

E&A Limited
ACN 088 588 425
("Company")

Code of Conduct

This code of conduct has been ratified by the Board of Directors of E&A Limited on 24 October 2007


Chairman

Next due for review October 2008.

Revision History
Version No
1

Date Approved by the Board
24 October 2007

1. BACKGROUND

1.1 Core Values

The Company's core values are:

- 1.1.1 increased safety awareness, maintain safe environment;
- 1.1.2 to act with honesty and integrity in everything we do;
- 1.1.3 caring about our community and environment;
- 1.1.4 customer responsiveness and quality; and
- 1.1.5 commitment to building shareholder value by organic and acquisition earnings growth.

1.2 Purpose

- 1.2.1 The Company recognises and understands the importance of establishing this code of conduct ("**Code**") so as to assist the Company, the Board and all the Employees of the Company to adhere to:
 - (a) the highest standards of business, professional and ethical conduct and strive for best practice in achieving and implementing the Company's core values; and
 - (b) their legal obligations; and
 - (c) the reasonable expectations of their stakeholders.
- 1.2.2 The Code provides guidance to all levels of the Company on how to maintain the standards and meet the expectations placed on all Employees by both the Company and the community.

1.2.3 As the conduct differs between the levels of the Company, the Code separately addresses the conduct of:

- (a) all employees, agents of the Company ("**Employees**");
- (b) senior management and executives;
- (c) Directors; and
- (d) the Company as a whole, with particular attention to its social responsibility.

1.3 **Administration**

1.3.1 Once appointed, the Human Resources Manager is to be responsible for the day to day administration of the Code. The Human Resources Manager must refer all material breaches of the Code to Board and the Board shall be responsible for determining the appropriate action to be taken by the Company.

1.3.2 The Chief Executive Officer shall have the ultimate responsibility of the administration and enforcement of this Code.

1.4 **Application**

1.4.1 The section of the Code set out in paragraph 2 of this document also applies to senior management and executives.

1.4.2 The section of the Code set out in paragraph 2 of this document will also apply to directors to the extent relevant to their role and to the extent it does not conflict with the section of the Code set out in paragraph 4 of this document.

2. **EMPLOYEES, AGENTS OF THE COMPANY**

This section of the Code covers all Employees and constitutes the minimum conduct required from such persons. For individuals who also have senior management positions or are on the Board, there are additional standards of conduct which are required to be met.

2.1 **Ethics**

In performing their duties, all Employees must act honestly, diligently and responsibly and conduct themselves with the highest level of integrity and ethics.

2.2 **Quality of Work**

Employees understand that the quality of their work impacts heavily on the quality and performance of the Company as a whole. In the discharge of their duties to the Company all Employees will provide a high quality of work. Employees will pay particular attention to the accuracy and presentation of all materials, documents, presentations, communications and reports prepared for or on behalf of the Company.

2.3 **Conflict of Interest**

2.3.1 An Employee will have a conflict of interest where it is likely that they could be influenced by a personal interest in carrying out their duties. It is

not necessary for an actual conflict to arise, it is sufficient if the conflict of interest is perceived or potential (a "**Conflict**").

- 2.3.2 Where an Employee has a conflict of interest they should as soon as is reasonably possible disclose it to their immediate supervisor.
- 2.3.3 The immediate supervisor will advise and assist the Employee on how to deal with the conflict. The Employee must comply with the reasonable directions of their immediate supervisor in dealing with the conflict.
- 2.3.4 Although a conflict of interest may arise, if the Employee adequately discloses the conflict and obtains approval from their immediate supervisor then, despite the existence of the conflict, they may continue with the activities from which the conflict arose.
- 2.3.5 Employees should not solicit or accept gifts or invitations for entertainment without first consulting with the Human Resources Manager.
- 2.3.6 Where any Employees becomes aware of a Conflict in relation to another Employee they should notify the immediate supervisor or the Chief Executive Officer in writing (as applicable) as soon as possible.

2.4 **Confidentiality**

In the conduct of their duties, Employees will have access to a variety of information about the Company, very little of which is public information. To avoid inadvertent disclosure of confidential information of the Company, all Employees should adopt the policy of keeping confidential all Company information, which is accessed by the Employees in the performance of their duties, except where disclosure is specifically authorised by their immediate supervisor, or otherwise required by law.

2.5 **Professionalism**

As representatives of the Company as a whole, Employees should ensure that they conduct themselves in a courteous, respectful and professional manner in their dealings with other Employees, clients or associates of the Company. Employees must not conduct themselves or treat others in a manner, which may be regarded as discriminatory, defamatory, harmful or intolerant.

2.6 **Company Resources**

- 2.6.1 In this Code, the resources of the Company shall include without limitation all financial resources, information technology and communications, vehicles, offices and equipment ("**Resources**").
- 2.6.2 Employees are provided with the Resources to assist in the performance of their duties. The Resources may only be used by Employees for the performance of their duties to the Company and shall be used in the most efficient and economic manner. Employees should take care not to damage, destroy or misappropriate the resources of the Company.
- 2.6.3 The resources are generally not provided for personal or private use by Employees. However the Company is accepting and understanding of the needs of its Employees and will tolerate limited personal use of computers, telephones, stationary and motor vehicles.

2.6.4 Ultimately the Company reserves the right to prohibit or restrict the use of Resources at any time.

2.6.5 For the avoidance of doubt, a misappropriation of the financial Resources of the Company will constitute a material breach of this Code.

2.7 **Occupational Health and Safety**

The Employees respect and understand the Company's commitment to fostering the health, safety and welfare of its employees. Employees will comply and support all reasonable directions and policies issued by the Company in relation to occupational health and safety.

2.8 **Alcohol and Drug Use**

Employees will not use, possess, transfer or be under the influence of or use of alcohol, drugs or other illegal substances on Company premises or when engaged in Company businesses. The consumption of alcohol during social or customer functions is not prohibited, provided such consumption is in a moderate and responsible manner.

2.9 **Insider Trading Policy**

All Employees will comply with the Company's insider trading policy.

2.10 **Compliance with Law**

Employees must make themselves aware of and at all times comply with all laws and regulations applicable to the conduct of their employment. Employees can obtain information about the laws and regulations applicable to the Company as a whole and the area in which the employee is involved from the Human Resources Manager.

2.11 **Company's Interests**

2.11.1 The financial, business and social interests of the Company should be considered and respected in the performance by Employees of their relevant duties.

2.11.2 The Company values the support of all Employees, and therefore Employees should not publicise, distribute or create materials, or make statements, which are derogatory or defamatory to the Company as a whole or any of its employees, agents or officers.

2.12 **Bribes**

Employees must not offer nor accept bribes, inducements or commissions.

2.13 **Breach**

A breach of this Code may constitute grounds for termination. Any Employee who becomes aware of a breach of the Code should report the breach to their immediate supervisor.

3. **SENIOR MANAGEMENT AND EXECUTIVES**

This section of the Code applies to all senior managers and executives of the Company ("**Managers**"), in addition to and not in derogation of the basic standard of conduct express

in item 2 of this Code. To the extent that there is any inconsistency with the obligations under item 2, the obligations under this item 3 will apply to Managers.

3.1 Conflict of Interest

- 3.1.1 Upon appointment as a Manager, each Manager shall disclose in writing to the Board the nature, extent and circumstances of any current Conflict.
- 3.1.2 Where a Manager subsequently becomes aware that they have a Conflict, they must notify the Chief Executive Officer in writing of the nature and extent of the Conflict and cease participation in any matter to which the Conflict relates.
- 3.1.3 The Chief Executive Officer will advise the Manager of the appropriate action to be taken by the Manager of the Company in relation to the Conflict.
- 3.1.4 Where a matter is discussed or a decision is made at management level and a Conflict exists, the affected Manager will:
 - (a) remove themselves from the discussion or decision making process;
 - (b) or obtain the prior written approval of the Chief Executive Officer to continue to participate in the discussion and decision making, despite the existence of the Conflict.
- 3.1.5 Managers shall not solicit or accept any remuneration or benefit for the discharge of the duties as a Manager from any person, over and above the remuneration package provided by the Company.

3.2 Other Interests

Managers must not accept a directorship or senior role within another business or company, without first obtaining the consent of the Board.

3.3 Additional Responsibilities

- 3.3.1 Management are responsible for monitoring compliance with this Code and providing Employees with access to relevant Company policies.
- 3.3.2 Management must respond to any concerns raised by Employees in relation to the general conduct of the Company's business, and if necessary raise such concerns with the Board.
- 3.3.3 As a role model for other Employees, Management must demonstrate strict compliance with this Code, both in their position as an Employee and as a Manager.

4. DIRECTORS

4.1 Fiduciary

Due to the fiduciary nature of the relationship that directors of the Company ("**Directors**") have with the Shareholders and the Company, the Directors must conduct themselves in a manner which places the interests of the Shareholders and Company as a priority.

4.2 Legal Obligations

- 4.2.1 Each Director must comply with its legal and ethical obligations to:
- (a) exercise due care, skill and diligence in the performance of their duties;
 - (b) perform its duties impartially and uninfluenced by fear or favour;
 - (c) use their powers for a proper purpose;
 - (d) act honestly, in good faith and in the best interest of the Company at all times; and
 - (e) actively disclose any matters which may constitute a Conflict or may otherwise interfere with the Directors ability to adequately fulfil their duties.
- 4.2.2 Directors may with the consent of the Board at the cost of the Company seek external professional advice on its legal obligations and duties to the Company and its Shareholders.

4.3 Conduct

- 4.3.1 The role of each Director is key to the performance of the Company as a whole, and the ultimate benefits received by Shareholders. Directors will actively participate in all aspects of their appointment as a director by:
- (a) attendance and active participation at Directors meetings and Annual General Meetings;
 - (b) providing impartial and objective assessments as to what is in the best interests of the Company;
 - (c) actively requesting or seeking further information on issues which are to be considered by the Board and any other issues which may have an adverse effect on the Company;
 - (d) providing a positive and supportive role model for Employees and Managers within the Company;
 - (e) promote compliance with the Code and encourage the reporting of non-compliant behaviour;
 - (f) regularly communicating with all levels of the Company so as to promote a team environment within the Company; and
 - (g) undertaking additional training as required to adequately fulfil their duties.
- 4.3.2 As a role model and representative of the Company, a Director must not bring discredit upon the Company.

4.4 Conflict of Interest

- 4.4.1 In relation to Directors a Conflict includes an indirect conflict by reason of the interests of a spouse, child or related entity of the Directors.

- 4.4.2 Directors must avoid Conflict, but where it arises must not allow it to conflict with the interests of the Company as a whole.
- 4.4.3 Upon appointment each Director must notify the Board of the nature, extent and details of any Conflict which exists at the time of appointment.
- 4.4.4 Directors must provide continuous disclosure to the Board in writing of the nature, extent and details of any subsequent Conflict immediately upon becoming aware of it.
- 4.4.5 Where a Conflict arises, the Director must:
 - (a) divest themselves of the interest from which the Conflict has arisen; or
 - (b) remove themselves from the duties with which the interest is in conflict; or
 - (c) obtain the authorisation of the Board to continue to discharge their duties despite the presence of a Conflict.
- 4.4.6 At the commencement of each Board meeting, Directors shall disclose any Conflict which they may have in relation to any item on the agenda for the meeting. Where such Conflict exists, the relevant Director should unless otherwise authorised by the Board remove themselves from that part of the meeting which relates to the Conflict.
- 4.4.7 Directors shall not solicit or accept any remuneration or benefit for the discharge of the duties as Director from any person, over and above the remuneration package provided by the Company.

4.5 Executive Directors

A Director who is employed by the Company as a Manager, must be alert to the potential for Conflicts to arise between their duties as a Manager and their duties as a Director.

4.6 Independent/Non-executive Directors

An Independent Director must at all times maintain their independence and objectivity from the Company.

5. OTHER

Without derogating from the above, the following additional standards of conduct are required to be met.

5.1 Chief Financial Officer

The Chief Financial Officer must maintain an exemplary standard of accuracy in the presentation of all financial information both internally to Employees and Management and externally to the market.

5.2 Chief Executive Officer

The Chief Executive Officer must actively encourage open communication through all levels of the Company, from employees through to Management and the Board.

The Chief Executive Officer must make themselves reasonably available to and regularly consult with all Management.

6. THE COMPANY

6.1 Compliance with the Law

The Company shall at all times promote and monitor compliance with all laws, regulations and standards of conduct which apply to it, including without limitation those relating to corporate governance, financial reporting, employment, environment, privacy and fair trading.

6.2 Shareholders

The Company is committed to promoting informed decision-making and participation by Shareholders. The Company recognises and appreciates the support of its Shareholders and through this Code, its management, policies and procedures the Company aims to achieve the maximum benefit and value for its Shareholders.

6.3 Complaints

The Company will develop an appropriate procedure to deal with any complaints about the conduct of the Company or the Employees by fellow Employees or other participants in the community. The Company will ensure that all complaints are dealt with in an efficient, respectful and confidential manner.

6.4 Employment

The Company values all of its employees and creates an innovative, responsible energetic and safe work environment through:

- 6.4.1 the implementation of Occupational Health and Safety policies;
- 6.4.2 the support and encouragement of ongoing training and further education;
- 6.4.3 the opportunity to participate in Employee Share Plans in the future as they become available; and
- 6.4.4 strict compliance with market and financial regulation.

6.5 Financial Integrity

The Company is committed to maintaining the integrity of all financial statements, accounts and reports distributed to the Shareholders and the market generally. The Company will maintain this integrity by:

- 6.5.1 establishing a Risk Management and Audit Committee;
- 6.5.2 implementing internal and external audit procedures and controls; and
- 6.5.3 regular monitoring and updating of.

6.6 Community

The Company will participate within the business and local community by providing donations, sponsorship and support for appropriate community activities and initiatives.

6.7 Review

The Board (or its sub-committees) will regularly review all codes, charters and policies of the Company to ensure that they are up to date and continue to reflect and meet the needs of the Company, the Shareholders and the community.

6.8 Training

The Board will ensure this Policy is supported by appropriate training and monitoring of compliance.