

1. Overview

- 1.1 This Code of Conduct is intended to drive behaviours that are consistent with the statement of values expressed by the Company in The MGX Way. It sets out the principles, practices and standards of personal behaviour to be observed by all employees of Mount Gibson Iron Limited (**Company**) and its controlled entities.
- 1.2 The Company's Board has adopted this Code to provide a clear statement of the standards of behaviour to be observed by all employees. Employees are required to understand and comply with this Code in the performance of their daily activities.
- 1.3 The guidelines contained in this Code are not meant to be exhaustive and may be revised from time to time by the Board, with the assistance of the Nomination, Remuneration and Governance Committee (**NRG Committee**), to address issues of importance as they arise and to reflect current community expectations.
- 1.4 A copy of this Code can be found on the Company's website (www.mtgibsoniron.com.au).
- 1.5 References in this document to the "Managing Director are also taken to include a person acting in the role of "Chief Executive Officer".

2. Core Values

- 2.1 All employees are expected to act consistently with the fundamental Company principles as set out in this Code and The MGX Way, including ethical behaviour, courage, integrity, safety, agility and respect.

3. Employment practices

- 3.1 We require all of our employees to:
 - (a) Act with integrity and maintain the standards expected by the Company;
 - (b) Be honest, dependable, moral and ethical;
 - (c) Perform their duties with diligence, act in good faith, and act in the best interests of the Company;
 - (d) Use their best endeavours to promote and protect the business, reputation, general interests and welfare of the Company, and observe the values of the Company;
 - (e) Work exclusively for the Company and advise the Company of any conflict or potential conflict of interest;

- (f) Comply with Company policies and procedures relevant to their work;
- (g) Respect and preserve confidentiality;
- (h) Ensure that the Company's information, assets, systems and facilities, including but not limited to its email and internet facilities, are only used for the purposes of the Company's business and are not used for any purpose which may bring the Company into disrepute or to access or distribute illegal, offensive or otherwise inappropriate material or for any other purpose which may damage the reputation of the Company;
- (i) Support diversity in the Company's employment practices, including the development of employees in accordance with the Company's Diversity Policy;
- (j) Respect diversity that each individual brings to the workplace in accordance with the Company's Diversity Policy;
- (k) Avoid any form of discrimination, bullying, harassment or other inappropriate workplace behaviour and take action to stop unlawful workplace behaviour where it arises;
- (l) Comply with and show respect for all applicable local, national and international laws;
- (m) Value, promote and maintain professionalism;
- (n) Show fairness in all dealings within the workplace and with customers, suppliers and the public; and
- (o) Refuse to tolerate any form of forced labour or servitude, including child labour and human trafficking within the business or its supply chains, and to report any suspected incidents of such behaviour

4. Confidentiality

4.1 In the performance of their duties, employees may learn confidential information – that is, information of a confidential nature relating to the Company or the Company's employees, customers or suppliers. Examples are marketing information, customer lists, supplier lists, research and development information, technical information, financial information, business plans, designs, drawings, techniques, tenders, contracts and other commercial arrangements, trade secrets and intellectual property. This is not an exhaustive list – confidential information includes all information which is not generally available concerning the activities, results or plans of the Company.

4.2 Employees must:

- (a) use confidential information solely for purposes of their duties as employees of the Company;
 - (b) preserve the confidentiality of confidential information, and ensure that it is not disclosed except on a need-to-know and confidential basis to other employees of the Company or other authorised recipients on a confidential basis; and
 - (c) not use or modify any confidential information for their own or a third party's interest or benefit.
- 4.3 The confidentiality obligations of employees continue after the end of their period of employment by the Company. On leaving the Company, employees must return all confidential information in their possession to their supervisor.
- 4.4 All information received by an employee, and all work produced by an employee, in the course of working with the Company belongs to the Company.
- 4.5 Managers and supervisors in each department of the Company are responsible for ensuring that suitable arrangements are in place for protecting confidential information.

5. Trading in securities of the company

- 5.1 All employees who are Key Management Personnel must comply with the Key Management Personnel dealing in Securities Policy (**Securities Policy**).
- 5.2 For the purposes of this Code, "Key Management Personnel" has the meaning given in the ASX Listing Rules (which adopts the definition in Accounting Standard AASB 124, *Related Party Disclosure*). The definition catches those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or non-executive) of the Company.

Insider Trading

- 5.3 It is important to remember that although the Securities Policy only applies to Key Management Personnel, the insider trading prohibitions set out in the Corporations Act apply to all employees, including members of their families. In general terms, employees must not use the knowledge gained through their position for personal gain, either for themselves or for people associated with them. Information about the activities or proposed activities of the Company, which is not public and which could materially affect the price or value of the Company's securities, must not be used for any outside purpose (such as trading in shares in the Company or those of companies engaged in transactions with the Company).
- 5.4 Part 7.10, Division 3 of the Corporations Act prohibits persons who are in possession of price-sensitive information in relation to securities of the Company, that is not generally available to the public, from:
- (i) dealing in the securities; or

- (ii) communicating the information to others who might deal in the securities, which conduct is otherwise known as “insider trading”. For this purpose, *price-sensitive information* means information about a company that a reasonable person would expect to have a material effect on the price or value of securities in the company.
- 5.5 Employees cannot avoid the prohibition on insider trading prohibitions by arranging for a member of their family or a friend to deal in securities. Employees must not give “tips” concerning price-sensitive information to others, including customers.
- 5.6 Individuals who contravene the insider trading provisions of the Corporations Act are liable to prosecution or to civil penalty action by the Australian Securities and Investments Commission. Penalties are severe and a person who engages in insider trading may also be ordered to pay compensation to anyone who suffered loss as a result of the insider trading.
- 5.7 Employees who are in doubt about whether they are free to deal in the Company’s securities should seek the advice of the Company Secretary before any dealing takes place.

6. General responsibilities

- 6.1 The Company has a wide range of human resource policies.

Safety

- 6.2 The provision of a safe working environment for everyone who works for us is valued by the Company. The Company will comply with all applicable laws and regulations regarding safety in the workplace.
- 6.3 The Company will provide all employees with a safe working environment, taking into account good operating practice in the iron ore industry and any specific known hazards, and will provide plant and systems of work that are safe. All employees must be appropriately supervised and trained to perform their jobs safely.
- 6.4 Employees are responsible for ensuring their own health and safety at work and for ensuring that their work activities do not adversely affect the health and safety of others.

Illegal drugs

- 6.5 The Company has a strict no-tolerance policy with regards to illegal drugs. Employees found to be in the possession of illegal drugs or to be under the influence of illegal drugs at work, on the Company’s premises, on Company business, or at Company-sponsored functions or activities, will be subject to the Company’s disciplinary procedures.

Misuse of prescription drugs

- 6.6 The misuse of prescription drugs at work, on the Company’s premises, when conducting Company business or Company sponsored activities is strictly prohibited. If employees are found to have misused prescription drugs or to be under the influence of prescription drugs

during working hours, on the Company premises, on Company business, or at Company-sponsored functions or activities as a result of such misuse, they will be subject to the Company's disciplinary procedures.

- 6.7 Employees taking prescribed drugs/medications that may impair their judgment or work performance, such as antihistamines, Panadeine Forte or insulin, etc, must advise their supervisor or manager, who may consult with appropriate personnel on the potential adverse effects of the prescribed drugs/medication and suitability of proposed work.

Alcohol

- 6.8 Except for designated wet areas, alcohol is not permitted under any circumstances on the Company's operational sites, including the Company's offices at operational sites. If employees are found to be in the possession of alcohol or under the influence of alcohol, on the Company's operational sites they will be subject to the Company's disciplinary procedures.
- 6.9 Excluding the Company's operational sites where alcohol is strictly prohibited (except for designated wet areas), alcohol is not permitted in any Company offices without the approval of a manager or senior executive. Managers and senior executives must ensure that any functions or activities sponsored by the Company or held on the Company's premises involve a responsible approach to serving alcohol. The purchase of alcohol with the Company's funds will require the specific permission of a manager or senior executive. Where alcoholic beverages are provided at Company-sponsored functions or activities, non-alcoholic beverages and food will also be made available.
- 6.10 Employees may be subject to alcohol or illegal drug testing, which may involve the testing of their breath or urine to find out whether they are under the influence of alcohol or illegal drugs. The primary aim of alcohol or illegal drug testing is to discourage abuse, offer help and provide access to confidential treatment. However, if employees are found to be under the influence of alcohol or drugs in breach of this Code, they will be subject to the Company's disciplinary procedures.

Smoke free workplace

- 6.11 The Company promotes a smoke-free workplace. Smoking during working hours, on the Company's premises, on Company business or at Company-sponsored functions or activities is not permitted except in designated smoking areas.

Conflict of interest

- 6.12 Employees must avoid any personal, financial or other interest which may be in conflict with their duties and responsibilities to the Company. Conflicts of interest can arise if an employee has a direct personal interest or an indirect interest (through a family member, friend or associate) in a business decision involving the Company.
- 6.13 Any interest which may create a conflict of interest must be promptly disclosed to a senior manager, and the employee concerned should remove themselves from any discussion or activity involving the conflict. It is the senior manager's responsibility to ensure that the

matter is properly reviewed and determine whether or not it is appropriate for the employee to resume any discussions or activities that involve the conflict.

- 6.14 Employees are not permitted to be engaged or have any interest in an organisation outside the Company (including as an employee, director, partner, agent, contractor or consultant) if the engagement or interest competes with, conflicts with or detracts from the business of the Company, or interferes with the proper performance of their work for the Company.
- 6.15 Accepting any appointment outside the Company, such as a board appointment (other than to the board of a non-trading family company or non-profit organisation), working for or consulting to another organisation, or conducting a business, is not permitted without the prior written permission of the Managing Director.
- 6.16 Paragraphs 6.12 to 6.15 of this Code do not apply to Board members, who must comply with the specific requirements in the Company's Conflict of Interest Policy.

Company resources

- 6.17 Company property, funds, facilities and services must be used only for authorised purposes and not for the personal benefit of employees or unauthorised third parties. Unauthorised removal of Company equipment, supplies or other resources is regarded as theft. Similarly, the Company's resources must not be sold, lent or donated without the approval of the Managing Director. Employees must take appropriate precautions to prevent theft, damage or misuse of the Company's resources.
- 6.18 Employees must not destroy or dispose of Company resources without the approval of a senior manager. Intentional damage to Company resources is unacceptable and is regarded as serious misconduct.
- 6.19 Employees must use Company funds sensibly and effectively. Expenditures must be reported accurately and in a timely manner. Submission of a fraudulent expense report is regarded as serious misconduct which will usually lead to dismissal.
- 6.20 An accurate and auditable record of all financial transactions relating to the Company must be maintained in accordance with generally accepted accounting principles. No entry should be made in the Company's records that distorts or disguises the true nature of any transaction. Non-financial records (eg personnel files, environmental documentation, safety statistics etc) must also be accurately and rigorously maintained.
- 6.21 Employees who leave the Company must return to their supervisor:
 - (a) all originals and copies in any form (including but not limited to computer data and customer lists and details) of books, records and documents of the Company, and
 - (b) all other things belonging to the Company that are in the employee's possession, including motor vehicles, computer equipment, keys, security cards and passes, corporate credit cards, mobile phones, copies of documents and electronic information.

Intellectual property

- 6.22 Unless otherwise agreed in writing by the Company, any intellectual property developed by an employee during or as a result of his or her employment by the Company is the sole property of the Company.
- 6.23 Employees must provide to the Company, and upon request assign to the Company any rights in, all work, ideas, concepts, designs, inventions, models, developments and improvements made or developed during the course of their employment or through use of any of the Company's time, materials, facilities or other resources.

Public statements

- 6.24 As a public company listed on ASX, the Company strictly adheres to the disclosure requirements of ASX and the Company's Continuous Disclosure and ASX Announcements Policy. Employees must not make comments that may affect the price of the Company's securities or in any other way provide information material to the financial performance of the Company or make any public statements regarding the Company as the Company's relationships with the media and the investment community are conducted exclusively by the Chairman, the Managing Director or as otherwise delegated by the Board.
- 6.25 Employees must not comment on market speculation and rumours. The Managing Director will determine if a comment is to be made in respect of such matters, having regard to the Company's obligations under ASX Listing Rule 3.1B to prevent the emergence of a false and uninformed market for the Company's securities.

Agents, contractors, consultants and other intermediaries

- 6.26 Business practices or other conditions may require the Company to use agents, contractors, consultants and other intermediaries from time to time (**Service Providers**). The Company's policy is to deal fairly and honestly with all Service Providers. This means that the Company's relationships with Service Providers are based on price, quality, service, and reputation, among other factors.
- 6.27 Employees dealing with Service Providers should carefully guard their objectivity and apply the principles in this Code. Specifically, no employee should accept or solicit any personal benefit from a Service Provider that might compromise or appear to compromise their objective assessment of the products or services to be provided to the Company.
- 6.28 The Company is committed to the safe and ethical manufacture and supply of goods and services and reserves the right not to do business with suppliers or Service Providers who do not share and demonstrate this commitment. Improper conduct by Service Providers can expose the Company to legal liability or reputational damage, just as much as the activities of the Company's employees. Employees who expressly or impliedly authorise or permit improper conduct by Service Providers may become personally liable themselves.

7. Communications Media

- 7.1 Email, the internet, facsimile, telephones and other Company information systems, like all other Company assets, must be used appropriately.
- 7.2 By accessing the Company's information systems, employees agree not to:
- (a) Use Company information or resources for personal financial gain or profit;
 - (b) Reveal or publish the Company's proprietary, classified or confidential information;
 - (c) Breach intellectual property laws, licence agreements or contracts;
 - (d) Publish material or enter into contractual agreements;
 - (e) Violate or attempt to violate any law or regulation;
 - (f) Engage in conduct which damages a person's or a company's reputation;
 - (g) Breach the Company's policies on bullying, harassment or discrimination as set out under the Company's Diversity Policy; and
 - (h) Display or transmit illegal material.
- 7.3 Occasional personal use of the Company's information systems is permitted provided:
- (a) it does not interfere with the performance of the employee's work during working hours, and
 - (b) it is consistent with the Company's policies and procedures governing the conditions of use of the Company's information systems.

Employees are expected to comply with the requirements of this Code at all times when using social networking sites such as Facebook and Twitter. As a Mount Gibson employee, you are expected to act responsibly and respectfully, and avoid making comments that unintentionally cause harm to yourself, others or the Company. Conversations, comments, photos, videos confidential or commercially sensitive information can remain online permanently, irrespective of attempts to delete. Excessive use of social networking sites using the Company's information systems is not permitted.

8. Bribery and corruption

- 8.1 The Company adopts a no-tolerance approach to bribery and corruption. The Company is committed to:
- (a) conducting all business in an honest and ethical manner;
 - (b) acting professionally, fairly and with integrity in all business dealings and relationships; and
 - (c) adopting and enforcing effective systems to counter bribery and corruption.

- 8.2 Employees must comply with and uphold all laws against bribery and corruption in all jurisdictions where the Company operates.
- 8.3 The Company's Anti-Bribery & Corruption Policy prohibits directors and employees of the Company from engaging in activity that constitutes bribery or corruption and provides guidelines as to what constitutes bribery or corruption.

Gifts and entertainment

- 8.4 Employees may from time to time entertain, or be entertained by, the Company's customers and suppliers and give or receive gifts in the course of their duties. However, entertainment of the Company's customers and suppliers provided (or received) should not extend beyond a level reasonably required to maintain an arm's length business relationship and should otherwise be in compliance with the Company's policies and procedures.
- 8.5 The Company's Anti-Bribery & Corruption Policy provides guidelines as to what is acceptable practice in respect of giving or receiving gifts in the course of a Director's or employee's duties.

Charitable donations

- 8.6 Charitable support and donations are acceptable, whether of in-kind services, knowledge, time, or direct financial contributions. No donation must be offered or made on behalf of the Company without the prior approval of the Managing Director.
- 8.7 The Company's Anti-Bribery and Corruption Policy provides guidelines as to what is acceptable practise in terms of charitable donations.

9. Law

- 9.1 All employees are required to comply with the letter and spirit of all applicable laws and regulations in the performance of their work and in their dealings with fellow employees, customers, suppliers and other people outside the Company.
- 9.2 If employees are in any doubt about the laws and regulations that apply to their work or to them in doing their work, they should immediately seek advice from their supervisor or a senior executive.
- 9.3 Employees who suspect or consider that a breach of law has occurred or will occur, must immediately report the breach in accordance with the procedure in paragraph 10.3 below.

10. Breaches

- 10.1 The Company is committed to the effective reporting of improper, corrupt or illegal conduct and all behaviour that is contrary to this Code. Disciplinary action may be taken against anyone who violates this Code. The nature of the disciplinary action will depend on the severity of the violation and may include reprimands, formal warnings, demotions or termination of employment. If the matter involves the breach of law or regulation, the matter may also be referred to an appropriate law enforcement authority.
- 10.2 Employees have a duty to observe this Code and ensure that no breaches occur. Breaches require immediate attention and employees have a duty to report known or suspected breaches of this Code.
- 10.3 Any employee, who in good faith makes a complaint or disclosure about an alleged breach of the law or this Code and follows the reporting procedure outlined in the Company's Whistleblower's Policy, will not be disadvantaged or prejudiced in the making of such a complaint or disclosure. The Whistleblower Policy sets out the Company's procedures by which employees may make complaints and reports.
- 10.4 If after enquiry the Company is satisfied that a breach of the law or this Code has occurred, the nature of the disciplinary action will be determined by the relevant management in consultation with other appropriate sources of advice, including the Company's Human Resources department. The nature of the disciplinary action will depend on the seriousness of the breach and other relevant circumstances.

11. Privacy

- 11.1 The Company is committed to complying with government legislation governing privacy of personal information obtained by businesses and to protecting and safeguarding the privacy of people who deal with the Company. The Company has developed and published its Privacy Policy.

12. Responsibilities to the Community

- 12.1 The Company believes that companies have a responsibility to contribute to the community above and beyond the contribution made by their employment and wealth creation activities. The Company is committed to the communities in which it operates and to ensuring that good corporate behaviour is integrated into all aspects of the Company's operations.

13. Responsibilities to the Environment

- 13.1 The operations of the Company have the potential to make significant impacts on the natural environment. The Company operates on the basis that legal compliance with all relevant local and national environmental protection laws is the minimum acceptable standard.

14. Questions

- 14.1 Employees who have any questions about this Code should seek clarification from their supervisor or the Company Secretary.

15. Review

- 15.1 The NRG Committee is to review this Code annually and make recommendations to the Board on whether changes are required. The Board must consider any recommendation received from the NRG Committee and, where appropriate, amend this Code (excluding the Whistleblower Policy which is subject to the review of the Audit and Financial Risk Committee).