

# PILOT ENERGY LIMITED

## CODE OF CONDUCT

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### **1 Purpose**

- 1.1 This code outlines how Pilot Energy Limited (“Pilot”) expects directors and employees (collectively the “Employees”) of Pilot and its controlled entities (“the Company”) to behave and conduct business in the workplace on a range of issues.
- 1.2 The Company is committed to the highest level of integrity and ethical standards in all business practices. Employees must conduct themselves in a manner consistent with current community and corporate standards and in compliance with all legislation.
- 1.3 The objective of the code is to:
  - (a) provide a benchmark for professional behaviour throughout the Company
  - (b) support the Company’s business reputation and corporate image within the community
  - (c) make Employees aware of the consequences if they breach the code.

### **2 Statements of Commitment**

#### **2.1 Commitment to Employees**

- (a) Employees are an important resource of the Company. The collective skills, energy and commitment of the Employees is the key driver of the Company’s business activities.
- (b) The Company is committed to providing a workplace that respects the rights of all Employees.
- (c) The Company will endeavour to maintain a workplace that is healthy and safe, fair and honest and free of harassment, hostility and offensive behaviour.
- (d) The Company will endeavour to keep Employees informed on the Company’s activities.
- (e) The views of Employees will be respected and participation will be encouraged.

#### **2.2 Commitment to clients**

- (a) The Company will endeavour to enhance relationships with business associates and seek to develop lasting and fruitful partnering with its business associates.
- (b) The Company seeks to generate business based on a reputation of honesty, integrity and fairness, as well as skilled and efficient operators.
- (c) The Company aims to be respected by its business associates.

### 2.3 **Commitment to shareholders**

- (a) Pilot seeks to keep its shareholders and prospective investors fully informed by communicating financial results and activities on a regular basis.
- (b) The Company will protect its property and assets and safeguard them from loss, theft and unauthorised use.
- (c) The Company will maintain records which are accurate in their representation of business events and will be used appropriately and stored securely.
- (d) The Company will restrict the use of information to be used to benefit Employees or anyone who interacts with Employees, either financially or otherwise.

### 2.4 **Commitment to governments**

- (a) The Company will endeavour to comply with all applicable laws and regulations in any country in which it conducts its business.
- (b) The Company will respect all regulations and expectations of bodies such as the Australian Taxation Office and state and territory taxation authorities, ASIC, ASX, ACCC and similar bodies.

### 2.5 **Commitment to communities**

- (a) The Company will endeavour to minimise the impact of its operations on surrounding communities.
- (b) The Company will encourage Employees to support industry and community safety, health and environmental initiatives that pertain to its business.
- (c) The Company will respect the environment and comply with the relevant environmental laws in the countries in which it operates.

## **3 The Code**

### (a) **Compliance with and respect for the law**

- (i) the Company and Employees must respect the law and act accordingly by observing and respecting the relevant laws, customs and business methods in the environment in which the Company operates
- (ii) if an Employee has concerns or queries about specific legal issues connected with the Company then they should, where appropriate, discuss those issues with their manager or the company secretary of Pilot in the first instance. Where necessary, legal advice should be sought before any decision is made in relation to the issue

### (b) **Fair dealing**

- (i) the Company aims to maintain the highest standard of ethical behaviour in business dealings and to behave with integrity in all its dealings with business associates, shareholders, stakeholders, government, employees, suppliers and the community

- (ii) employees are expected to perform their duties in a professional manner and act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. This should involve as a minimum:
  - (A) acting within applicable laws, particularly those that deal with matters covered by this code, including equal opportunity and anti-discrimination laws
  - (B) acting with courtesy
  - (C) acting with fairness and respect in supervision
  - (D) encouraging cooperation
  - (E) fostering an environment where rational debate is encouraged, with a view to achieving shared goals
  - (F) avoiding behaviour that might reasonably be perceived as bullying or intimidation
  - (G) understanding and responding to the needs of the Company's broader stakeholders including the community at large.
- (c) **Equal opportunity and anti-discrimination**
  - (i) the Company will not permit discrimination, intimidation or harassment of or by Employees on the basis of race, gender, marital status, national origin or religious beliefs or on the basis of any other personal characteristics protected by law
  - (ii) discrimination is not permitted at any level of the Company or in any part of the employment relationship. This includes areas such as recruitment, promotion, training opportunities, salary, benefits and terminations
  - (iii) the Company will treat all employees according to their skills, qualifications, competencies and potential
  - (iv) the Company will promptly investigate all allegations of harassment, bullying, victimisation or dissemination and will take appropriate corrective action. All harassment complaints will be treated seriously, sympathetically, quickly and privately. Retaliation against individuals for raising claims of harassment or discrimination will not be tolerated
- (d) **Occupational health and safety**
  - (i) the Company is committed to maintaining a healthy and safe working environment for its employees. Pilot will establish a formal Health & Safety Policy
  - (ii) all appropriate laws and internal regulations (including occupational health and safety laws) must be fully complied with
  - (iii) the Company will take into account the impact of health and safety issues when making business decisions and must ensure that business decisions do not compromise the commitment to avoiding injury to people

(e) **Disclosure of information**

- (i) Pilot has a formal market disclosure policy under the Corporations Act and ASX Listing Rules to keep the markets fully informed of information which may have a material effect on the price or value of Pilot's securities and to correct any material mistake or misinformation in the market
- (ii) Pilot requires Employees to understand the requirements of the policy and to act in accordance with the policy

(f) **Securities Dealing**

- (i) Pilot has a formal securities dealing policy that is available under the "Corporate Governance" section of the website. The policy may place additional restrictions on certain Employees over and above the basic legal requirement discussed below
- (ii) laws against insider trading make it illegal to deal in securities of a company while in possession of material information about the Company which has not become public
- (iii) if Employees become in possession of information concerning the Company that is not generally available and which a reasonable person would expect to have a material effect on the price of Pilot's securities, it is unlawful for them to buy, sell or otherwise deal in Pilot's securities. It is also unlawful in those circumstances to encourage someone else to deal in Pilot's securities or to pass the information to someone who may use the information to buy or sell Pilot's securities
- (iv) a person does not need to be an Employee to be guilty of insider trading. The prohibition extends to dealings by Employees through nominees, agents or associates, such as family members, family trust and family companies
- (v) it does not matter how or where the person obtains the information. It does not have to be obtained from the Company to constitute inside information. There are very serious penalties, including possible imprisonment, for violation of these laws.

(g) **Conflicts of interest**

- (i) all business transactions must be conducted solely in the best interests of the Company
- (ii) employees must avoid situations where their personal interests could conflict with the interests of the Company
- (iii) a conflict of interest exists where loyalties are divided. A person can have a potential conflict of interest if, in the course of their employment or engagement with the Company, any decision they make could provide for an improper gain or benefit to themselves or an associate. A conflict of interest may be defined as an issue that may occur when personal interests, the interests of an associate or relative or a duty or obligation to some other person or entity, conflict with a person's duty or responsibility to the Company
- (iv) employees must notify their manager, the chief executive officer or company secretary of Pilot if the individual suspects that there is a conflict of interest or a potential conflict of interest.

(h) **Gifts, prizes and entertainment**

- (i) giving and receiving gifts or hospitality are part of normal business practice. There can, however, be sensitivities associated with this giving or receiving, such as when the size of the offering is beyond being acceptable
- (ii) gifts, prizes and entertainment must be free of any suggestions of bribery or secret commissions and must not compromise the Company or its business associates.
- (iii) gifts, prizes or entertainment should not be accepted or received if there is any possibility that they might:
  - (A) indicate any bias or prejudice towards a person or company
  - (B) compromise judgement
  - (C) possibly represent a conflict of interest.
- (iv) employees are prohibited in soliciting benefits such as gifts, prizes and hospitality.
- (v) the difference between appropriate and inappropriate gifts is not always easy to determine. The following questions may help in assessing the motivation of the giver and the receiver and whether offering or acceptance is appropriate.
  - (A) Does the gift transgress any law or regulation?
  - (B) Why is the gift being offered or why am I offering it?
  - (C) Could the recipient feel pressure to reciprocate or grant favours as a result of the gift?
  - (D) Could acceptance/offering adversely affect the way the Employee performs?
- (vi) the Company expects its Employees to exercise reasonable judgement and discretion in accepting any gratuity or gift offered in connection with employment with the Company.

(i) **Improper use or theft of property or assets**

- (i) employees have a responsibility to protect any Company property and assets that are under their control and must be safeguarded from loss, theft and unauthorised use.
- (ii) Company property and assets include mining and exploration tenements, gold bullion, cash, securities, business plans, samples, third-party information, intellectual property (computer programs, software, models and other items) confidential information, machinery, plant and equipment, office equipment and supplies.
- (iii) Company assets may not be used for personal purposes without prior Company approval. Company property and documents should not be removed from official premises without a good and proper reason. If removed, they must be stored in a secure manner and the appropriate manager must be informed.
- (iv) employees leaving the Company must return all Company property in their possession.

- (v) employees are encouraged to use common sense and observe standards of good taste regarding content and language when creating documents that may be retained by the Company or a third party.
  - (vi) employees should not use the Company's electronic communications systems to access or post material that is pornographic, obscene, sexually related and profane or which is otherwise offensive or violates the Company policies or any laws or regulations.
  - (vii) employee use of the Company's electronic communication systems for non-business purposes must be occasional, not interfere with the Employee's professional responsibilities, not diminish productivity and not violate this code or any of the Company's policies.
  - (viii) any messages transmitted by email are treated as business messages and constitute property of the Company.
  - (ix) all Company books, records and accounts must accurately reflect the precise nature of transactions recorded. Employees must comply with prescribed accounting and business procedures and controls at all times.
- (j) **Confidential/private information**
- (i) unless previously published, the Company's records, reports, processes, plans and methods are proprietary and confidential. Employees should not reveal information concerning such matters without proper authorisation.
  - (ii) the Company's records include personal information. Personal information is information or an opinion about an individual whose identity is apparent or can be ascertained from the information or opinion. During the course of its activities, the Company may collect, hold or use personal information about suppliers of goods and services, customers, contractors and prospective and current Employees.
  - (iii) any personal information should be managed in a professional and ethical manner and is not to be used for any other purpose or disclosed outside the Company without the permission of the individual concerned, unless authorised by law.
- (k) **Outside employment**
- (i) employees may not receive payment for services from any competitor, customer, supplier or anyone associated with the Company without approval from the chief executive officer of Pilot..
  - (ii) any outside activity must be identified as completely separate from the Company, undertaken outside work hours and not in any way impinge on the Employee's work commitments. It must not represent an actual, potential or the perceived of conflict of interests.

#### **4 Compliance with the Code**

- 4.1 This code is a public document and as a result, adherence to the code is fundamental to the Company's reputation in the business community.
- 4.2 The Board of Pilot has endorsed this code.

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- 4.3 Any Employee who is aware of any breaches of this code must report the matter to the chief executive officer or company secretary of Pilot
- 4.4 Strict compliance with this code is a condition of employment. Breaches of this code shall be subject to disciplinary action which may include termination of employment.

### **5 Review of Policy**

This policy shall be reviewed by Pilot every 3 years and if required be amended to suit the requirements of the Company and adherence to the law.