

A J BAKER & SONS

CODE OF CONDUCT

August 2015

AJ Baker & Sons (AJ Baker) is committed to achieving and maintaining a reputation as an employer of choice, an ethical business partner and a good corporate citizen. This means we respect the law in all of the jurisdictions in which we operate.

This Code of Conduct (the Code) establishes the essential standards of personal and corporate conduct and behaviour expected of all AJ Baker people. The Code has been approved by the Directors and is supported by a number of policies that have been approved by the Managing Director. Everyone who works for, or with, AJ Baker is expected to comply with the Code.

The Code outlines the ways in which we conduct our business and reinforces the culture of family and integrity, that we are bound by and expected to uphold in keeping with the company's Values of Customer Service, Quality & Innovation, Employee Development, Performance and Responsibility.

The Code does not cover every possible situation that we may face, nor describe every law, policy or standard with which we need to comply. Rather, it provides a framework that we should use as a basis for making common-sense, lawful and ethical decisions that protect the integrity of AJ Baker and its employees.

If you are in doubt as to whether anything you are contemplating might breach this Code of Conduct, then seek the guidance of your Supervisor or Manager.

Contents

Our Workplace	4
Health and Safety	4
Fitness for Work	5
Equal Opportunity and Employee Discrimination	5
Honesty, Integrity and Respect for Others	5
The Environment	6
Our Business Principles	6
Observance of the Law	6
Bribery and Corruption	7
Conflicts of Interest	7
Gifts and Entertainment	8
Fair Business Practices	8
AJ Baker Resources	8
Company Records	8
Data Privacy	9
Confidentiality	9
AJ Baker's Information Systems	10
Fraud and Theft	10

Our Workplace

Health and Safety

The health and safety of our employees, contractors and visitors is our highest priority. We will demonstrate safe behaviour at all times and actively contribute to achieving our aim of an injury and incident free workplace.

We will always look out for each other and shall operate in accordance with all AJ Baker occupational health and safety policies, rules, procedures, duties and other requirements.

Occupational health and safety is a critical priority at AJ Baker. We are committed to complying with all occupational health and safety laws and regulations governing our activities, and have developed policies, procedures and manuals to guide compliance.

You must:

- Be aware of the health and safety requirements of your role. Ignorance will not be a valid reason for failure to comply. If you have difficulty accessing the relevant information, or understanding its implications, you are expected to ask your manager for guidance so that you are fully aware of the health and safety requirements of your role;
- Comply with all health and safety policies, rules and procedures;
- Promptly report any hazards you become aware of and either fix such hazards immediately or report those hazards to your manager;
- Immediately report any workplace incidents, including injuries, to self or others in immediate proximity;
- Proactively participate in occupational health and safety activities and consultation processes in the workplace;
- Be aware of the requirements of your role and not assume roles for which you are not competent and authorised to perform. Relevant and valid licences and/or qualifications must be held where required;
- Be responsible for your own health and safety at work, and satisfy your duty of care obligations to others by ensuring their actions do not put the health and safety of themselves or others at risk;
- Satisfy your specific health and safety obligations to the company, including:
 - Complying with the company's instructions and directives about health and safety in the workplace;
 - Using personal protective clothing and equipment provided by the company in the manner instructed by the company;
 - Taking good care of equipment provided by the company; and
 - Cooperating with others, including managers, on health and safety instruction.

Supporting Documents: OSH Policy.

Fitness for Work

We are responsible for ensuring our own and each other's health and safety at work and to avoid adversely impacting the health and safety of others.

We must ensure that we present to work free of illness, fatigue, alcohol and/or performance impairing drugs, and any other cause of impairment which could affect our ability to work safely.

We will participate in the company's Fitness for Work monitoring programmes as directed.

You have a duty to ensure your personal conduct within the workplace and elsewhere does not adversely affect your work performance, safety, or the reputation of yourself, your colleagues or the Company.

AJ Baker has a zero tolerance to alcohol and other drugs. Any prescription and over the counter medication use must be reported and managed in accordance with the AJ Baker Drug and Alcohol Policy.

Any person who believes they are, or may be, impaired for any reason, and therefore may not be fit for work, must cease working and promptly notify their manager or supervisor so that appropriate action can be undertaken to manage the associated risks.

The Company maintains a range of fitness for work monitoring programs, including but not limited to, pre-employment and routine fitness assessments, alcohol and drug testing, health surveillance and injury management.

Supporting Documents: Drug and Alcohol Policy, Smoke Free Policy.

Equal Opportunity and Employee Discrimination

We will not discriminate on the basis of race, gender, age, marital status, disability, sexual orientation, pregnancy, national origin, political or religious beliefs, or any other factor not relevant to competence or performance.

AJ Baker recognises the importance of valuing the many differences in background, personal situation, culture and orientation of our employees. We do not permit discrimination, intimidation or harassment of, or by, any person.

Discrimination is not permitted at any level of the Company or in any part of the employment or business relationship. This includes decisions in relation to recruitment, procurement, promotion, training opportunities, work task allocation, salary, benefits, performance management, disciplinary action and termination.

Supporting Documents: Equal Opportunity Policy, Sexual Harassment Policy, Bullying Policy.

Honesty, Integrity and Respect for Others

We will act with honesty and integrity and respect others at all times.

Honesty, integrity and respect for others are essential to establish and maintain successful and long lasting business relationships and convey a clear message to others about how we wish to do business. This obligation extends to the entire workplace, work-related social functions, and work-related travel.

This involves, as a minimum:

- Acting within applicable laws, particularly those that deal with matters covered by this Code, including equal opportunity and anti-discrimination laws;
- Acting with courtesy;
- Acting with fairness and respect;
- Encouraging cooperation;
- Fostering an environment where rational debate is encouraged, with a view to achieving shared goals;
- Avoiding behaviour that might reasonably be perceived as harassment (including sexual harassment), bullying or intimidation;
- Understanding relevant operating rules and regulations that may be contained within AJ Baker policies, procedures and manuals; and
- Understanding and responding positively to the needs of AJ Baker's broader stakeholder group, including the community at large.

Supporting Documents: Equal Opportunity Policy, Sexual Harassment Policy, Bullying Policy.

The Environment

We will take care to protect the environment in which we work and require others to do the same.

AJ Baker recognises that effective management of the environment is essential to successful business practice and is expected as part of the company's commitment to sustainable operations. AJ Baker strives to operate in a manner which minimises and manages those impacts and which complies with relevant statutory and regulatory requirements.

You are expected to:

- Be aware of and carry out your duties in accordance with the company's environmental management policies and procedures;
- Be aware of any potential adverse environmental impacts of carrying out your duties and be alert to any opportunities to reduce any such impacts;
- Report all environmental hazards or incidents immediately as you become aware of them, regardless of scale, in accordance with the company's environmental policies and procedures;
- Comply with the requirements of the ARCTick Regulations with respect to refrigerant handling and reporting; and
- Assess the environmental performance of the products and services that you procure.

Supporting Documents: Environmental Policy.

Our Business Principles

Observance of the Law

We will obey the law in the jurisdictions within which we operate.

Respect for the law is a fundamental principle of the Code. You are required to comply with all relevant Australian laws and statutes, and any other laws applicable to the jurisdiction where you are operating. In addition, employees are expected to comply with all AJ Baker policies and procedures. If you believe that an employee, contractor, supplier or business partner may have acted illegally or unethically, you should discuss your concerns with your manager.

Bribery and Corruption

We will not offer, give or receive any bribes, kickbacks or facilitation payments or participate in any corrupt activities.

We will ensure that we are aware of the Fraud, Corruption & Bribery Guidelines and comply with their requirements at all times.

The Australian Standard on Fraud and Corruption Control (AS8001 – 2008) defines bribery and corruption as follows:

- Bribery is defined as the act of paying/receiving a secret commission to/from another individual or organisation.
- Corruption is defined as dishonest activity in which a director, executive, manager, employee, contractor or other party representing an organisation acts contrary to the interests of the entity and abuses their position of trust in order to achieve some personal gain or advantage for themselves or for another person or organisation.

AJ Baker prohibits the bribery and corruption of public officials, politicians or employees of other organisations in all of its business dealings. The regulatory, reputational and financial consequences if such incidents occurred could be severe for both AJ Baker and the individuals involved.

Any person who requires further clarification of this requirement should contact the General Manager.

Conflicts of Interest

We will not engage in activities which involve, or appear to involve, a conflict of interest. Such circumstances could compromise our ability to make impartial business decisions that are in the best interests of AJ Baker.

Whilst AJ Baker recognises and respects your rights to take part in financial, business and other activities in your own time, these activities should be free of conflict with your responsibilities to the Company, and should not impact on the impartial and dedicated performance of your employment duties.

While carrying out your duties, you should avoid all situations in which your personal interests conflict, or might appear to conflict, with your duties to the Company. You must not use your position with AJ Baker to obtain personal gain or benefit for yourself or third parties (friends, relatives, business associates etc.).

Circumstances which may give rise to actual or perceived conflicts may include:

- Holding or trading in assets that involve, or could appear to involve, a conflict between personal interests and the interests of AJ Baker;
- Holding interests or investments in a competitor, customer or supplier or potential supplier; and
- Influencing AJ Baker decisions concerning your partner, family members, business associates or friends.

You are required to disclose to AJ Baker, in writing, all actual or perceived conflicts of interest. This written notification should be provided immediately upon becoming aware of the conflict or potential conflict, and should be forwarded to the appropriate manager (or if unsure, to the General Manager).

A common area of potential conflict of interest relates to the identity of external organisations involved in the procurement process for the supply of goods or services to AJ Baker. Any person who is unsure of their obligations in this scenario should clarify their understanding with their manager.

Gifts and Entertainment

We will not give, seek or accept in connection with AJ Baker's business or our employment, any gift which goes beyond standard courtesies connected to usual commercial practice. Before accepting a gift in our role with AJ Baker, we must determine whether the gift is appropriate in the particular circumstances.

Modest gifts and reasonable entertainment may be given to or received from business partners or other parties external to the Company, where appropriate. Gifts commonly include meals, entertainment or presents.

Ultimately, whether the acceptance of a gift or the giving of a gift is appropriate is a question of substance over form. Consider whether the gift could reasonably be interpreted to affect, or potentially affect, the impartiality of the receiver in making decisions which may affect the company, even when there may have been no intent to do so. In such cases perception is as important as reality. Each gift must be considered individually and cannot be accepted or offered where there is any likelihood that it might affect, or reasonably be perceived to affect, a person's judgment.

An important consideration with regard to gifts is whether the offer or acceptance of a gift could create an obligation or be construed or used by others to allege favouritism, preference, discrimination, and/or collusion. Such allegations must be avoided at all costs to ensure that AJ Baker's reputation is not damaged.

In addition, you should consider whether a gift may be considered to be a bribe. In all circumstances, if you are concerned about the actual or perceived effect of the gift on the recipient, the gift should not be received or offered.

Fair Business Practices

We will carry out our business fairly and with integrity.

In all dealings with our customers, we must be clear, concise and fair. Where required by laws and regulations, we must fairly compare our products, services and employees to those of our competitors. We must also ensure our products meet all relevant legal standards for health and safety.

In procurement, we will participate in a fair and competitive marketplace. We will provide a fair evaluation and selection process to all prospective suppliers. We expect that our suppliers will maintain their own policies that support fair competition and integrity, require adherence to applicable laws, standards and regulations, and have a process for assuring compliance.

AJ Baker Resources**Company records**

We report our business and financial position honestly, accurately and timely to the appropriate internal and external stakeholders.

An accurate and auditable record of all financial transactions relating to AJ Baker must be maintained in accordance with generally accepted accounting principles. No entry should be made in AJ Baker's records that distorts or disguises the true nature of any transaction.

We follow appropriate accounting and reporting policies, apply them consistently and use reasonable and careful judgement. We will ensure that the company finances and procedures undergo a financial audit by a reputable organisation annually.

Non-financial records (for example, personnel files, environmental documentation, safety records and statistics, etc.) must also be accurately and rigorously maintained.

Data Privacy

We respect the privacy of our employees, suppliers, customers and shareholders from whom we collect personal information for business purposes.

AJ Baker is committed to recognising and respecting the privacy of our employees, contractors, suppliers, business partners and customers. The company will only collect personal information ethically and lawfully and in a manner which is not unreasonably intrusive. AJ Baker will only use personal information that it holds for the purposes for which it was provided. The company may use or disclose personal information where it is authorised by the party concerned, necessary to prevent a serious threat to health and safety, or is required by law, or to assist authorities in enforcing the law.

Employees and contractors that have access to personal information in carrying out their duties are expected to:

- comply with these requirements; and
- not access such information other than for necessary work related purposes.

Confidentiality

We shall protect both AJ Baker's and other individual or companies' confidential information, and will not disclose or misuse information without appropriate authorisation.

Confidential information may include, but is not limited to, trade secrets, marketing information, customer lists, price lists, research and development activities, technical information, financial information, business plans, designs, drawings, techniques, processes, intellectual property, and any information which is not generally available concerning performance, results or plans.

People with access to confidential information must not reveal such information without appropriate authorisation and are responsible for ensuring that the information is used only for authorised purposes, is not used for personal gain and is protected from theft, unauthorised disclosure or inappropriate or unauthorised use.

You must not engage in discussions or other forms of correspondence with any representatives of the media, unless authorised to do so. Any approaches from the media must be referred to the General Manager.

You are expected to exercise discretion in your discussions and communication with people outside AJ Baker about the business of the company.

Supporting Documents: Internet, Phone and Communications Policy.

AJ Baker's Information Systems

Electronic information systems provided by AJ Baker must be used responsibly, appropriately and ethically.

Electronic information systems include, for example, email, telephone, fax, voice, internet and network access, databases and CCTV. Some examples of inappropriate use include:

- Disclosure of any passwords to any other person, or use a password that is not yours;
- Access to information systems in which you have not been authorised;
- Disclosure of any information that appears to be of a sensitive nature to anyone, unless authorised;
- Download, store, copy or distribute copyright materials. This includes commercial music or videos;
- Distributing unsolicited commercial emails (i.e. SPAM);
- Any act to store, display or transmit any images, text or audio files that could be considered pornographic, illegal, racist, violent or otherwise inappropriate;
- Any attempt to install and use unauthorised security tools, such as scanners, crackers or network analysers that are not authorised by AJ Baker's IT department;
- The connection of a non-approved desktop, laptop or mobile device to the AJ Baker network and while handling AJ Baker information.

We also must ensure that confidential information is appropriately labelled and described when stored (either hard copy or electronic copy). Ensure that, if necessary, you encrypt data when transmitting confidential information over the internet. Only approved encryption methods should be used.

Incidental personal use of AJ Baker electronic resources is permitted if it is occasional and does not interfere with the performance of employee's work duties. Any abuse of this privilege is regarded as misconduct.

AJ Baker reserves the right to monitor and block the use of the internet, email and other electronic resources at any time. The company will retain anything that may constitute a business record for as long as necessary, even after the departure of the employee who produced/stored the business record.

Supporting Documents: Internet, Phone and Communications Policy.

Fraud and Theft

We will not use AJ Baker assets or other resources for personal benefit and will share responsibility for safeguarding AJ Baker assets and resources under our control.

We will not commit fraud against the company or steal company property or funds.

We must report instances or suspicions of fraud and theft immediately after we become aware, regardless of whether the instance relates to an employee, a contractor or any other party.

You must use AJ Baker's funds wisely and should consider whether expenditure you are required to authorise is appropriate in the circumstances. All expenditures must be correctly allocated and reported on a timely basis. Misuse of AJ Baker's assets, including its intellectual property, constitutes fraud.

Unauthorised removal of AJ Baker equipment, supplies, or other resources is regarded as theft. AJ Baker resources must not be sold, lent or donated without appropriate executive approval. You must take appropriate precautionary action to prevent theft, damage or misuse of AJ Baker resources. Submission of a fraudulent expense reimbursement claim and use of corporate credit cards for personal use are regarded as serious misconduct for which disciplinary action will be taken.

You must not destroy or dispose of AJ Baker property without appropriate executive approval unless the items are of nominal value and can no longer be used. Intentional damage to AJ Baker property is unacceptable and prohibited.

The Australian Standard on Fraud and Corruption Control (AS8001 – 2008) defines fraud as follows:

- Fraud is dishonest activity causing actual or potential financial loss to any person or organisation including theft of moneys or other property by employees or persons external to the organisation and where deception is used at the time, immediately before or after the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position for personal financial benefit.
- The theft of property belonging to an entity by a person or persons internal to the entity but where deception is not used is also considered to be fraud.

AJ Baker's senior management adopt a zero tolerance approach to fraud and theft and are committed to building a culture where fraud and theft, in all forms, is unacceptable. In the event that you observe or suspect that a fraudulent event or theft has occurred, you are required to report the incident to your manager.

Fraud and theft are matters of a criminal nature. Where an allegation of fraud or theft is made, AJ Baker will conduct an independent investigation, adopting the principles of natural justice and fairness in determining the facts surrounding the allegations. If fraudulent conduct or theft is found to have occurred, the matter will be referred to relevant law enforcement agencies, if appropriate, and criminal charges may be laid. AJ Baker will also consider civil recovery actions against the perpetrators to recover misappropriated assets.

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