



Code of Conduct Procedure

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1 Purpose

The procedure reinforces the position and importance of Southern Cross’s values and provides employees with clear guidelines as to our expectations of behaviour generally and in specific instances as indicated below.

Good corporate governance is a key element to improving economic efficiency. It provides a structure through which the Group's objectives of growth in market capitalisation and earnings per share are set and the means through which these objectives can be achieved. The Code of Conduct adds another important element to the Group's Corporate Governance Framework.

This code of conduct is to be applied consistently across all of the group's activities including subsidiaries, associates and joint ventures.

2 Scope

The Code of Conduct applies to, and is mandatory for all our employees, directors, officers and contractors of SCEE and its subsidiaries

3 Point of Contact

Should employees or contractors have any questions in relation to our Code of Conduct they should be referred to their immediate Manager or to Human Resources or the Executive General Manager.

4 Definitions

Term	Definition
Contractor	Engaged by SCEE to provide a service
Employee	Direct employment relationship with SCEE
Gratuities	Bribes, kickbacks, gifts, entertainment, payments or any other benefit

5 Responsibilities

Role	Responsibility
All employees and contractors	Are responsible for understanding and adhering to this procedure

6 Flowchart

N/A

7 Compliance with the Law

SCEE operates in a number of legal jurisdictions. The Company and its employees are therefore subject to the laws of Australia and the laws of the countries in which we operate. Employees and contractors are expected to comply with the laws and regulations of any country in which they are operating. Ignorance of the law does not excuse non-compliance.

Where considered necessary, professional advice should be sought. In the first instance this advice must be sought through the Contracts Department function. Where external advice is required it must be coordinated through the Contracts Manager.

Employees and contractors are also expected to be familiar with and understand the Company's policies and procedures, and are also encouraged to keep up to date with industry developments relevant to their area of work. Employees and contractors will be provided with access to all policies and procedures via the Company's intranet site (currently under development) or through their Manager.

All employees and contractors are required to understand the legal environment in which they are operating.

The aspects of the law that are commonly encountered in the countries in which we operate include Trade Practices Law, Health & Safety Legislation, Environmental Law, Employment Law, Corporations Law and Taxation Law.

7.1 Protection of SCEE's Interests

Employees and contractors shall at all times conduct themselves with honesty and integrity. They must avoid actions that compromise SCEE's legitimate interests or objectives.

7.2 Responsibility to Shareholders

The Company aims to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders and the financial community and to comply with systems of control and accountability, which the Company has in place as part of its corporate governance, with openness and integrity.

7.3 Conflict of Interest

Employees and contractors must conduct all business transactions solely in the best interests of SCEE. Employees and contractors shall advise their Manager of any private interest in an organisation, business or otherwise, which may result in a conflict of interest.

Employees must not hold assets or become involved in activities that create a material conflict of interest between their personal interests and those of the Company.

In the event of a conflict of interest or a potential conflict of interest the employee must advise their Supervisor or Site Manager of the circumstances that have or may give rise to the conflict of interest and remove themselves from the situation giving rise to the conflict. The Supervisor or Site Manager must ensure the matter is properly investigated.

7.4 Use of Knowledge and Information

Employees and contractors must not improperly use knowledge, information, documents or other company resources. Employees and contractors must respect, protect and maintain the confidentiality of information about the Company, its customers and fellow employees. The security and proper use of customer and company information is mandatory.

No employee or contractor shall use confidential information or information about the Company that is not publicly available (inside information) for their own private gain, or that of others. Shares in SCEE or any other organisation to which the information refers cannot be bought or sold by anyone who holds confidential or inside information which could affect the Company's share price if that information was made public.

Employees and contractors must be familiar and comply with SCEE's Securities Trading policy, SCEE's Shareholder Communication Policy and SCEE's Corporate Governance - Continuous Disclosure Policy – available on the SCEE website.

The obligation not to disclose or misuse confidential or inside information and to respect the privacy of information also continues after employment has ceased.

7.5 Confidentiality and Intellectual Property

Employees will throughout the course of their employment receive and have access to information that is confidential to SCEE and to our clients. In some cases this information is protected by intellectual property rights. Confidentiality and intellectual property clauses should be contained in all contracts of employment and are to be included in all contracts with consultant's, contractors and other parties who provide services to SCEE.

The SCEE Standard Employment Contract refers to SCEE ownership of the work product of SCEE employees.

Employees must, both during and after their employment, protect to the best of their ability any confidential information acquired during their period of employment and protect the intellectual property rights of the company, our clients and our suppliers. All confidential information must be returned to the company upon termination of employment.

7.6 Respect of Company Property

Employees and contractors have a responsibility to protect any assets under their control. Employees and contractors must not steal, misappropriate or misuse SCEE's assets which include but are not limited to cash, securities, intellectual property, confidential information or property, nor assist others to do so.

7.7 Financial Inducements, Gifts, Entertainment and Gratuities

Employees and contractors must not seek, accept, provide, offer or cause to be provided bribes, kickbacks, gifts, entertainment, payments or any other benefit ("gratuities") where the provider of the gratuity is using the gratuity to obtain or retain business, or obtain and retain a business advantage that is not legitimately due.

As a general rule, employees and contractors must not accept or offer gratuities if such action could be reasonably interpreted as a reward for preferential treatment or be seen as creating a business obligation on the part of the recipient.

If a gratuity is accepted or offered that could be reasonable construed by others as improper, the offer or acceptance of the gratuity must be reported to that employee's immediate Manager.

The Company will allow acceptance of low value gifts and entertainment provided they are appropriate in the circumstances, do not have the potential to embarrass the company and are consistent with local customs and traditions. Gifts must not be given, sought or accepted except where the value of the gift is less than approximately A\$300 and it is seen as a common courtesy associated with general commercial practice.

The provision of travel, accommodation and entertainment, including meals is to be considered a gift and therefore covered by the same rules.

Where the giving of a more valuable gift is considered necessary, prior written approval must be obtained from the CEO, or one of the Executive Management Team.

Where the acceptance of a more valuable gift is considered necessary it must be accepted on behalf of the Company and handed over to the Project Manager who will have it entered onto the corporate gift register. The disposal of gifts entered onto the corporate gift register will be at the discretion of the Executive.

Gifts of any type must not be accepted where your position as an employee will or may be compromised.

If employees or contractors have any concerns regarding acceptance or offering of gratuities they should discuss their concerns immediately with their Manager who will, if necessary, refer it to the Executive General Manager – Business Services or Managing Director for advice.

All employees must be aware that bribery is unlawful in Australia and in many of the countries in which we operate. The following is a summary of Australia's position.

All personal information obtained by SCEE during the implementation of this Code of Conduct procedure will be controlled in accordance with the Privacy Amendment (Private Sector) Act 2000.

"The Australian Government works on a number of fronts to fight bribery and corruption both here and overseas. This approach helps support better governance and legal systems. It also helps improve Australia's investment opportunities overseas and is an important aspect of our excellent global reputation as a corruption-free trading partner.

In 1999, Australia became a party to the Organisation for Economic Cooperation and Development's (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Since 1999, it has been a criminal offence (Commonwealth Criminal Code Act 1995) to bribe a foreign public official, whether in Australia or in another country. An Australian in another country who bribes or attempts to bribe an official of that country can be prosecuted for bribery in an Australian court." Federal Attorney Generals Department

From the Company's perspective the offering, payment, solicitation or acceptance of bribes, kickbacks, secret commissions or similar payments in any form are considered to be unacceptable practices.

In some countries small payments to low-level public officials (facilitation payments) are commonly sought to expedite routine services or administrative processes. The company does not encourage this practice and every effort should be made to avoid payments of this type. Where unavoidable the payment must be approved in accordance with the group's delegation of authority and must be accounted for clearly and accurately.

7.8 Fraud

Fraud in any form is considered to be unacceptable behaviour and subject to disciplinary action.

7.9 Professional Behaviour and Fair Dealing

All employees and contractors are required to maintain the highest levels of professional conduct in their interactions with each other and in representing SCEE to all stake holders including the communities in which they operate, customers, suppliers, consultants and contractors.

Business relationships must be maintained in a manner, which is consistent with the principles of respect for others, integrity, fairness and which meet, as a minimum, the laws applicable to

behaviour in the work environment. All forms of discrimination and harassment are prohibited.

SCEE is committed to equal opportunity, personal rights and freedom, in all aspects of its operations. All employees and contractors must be mindful of the social ramifications of their actions. Employees and contractors must make themselves aware of the local culture and behave accordingly.

7.9.1 Personal Conduct

All employees are expected to:

- Treat everyone with courtesy, respect and sensitivity to their rights
- Refrain from all forms of harassment and discrimination based on gender, race, religious belief, political affiliation, pregnancy, disability, sexual orientation or illness
- Always act honestly and in good faith
- Respect each individual's rights to privacy and keep personal information in confidence
- Refrain from allowing personal relationships to affect professional relationships
- Seek advice from an appropriate manager where a colleague's behaviour is perceived to be in breach of the Code, and report any suspected corrupt, criminal or unethical conduct to the HR Manager.

7.10 Employee misconduct

This policy defines misconduct as meaning behaviour, attitude or a particular of an employee that is considered by SCEE to be unacceptable. Cases of alleged misconduct or serious misconduct by an employee will be dealt with seriously and could result in disciplinary action up to and including dismissal.

Misconduct includes the following:

- misdemeanours, including inappropriate behaviour;
- failure to comply with organisational policies;
- serious incompetence; or
- failure to properly discharge responsibilities.

Serious misconduct includes the following:

- dishonesty including theft;
- assault;
- fraud;
- releasing confidential information to competitors without authorisation;
- seriously inappropriate behaviour including drunkenness, fighting, sexual harassment;
- conduct that includes imminent and serious risk to a person's health or safety ;
- conduct that includes imminent and serious risk to the reputation, viability or profitability of the organisation;

- serious neglect of duty;
- gross insubordination and abuse; or
- serious and wilful disobedience.

7.11 Health and Safety

SCEE is committed to providing a safe and healthy work environment for all employees, contractors and visitors to our sites. As a minimum all SCEE employees must comply with all SCEE Health and Safety Policies and Procedures as well as applicable OH&S legislation and standards.

SCEE gives health and safety equal status with all our activities and encourages a culture where all employees are empowered to stop or delay any work where effective risk management controls are not in place.

All SCEE employees are responsible for their own health and safety and for the health and safety of any other person encountered in the workplace. The company therefore prohibits any person from entering a SCEE worksite whilst under the influence of alcohol or illegal or misused drugs. The misuse of drugs and the possession and use of illegal drugs is prohibited at all times. Alcohol is not permitted in SCEE offices without specific Senior Manager approval. The inappropriate use or abuse of alcohol is unacceptable. Smoking is a health hazard. All SCEE workplaces are smoke free environments.

7.12 Community and Environment

SCEE is committed to achieving a high standard of care for the natural environments and communities in which we come in contact. As a minimum all SCEE employees and contractors must comply with all SCEE Environmental and Community Relations Policies and Procedures as well as with applicable Environmental Legislation and Standards.

SCEE believes excellence in environmental performance is essential to our business success and compatible with balancing the economic, social and environmental needs of sustainable development.

All employees will ensure that all activities will be undertaken with consideration given to minimising adverse impacts on the environment and communities in which we work.

7.13 Unlawful Discrimination

Unlawful discrimination, harassment or demeaning behaviour of any kind against any individual or group is considered to be unacceptable behaviour.

7.14 Employment Practices

The recruitment and employment of all staff and wages employees will be undertaken in accordance with the group's procedures.

7.15 Equal Employment Opportunity

SCEE values equal opportunity in the workplace. Every person will be treated with care, respect, integrity and trust.

7.16 Outside Employment

Outside employment should not be undertaken where the commitment is likely to interfere with the execution of your employment contract with SCEE. Outside employment must not be undertaken when it:

- Creates or is likely to create a conflict of interest.
- Draws upon information or knowledge obtained through your employment with SCEE.
- Involves the use of company time or resources.

7.17 Privacy

SCEE is committed to protecting the privacy of its employees in accordance with relevant legislation. All personal information obtained by SCEE during the implementation of this Policy will be controlled in accordance with the Privacy Amendment (Private Sector) Act 2000.

7.18 Share Trading and Inside information

All SCEE employees are encouraged to hold shares in the Company. Independent financial advice should be sought before purchasing or selling shares.

The Corporations Act of Australia and the laws of other countries prohibit a person from dealing in shares or other securities of a company if that person is in possession of information that is generally not available to the investment community and which if generally available would influence the market for those securities.

When dealing in the Company's securities, all directors and staff are required to comply with the Company's Share Trading Policy which is available on the Company's website.

7.19 Sponsorships

Authority to approve sponsorship arrangements has been delegated by the Board to the CEO via the Delegation of Authority. Any proposed sponsorship agreements must be approved in accordance with the Group's Delegation of Authority.

7.20 Use of Company Resources

The unauthorised use of company resources (funds, property, supplies or equipment) for personal benefit is not permitted and may be considered as theft.

8 Compliance with SCEE's Policies and Procedures

All SCEE employees and contractors must be familiar with and comply with SCEE's policies and procedures.

9 Compliance with Code

It is the responsibility of each employee and contractor to understand and comply with this Code of Conduct.

It is an accountability of all Managers to ensure that all employees are aware of this Policy and all other Policies and Procedures adopted by SCEE.

10 Reporting Non Compliance

Employees and contractors who become aware of a breach or suspected breach of this procedure should report the matter. Employees and contractors can make reports to their immediate Supervisor, the Executive General Manager – Business Services, the Company Secretary or Managing Director.

11 References

Documents, both internal and external, that are referenced within the content of this procedure, including Australian and International Standards and legislation.

SIMS Document ID	Pre SIMS Document ID	Document Title
		Privacy Amendment (Private Sector) Act 2000.
		Commonwealth Criminal Code Act 1995)
		The Corporations Act of Australia
		SCEE Share Trading Policy
		SCEE Corporate Governance Policy – Continuous Disclosure
		SCEE Shareholder Communication Policy

12 Related Documents

Related documents are those that have a relationship with this document, for example if this was the Operational Risk Management procedure related documents would include the work instruction to complete a JHA, the JHA template, Take 5 work instruction and booklet, etc.

SIMS Document ID	Pre SIMS Document ID	Document Title
SCEE-HR-HR-POL-0003		Code of Conduct Policy Statement

*Note – During the transition period both old and new documents will be referenced.
If unable to locate a document using the SIMS document ID, use the pre SIMS document ID.