

# Archer Exploration Limited

## **Code of Conduct And Ethics**

June 2007

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## **1. Introduction**

This Code of Conduct (**Code**) and the policies contained within it aim to promote the highest ethical and professional standards for all persons providing services to Archer Exploration and its related companies (**Archer Exploration**).

As a listed public company, Archer Exploration and its personnel have certain legal obligations with respect to a general duty of care. In addition to meeting the statutory requirements, this Code is designed to instil a level of values under which all personnel of Archer Exploration will operate.

All personnel are requested to confirm that they have understood and comply with the Code by signing the acknowledgement on the final page of this document.

### **CORE PRINCIPLES**

1. You have a duty to use due care and diligence in fulfilling your duties. The company has a policy of “Zero harm, 24/7”.
2. You must act honestly, ethically, in good faith and in the best interests of Archer Exploration as a whole.
3. You must not make improper use of information acquired as a result of your relationship with Archer Exploration.
4. You must not allow personal interests, or the interests of any associated person, to conflict with the interests of Archer Exploration.
5. Confidential information you receive in the course of business remains the property of Archer Exploration and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by Archer Exploration.
6. You must adhere to the continuous disclosure protocol of Archer Exploration.
7. You should not engage in conduct likely to bring discredit upon Archer Exploration.
8. You will not knowingly breach any law under which Archer Exploration operates.
9. You must show respect for your fellow workers, the Board of directors, shareholders, contractors, suppliers and competitors.
10. You must be aware that enquiries for certain information may only be handled by relevant authorised personnel of Archer Exploration.
11. You must maintain a professional working relationship with fellow personnel. Any form of discrimination or harassment will not be tolerated.

## **2. Disciplinary action**

Adherence to this Code and the policies contained within it is considered mandatory. Any breach of the Code will be treated with utmost seriousness and if you are found to be in breach you may face appropriate disciplinary action, including being placed on probation, or, in the case of serious breaches or multiple breaches, dismissal.

## **3. Business ethics**

### ***Professional conduct***

You must act with professionalism at all times and conduct yourself in a professional, business-like manner, whilst performing duties for Archer Exploration.

Archer Exploration is listed on the Australian Stock Exchange. Your activities reflect directly on the profile of Archer Exploration and therefore the need for you to display a high level of professional conduct at all times is of paramount importance.

The level of professional conduct expected extends to:

- Maintaining a high level of integrity, honesty and confidentiality
- At all times displaying a professional attitude and acting in the best interests of Archer Exploration and in accordance with this Code
- Acting in a professional manner at all times whilst undertaking company duties or representing Archer Exploration in any capacity
- Promoting Archer Exploration and its products wherever possible and always displaying a positive attitude towards the Archer Exploration

### ***Compliance with laws and regulations***

Archer Exploration must comply with a number of laws and regulations, and it is important that you are aware of such laws and ensure compliance at all times.

The laws and regulations can be broadly categorised as follows:

- Corporations Law
- ASX Listing Rules
- ASIC Policies and Regulations
- Taxation Laws
- Occupational Health and Safety Legislation
- Other laws and regulations (Trade Practices Law, Equal Opportunities legislation, Environmental legislation, Common Law, Criminal Law, etc)

Some laws and regulations can be quite onerous and failure to comply can result in large financial damages and in some circumstances, even jail. On this basis, it is vital that you are very careful in what you say and do. If you have any doubt whatsoever on any matter, policy or procedure, you should always seek advice before acting.

### ***Continuous disclosure protocol***

*‘Timely disclosure must be made of information which may affect security values or influence investment decisions, and information in which security holders, investors and the ASX have a legitimate interest.’*

*‘The purpose of the continuous disclosure requirements in the Corporations Act and stock exchange listing rules is to ensure that investors do receive equal and timely access to information.’*

You should be aware that under the above protocol you have a responsibility to bring any matter which you believe would trigger the continuous disclosure requirements to the attention of either the Chairman, a Director or the Company Secretary. Such issues will in turn be brought to the attention of the all Directors.

### ***Confidentiality***

There may be a need to disclose commercially sensitive information and information not in the public domain about Archer Exploration and its associated entities, staff, clients, associates and suppliers to you during the course of your employment. This information is disclosed to you on a confidential basis in the course of your employment.

It is your responsibility to take all appropriate and prudent steps to ensure that the confidentiality and security of information is maintained. Your obligation with respect to confidentiality of information survives the termination of your employment with Archer Exploration.

### **4. Handling enquiries**

As a company whose shares are listed on the Australian Stock Exchange, Archer Exploration has obligations to disclose certain information to the stock exchange, so that this information is then available to shareholders and the investing public in general.

From time to time, people will seek to obtain information which is not readily available to the investing public by telephoning the registered office directly. These people may include:

- Shareholders of the company;
- The media;
- Potential investors in the company;
- Brokers and analysts; and
- Competitors

These enquiries may relate to a wide variety of matters, including:

- Drill results and assays
- Exploration plans
- The early release of financial data;
- Rumours about proposed business strategies and operations

The law imposes obligations on when and how the company must disclose information. By disclosing any information, you may unintentionally result in the company breaching the law. Accordingly, staff must only disclose information which they know is in the public domain – from Annual Reports, ASX announcements, and other official reports already available to the market. If there is any doubt about the proper way to handle an enquiry, or if the enquirer is being “pushy” or suspiciously persistent, the enquirer should be referred to the Chairman or a Director.

Only the Chairman and Directors are authorised to provide non-public information to any party, and then only within the confines of the ASX’s continuous disclosure regime.

## **5. Privacy policy**

At Archer Exploration we are committed to ensuring the confidentiality and security of the information provided to us. To comply with legal requirements and to run our business effectively it is necessary for us to collect certain personal information about the people whom we employ or with whom we deal. At a minimum this usually includes information such as people's names, addresses and contact details.

Archer Exploration takes all reasonable security measures to protect personal information from loss, unauthorised access, destruction, misuse, modification or disclosure. As far as permissible under law, Archer Exploration accepts no responsibility for the unauthorised use of personal information held by it.

## **6. Conflicts of interest**

You must not take improper advantage of your position to gain, directly or indirectly, a personal advantage or an advantage for any associated person, which might cause detriment to Archer Exploration.

Your personal interests, and those of your family, must not be allowed to prevail over the interests of Archer Exploration's shareholders generally. You should avoid conflicts of interest, wherever possible. Full disclosure of any conflict, or potential conflict, must be made to the Chairman or a director of the company.

## **7. Occupational Health and Safety policy**

Archer Exploration is committed to ensuring the health, safety and welfare of all persons (including directors, staff, contractors, clients and the public) at its workplaces and acknowledges that Occupational Health and Safety (OH&S) is a critical component of business and management activities. Archer Exploration recognises its responsibilities under Commonwealth and State legislation, regulations, and codes of practice.

To maintain a safe and healthy workplace Archer Exploration will:

- seek to ensure its facilities operate to the highest standards to protect directors, staff, contractors, visitors and the public
- provide safe systems of work developed in consultation with staff taking into account the hazards identified, risks assessed and the effective control of those risks
- provide appropriate information, instruction, training and supervision on systems of work for all who work in its business activities so they are able to comply in a responsible manner
- consult with staff and encourage initiatives that contribute to a safer and improved working environment
- ensure the reporting and investigation of injuries, illness, incidents and near misses is conducted in a consultative manner to prevent recurrence
- measure and evaluate OH&S performance by regular monitoring audits and inspections of compliance with Archer Exploration policies and legal requirements
- regularly review the OH&S component of the HSE Management System to ensure its appropriateness and effectiveness in managing systems of work and OH&S responsibilities

All staff have strict obligations and responsibilities under this policy to put safety first, to work safely and to report unsafe work practices or situations to their supervisor. The Board strongly endorses this policy and will regard breaches of it by any staff member, very seriously.

## **8. Equal opportunities policy**

Archer Exploration is an equal opportunity organisation. We provide equality of opportunity to all employees, contractors, applicants for employment, investors, clients and others who have contact with us. We deal with them without regard to discriminatory factors such as race, sex, impairment or age.

We are committed to ensuring that Archer Exploration provides a workplace free from discrimination, harassment, vilification, victimisation and bullying. We also interact with external parties in a professional manner, without discrimination, harassment, vilification, victimisation or bullying.

It is the responsibility of all personnel to be familiar with this policy and to ensure that proper standards of conduct are upheld in the workplace and in the way we treat external parties and how they treat us. Everyone should take all reasonable steps to ensure that the work environment is free from inappropriate conduct.

If you have any questions about this policy or concerns about inappropriate conduct in the workplace you are encouraged to raise these concerns in accordance with this policy.

Archer Exploration encourages a friendly, enjoyable working environment, based on mutual respect, teamwork, cooperation and professionalism.

Further information regarding government legislation concerning equal opportunity in the workplace can be found at the Australian Human Rights & Equal Opportunity Commission website: <http://www.hreoc.gov.au/index.html>

## **9. Smoke free policy**

Environmental tobacco smoke has been identified as a potential health risk and there is now sufficient evidence that passive smoking (the involuntary inhalation of side stream and second hand tobacco smoke) increases the risk of lung cancer and is dangerous to people with pre-existing heart and lung conditions. Passive smoking can also trigger asthma attacks and cause chest infections, watery eyes, headaches and sore throats.

As an employer, Archer Exploration has a duty, under the respective Occupational Health & Safety Acts, to provide a safe work environment and to protect the health of all employees from possible illness or injury arising from the workplace. To protect the health of all employees from the ill effects of cigarette smoke at work, Archer Exploration has a smoke free environment policy.

## **10. Alcohol, drug and fitness for work policy**

Archer Exploration Limited (“the Company”) is committed to providing a safe and healthy workplace for all its personnel and to ensuring the safety of its contractors and the general public. One of the cornerstones of that commitment is the Company’s Policy to ensure compliance with all legislative requirements in relation to the safety and health of its work-force.

In addition, the Company is committed to providing a workplace which enables employees to perform their work in a productive manner which does not jeopardise their own safety or the safety of others. It is therefore the aim of the Company to foster an attitude amongst all of its personnel that it is not acceptable or desirable to come to work under the influence of alcohol or drugs. All employees and contractors will be encouraged and expected to be fit for work and not adversely affected by drugs and have a zero blood alcohol content.

Drugs other than those medically prescribed to you, are not permitted at any Archer Exploration premises, event or function. Any person deemed to be under the influence of non-prescribed drugs or in the possession of non-prescribed drugs or associated paraphernalia will be dismissed immediately and the matter may be referred to the police.

## **11. Information services policies**

### ***E-mail and computer usage***

This policy outlines the criteria established for acceptable and unacceptable use of Archer Exploration’s computer resources including but not restricted to, mobile phones, desktop PC’s, laptops, file servers, applications, e-mail and Internet usage. The provision of these resources as tools to assist employees and where applicable contractors, consultants and others working for or in association with Archer Exploration to carry out their day to day work related tasks efficiently is done so with a view that some personal use may also occur.

Whether business or otherwise related, Archer Exploration on usage complying with the detail contained within this policy.

Failure by an employee or others covered under the scope of this policy to abide by this policy may result in disciplinary action and may, in more serious circumstances, lead to termination of employment including summary dismissal. For other parties, it may result in termination of contractual arrangements with Archer Exploration.

### ***Scope***

This policy relates to all permanent, temporary and part-time employees and any contractors, consultants and others working for or in association with Archer Exploration who are provided with some or all of the computer resources referred to in this policy (“Covered Parties”).

Archer Exploration bears both direct and vicarious liability<sup>(1)</sup> in relation to employee activity under the scope of this policy. As such, all reasonable steps will be taken by Archer Exploration to prevent occurrences of policy breach and in turn, all those covered by the scope of this policy are required to comply with its content. Archer Exploration may also be found liable for the actions of other parties, such as

contractors and consultants where these parties hold themselves out as representatives of Archer Exploration and for this reason Archer Exploration must ensure such parties are also aware of and comply with this policy where applicable.

*(1) Vicarious liability arises when an employee's actions attract liability to the company.*

### ***Personal computer & devices***

A Archer Exploration PC is provided as a productivity tool for Archer Exploration-related work. Therefore:

- All hardware and software is required to be Archer Exploration approved.
- All software resident on a Archer Exploration PC must be properly licensed.
- Random audits may be conducted without prior notice for illegal or non-Archer Exploration approved software.
- Personal documents on a Archer Exploration PC are to be kept to a minimum. Large files such as music and video should not be stored on the network; Archer Exploration retains the right to delete these files at our discretion.
- Archer Exploration licensed software is not to be installed on home or non-Archer Exploration PC's.
- Individuals are responsible for taking reasonable steps to ensure the safety of their Archer Exploration equipment against damage, theft or loss.
- Passwords must be maintained securely.
- Storage media including, but not limited to, hard drives, tapes, smart media cards, zip drives, floppy discs, CD-roms, and USB keys may also be examined as part of any security investigation authorised by management.
- For data not stored on a Archer Exploration server, it is the responsibility of users to ensure their data is backed up at least once a week.

### ***Electronic mail***

When you send an e-mail from a Archer Exploration e-mail address, or as a representative of Archer Exploration, you represent the company and may therefore be exposing Archer Exploration to liability. The following specific protocols are based on using Archer Exploration's e-mail resources in a professional, ethical and lawful manner. E-mail users falling under the scope of this policy should note that improper use of e-mail may pose a threat to:

- The security and integrity of Archer Exploration's systems
- The privacy of staff and others
- The legal liability of Archer Exploration

Therefore:

- Do not send sensitive or confidential information using e-mail or via the Internet to any competitor.
- Do not send, receive or display material that is pornographic, sexually explicit or that could reasonably be perceived to be offensive.
- Do not make misleading, political, inflammatory, harassing or false statements via e-mail.
- Do not send or forward chain letters; they multiply and slow down the Archer Exploration e-mail system.
- E-mail with novelty attachments (e.g. photos etc) are often large, use considerable resource, slow down Archer Exploration's e-mail system and

may contain dangerous code which destroys files on your Archer Exploration PC or network. Before sending any material, carefully consider if it will be perceived as offensive or derogatory to other individuals. All messages must be appropriate and comply with Archer Exploration's policies.

- Do not use the Archer Exploration e-mail system for unlawful purposes, requesting contributions to charitable organisations, selling products or services (other than Archer Exploration products) or soliciting memberships.
- E-mails are fully scanned by virus checking software and, if found to contain viruses you will receive an alert indicating the action taken. You should then remove the relevant email by deleting it from both your Inbox and Deleted Files.
- E-mails found to have viruses may be investigated as to source and content.
- In the case of an employee terminating employment with Archer Exploration or a contractor or consultant terminating its contractual arrangement with Archer Exploration, the existing e-mails may only be retained with the supervisor's approval.
- E-mail sent from a Archer Exploration PC is legally considered to be Archer Exploration's property, regardless of the nature of content. As a result, Archer Exploration has the right to monitor and review e-mails sent or received and may be examined at the discretion of management, without prior notification to the sender or recipient. A signed acknowledgment and acceptance of these e-mail protocols is incorporated in the signing of the acknowledgement on the final page of this document.
- It is recommended that when constructing an e-mail, especially one of a sensitive nature, it is not written in a manner deemed to be abrupt or discourteous that would give the recipient the wrong impression.

#### ***Internet access and usage***

- Personal use of Archer Exploration's Internet resources must be kept to a minimum.
- To ensure acceptable bandwidth is available to Archer Exploration personnel for work-related activities, do not view, upload or download non-work data including, but not limited to, streaming video, music files, and software.
- Due to the global nature of the Internet, Archer Exploration Internet users may encounter material that is inappropriate, offensive and in many instances illegal. Archer Exploration cannot control the availability of this information. Therefore, when accessing the Internet through Archer Exploration's connection, please note that you are representing Archer Exploration and may expose Archer Exploration to liability for your actions. Be aware that the sites you visit (i.e. view, download from or upload to) must comply with the general philosophy of this policy and common sense and decency.
- Do not enter any Internet site that may reasonably be considered inappropriate or is unknown and may therefore be insecure or infected with viruses.
- Do not access, download, forward or install material that is racist, sexist, pornographic, sexually explicit or that could reasonably be perceived to be offensive or cause embarrassment or damage to any other person or company. Internet access may also be monitored/audited/blocked to ensure that no such activity takes place.

- Do not download or install material such as graphics, pictures, logos, documents, software, etc, that is covered by copyright or trademark laws without permission from the owner.
- All Archer Exploration company information should only be published on Archer Exploration websites with the permission of the Chairman.
- You must comply at all times with all software licenses, copyrights and any other applicable legislation (including intellectual property and telecommunication laws).
- Do not test or probe the security of Archer Exploration's computer systems or Internet sites, or other companies' computer systems or Internet sites.

Archer Exploration's responsibility in regard to this issue gives it the legal right to monitor Internet usage by you under the scope of this policy, as a precaution against fraud, workplace harassment or a breach of confidence. Electronic material viewed via the Internet by you as well as hardware, software and systems used to view material, are legally considered to be Archer Exploration's property, regardless of the nature of content.

### ***Contractors & Consultants***

Employees with accountability for supervising the work of contractors and/or consultants who have access to Archer Exploration systems must ensure they understand and comply with the Computer Usage Policy as it applies to their specific relationship with Archer Exploration.

### ***Electronic device management***

You must ensure that any electronic devices issued to you by Archer Exploration, including, but not limited to, laptops, BlackBerries, and mobile phones are kept in a secure, preferably locked place when not in use.

## **12. Expenses Policy**

The philosophy behind this policy is that you should only spend the Company's money on activities that genuinely and directly grow the business, improve shareholder value or meet necessary operational requirements. You are asked to use discretion to ensure that expenses claimed are not unreasonable and you should be at least as cautious with Archer Exploration expenses as you would with your own.

Employees of Archer Exploration are entitled to full reimbursement of the amounts set out in this policy on the presentation of receipts and a completed expense reimbursement claim form, as per the procedures outlined in this document. An expense reimbursement claim form must be completed to claim reimbursement for expenses charged to a personal credit or debit card or paid for in cash, and to reconcile expenses charged to a company credit card if you are in possession of one. Any charges that are made on company credit cards which do not adhere to this policy will be deducted from your expense claim or pay. Any requests for reimbursement which do not adhere to this policy will not be paid.

### ***Travel***

#### ***Accommodation and subsistence***

Employees shall, subject to the limits and exceptions specified, be reimbursed for actual expenditure incurred upon travel for Archer Exploration business purposes

requiring an overnight stay. Expenses which will be reimbursed include hotel accommodation, meals, telephone calls and reasonable hotel services.

### ***Air travel***

All air travel shall be economy class. Qantas Corporate Membership fees will be paid for staff travelling on more than six return flights per year with prior approval from your departmental manager. If you travel less than six times per year, you may choose to salary sacrifice your own Qantas Corporate Membership fees.

Travel insurance and visas (where necessary) for work related travel will be arranged at the company's expense.

### ***Entertainment***

#### ***Business Entertainment***

Employees shall, subject to the limits and exceptions specified, be reimbursed for actual expenditure incurred when entertaining Archer Exploration business associates. When hosting such events you are requested to be considerate of reasonable pricing and use discretion in booking restaurants and ordering food and drinks. In particular, given that such events are working events, staff hosting entertainment events are expected to remain sober and are discouraged from purchasing alcoholic drinks other than beer or wine.

Meals and drinks including tips of up to 10% for client entertainment will be reimbursed by Archer Exploration, however the cost of cigars, ports, liqueurs, after-dinner drinks can not be claimed.

#### ***Staff Entertainment***

Occasional staff entertaining may be appropriate for special functions of corporate significance. These should be approved by the Chairman, and the appropriate FBT records kept of the event.

#### ***Telephones***

Please use your work phone or company mobile wherever possible for making work related calls. Reasonable costs for work related calls made from your private / home phone will be reimbursed by Archer Exploration.

#### ***Subscriptions and memberships***

Subscriptions and memberships which are directly relevant to your work and job responsibilities, and which have been approved by your manager, will be reimbursed.

#### ***Conferences, seminars and training***

Expenses for conferences, seminars and training will be reimbursed with prior approval from the Chairman.

#### ***Reimbursement procedure***

Business expenses can be claimed on completion and presentation of an expense reimbursement claim form accompanied by relevant receipts. An expense reimbursement claim form must be completed and receipts attached to reconcile expenses charged to a company credit card if you are in possession of one.

Reimbursement claims should be made as soon as possible after incurring the expense or receiving the credit card bill. In any case, claims for expenses over 3 months old will not be reimbursed by Archer Exploration.

### **13. Motor vehicle policy**

Archer Exploration recognises the need to provide work-related vehicles to employees in situations where vehicles are essential in meeting the requirements of their employment. These are Tool of Trade vehicles.

Tool of Trade vehicles are assets of the company and are not allocated to any particular employee. They should be garaged at Archer Exploration premises when not in use.

All Archer Exploration vehicles are required to be driven in accordance with the law. For example:

- Seat belts are to be worn at all times, including in off-road situations
- The speed limit is not to be exceeded in any circumstance
- The vehicles must be roadworthy at all times

In keeping with the company's alcohol policy, a zero blood alcohol level is required when driving any Archer Exploration vehicle.

#### **14. Code of Conduct acknowledgement**

Upon reading Code of Conduct, please sign and return this page to the Human Resources Manager.

I acknowledge that I have read and understood the Code of Conduct and agree to comply with its provisions.

**Name:**

**Signature:**

**Date:**