 Afton Operations – Compliance with Laws**

The operations of Afton **must** be conducted in compliance with all laws and regulations applicable in Australia and in the jurisdictions in which Afton'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 Afton so that Afton and its Personnel 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 Afton without the prior approval of the Board.

### **5.2 Personnel's Responsibilities**

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

## **6 GIVING OR RECEIVING GIFTS**

Personnel must not give, seek or accept in connection with the operation of Afton any gift, entertainment or other personal favour or assistance which goes beyond common courtesies associated with accepted ethical commercial practice. For avoidance of doubt, any gift (or series of gifts) received by Personnel from the one party which might, as a matter of judgement, fall outside the ambit of this paragraph, must be reported to the Company Secretary with full details of the background of the gift.

## **7 PROTECTION OF AFTON ASSETS**

### **7.1 Responsibilities of Personnel**

Personnel are responsible for taking all prudent steps to ensure the protection of Afton's assets and resources. In particular, Personnel should take care to minimise the possibility of theft or misappropriation of Afton's assets and resources by any person.

### **7.2 Assets used for Afton Purpose only**

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

## **8 PROPER ACCOUNTING**

### **8.1 Accounting Roles**

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

### **8.2 Maintenance of Accounting Records**

Accounting records must be maintained in accordance with Australian Financial Reporting Standards and any financial and accounting policies issued by Afton.

## **9 UNAUTHORISED PUBLIC STATEMENTS**

### **9.1 Unauthorised Statements**

Personnel must not, without prior consent of the Afton 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 Afton or its public position in respect of any matter.

### **9.2 Unauthorised Activity**

Personnel must not directly or indirectly engage in any activity which could by association cause Afton public embarrassment or other damage.



## **10 CONFLICT OF INTEREST**

### **10.1 Use of Position for Personal Benefit**

Personnel must not use their position for personal benefit independent from the business of Afton or to benefit any other business or person.

### **10.2 Taking Advantage of Property**

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

### **10.3 Interest in Third Parties**

No Personnel, or any family member or companion over which the Personnel has influence, may directly or indirectly have an equity interest in, or have a significant beneficial connection with, any business or individual with whom Afton 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 Afton.

### **10.4 Outside Business Activity**

Personnel 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 Afton have entered into a commercial contract, without the prior written consent of the Chairman or his nominee.

## **11 USE OF INSIDE INFORMATION**

### **11.1 Non Disclosure of Confidential Information**

Personnel must not disclose confidential Afton information to any third party without the prior consent of a Director of Afton, or if required by law.

### **11.2 Confidential Afton Documents**

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

### **11.3 Personal Gain**

Personnel must not use Afton's information for the purpose of directly or indirectly obtaining personal gain.