

# Directors' Code of Conduct

# Directors' Code of Conduct

---

## 1. Introduction

The Board of Directors of Warwick Resources Limited (“Company”) has adopted and has agreed to be bound by the following general principles set out in articles 1-9 (inclusive) of this document.

### 1.1 Article 1 – General Principles

- (a) A director must act honestly, in good faith and in the best interests of the Company as a whole.
- (b) A director has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- (c) A director must use the powers of office for a proper purpose, in the best interests of the Company as a whole.
- (d) A director must recognise that the primary responsibility is to the Company’s shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders of the Company.
- (e) A director must not make improper use of information acquired as a director.
- (f) A director must not take improper advantage of the position of director.
- (g) A director must not allow personal interests, or the interest of any associated persons, to conflict with the interest of the Company.
- (h) A director has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board. Confidential information received by a director in the course of the exercise of directorial duties remains the property of the Company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Company, or the person from whom the information is provided, or is required by law.
- (i) A director should not engage in conduct likely to bring discredit upon the Company.
- (j) A director has an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of this Code.

---

## 2. Guidelines for the interpretation of principles

The following guidelines are intended to assist directors in complying with the core principles of the Code. They are not meant to be exhaustive and may be added to over time to address issues of importance as they arise.

### 2.1 Article 2 – Duties to the Company

- (a) Each director should endeavour to ensure that the functions of the Board have been specified clearly, are properly understood and are competently discharged in the interests of the Company.
- (b) A director should endeavour to ensure that the management of the Company is competent and is devoting its best endeavours in the interests of the Company.

- (c) In evaluating the interests of the Company, a director should take into account the interests of the shareholders as a whole, but where appropriate and/or required by law should take into account the interests of creditors and others.

## **2.2 Article 3 – Duties to Shareholders**

- (a) Each director should endeavour to ensure that the Company is financially viable, properly managed and constantly improved so as to protect and enhance the interests of the shareholders.
- (b) A director should seek to ensure that all shareholders or classes of shareholders are treated fairly according to their rights as between each other.
- (c) A director should consider whether any benefit to be received by the director or associated persons is of sufficient magnitude that the approval of shareholders should be sought, even though not required by law.
- (d) A director who is appointed to the Board at the instigation of a party with a substantial interest in the Company, such as a major shareholder or a creditor, should recognise the particular sensitivity of the position. Fiduciary duty requires the director to make a contribution in the interests of the Company and the shareholders as a whole and not only in the interest of the party who nominated the director. Where obligations to other people or bodies preclude an independent position on the issue the director should disclose the position and seriously consider whether to be absent or refrain from participating in the Board's consideration of the issue. Before taking the decision to be absent, a director should consider whether that absence would deprive the Board of essential background or experience. The matter should be disclosed and resolved by the rest of the Board.

## **2.3 Article 4 – Duties to Creditors**

- (a) Whilst the obligations of a director are primarily owed to the Company (that is the shareholders as a whole), there are situations in which it is necessary to evaluate the interests of creditors. In cases of doubt, a director should, with some urgency, seek professional advice.

## **2.4 Article 5 – Duties to other Stakeholders**

- (a) The Company and its directors must comply with the legal framework governing the Company's operations and must be conscious of the impact of the Company's business on society. Without limiting in any way the nature of the issues with which the director must be concerned in the running of the Company's business, particular attention should be paid to the environment, questions of occupational health and safety, industrial relations, equal opportunities for employees, the impact of competition and consumer protection rules, and other legislative initiatives that may arise from time to time. Although the director owes a primary duty to shareholders of the Company as a whole, the responsibilities imposed on the Company and the director under various acts of parliament clearly demand that the director evaluates actions in a broader social context.

## **2.5 Article 6 – Due Diligence**

- (a) Where attendance at a Board meeting is not possible, a director should take appropriate steps to obtain leave of absence.
- (b) A director must acquire knowledge about the business of the Company, the statutory and regulatory requirements affecting directors in the discharge of their duties to the Company, and be aware of the physical, political and social environment in which it operates.

- (c) In order to be fully effective, a director should insist upon access to all relevant information in sufficient time to be considered by the Board. This information should be made available in sufficient time to allow proper consideration of all relevant issues. In the extreme circumstances where information is not provided the director should make an appropriate protest about the failure on the part of the Company to provide the information and if necessary abstain from voting on the particular matter on the basis that there has not been the time necessary and/or the information provided to consider the matter properly. Any abstention and the reasons for it should be included in the minutes. It may also be appropriate to vote against the motion or move for deferment until proper information is available.
- (d) A director should endeavour to ensure that systems are established within the Company to provide the Board, on a regular and timely basis, with necessary data to enable it to make a reasoned judgment and so discharge its duties of care and diligence. An internal audit of systems supporting the Board should be conducted where necessary.
- (e) A director should endeavour to ensure that relations between the Board and the auditors are open, unimpeded and constructive. Similarly, the auditors should have direct and unimpeded access to the director. A director should be satisfied that the scope of the audit is adequate and that it is carried out thoroughly and with the full cooperation of management.
- (f) A director should endeavour to ensure that any company on whose board(s) he sits complies with the law and strives for the highest standards of business and ethical conduct.
- (g) A director shall endeavour to ensure that the Company complies with the listing rules of the Australian Stock Exchange and in particular those rules relating to any benefits that may be received by a director or an associated person from the Company by way of an issue of shares or any other transaction of a similar nature.
- (h) A director from time to time may need expert advice (whether it be legal, financial or some other professional advice and whether it relates to fiduciary or other duties) in order to discharge duties properly. The director should ensure, to the extent possible, that any advice obtained is independent of the Company. In that regard wherever necessary the services of advisers external to those advising the Company may need to be sought. In any case of doubt separate independent advice should always be sought by the directors on matter that may impact on their vision vis-à-vis the Company. The costs of obtaining independent advice will, where pre-authorised by the Chairman be at the Company's expense, otherwise the costs must be borne by the director.

## **2.6 Article 7 – Conflicts of Interest**

- (a) A director must not take improper advantage of the position as director to gain, directly or indirectly, a personal advantage or an advantage for any associated person.
- (b) The personal interests of a director, and those of family, must not be allowed to prevail over those of the Company's shareholders generally. A director should seek to avoid conflicts of interest wherever possible. Full disclosure of the conflict, or potential conflict, must be made to the Board. In considering these issues, account should be taken of the significance of the potential conflict for the Company and the possible consequences if it is not handled properly. Where a conflict does arise, a director must consider whether to refrain from participating in the debate and/or voting on the matter, whether to be absent from discussion of the matter, whether to arrange that the relevant Board papers are not sent, or, in an extreme case, whether to resign from the Board. Where a director chooses to be absent from the meeting, consideration should be given as to whether expertise that would be contributed by

the director is otherwise available. In the case of a continuing material conflict of interest a director should give careful consideration to resigning from the Board.

- (c) An executive director must always be alert to the potential for conflict of interest between management interests and the fiduciary duties as a director.
- (d) Dealing in the shares of the Company may give rise to dangers of breaching the duties of a director and should be undertaken with care and subject to Article 10. A director should not engage in the short terms trading of the Company's shares.
- (e) The payment of "success fees" in situations of potential conflict of interest is unacceptable.

## **2.7 Article 8 – Use of Information**

- (a) A director must not make improper use of information acquired by virtue of the position as a director. This prohibition applies irrespective of whether the director would gain, directly or indirectly, a personal advantage or an advantage for any associated person or might cause detriment to the Company.
- (b) Matters such as trade secrets, processes, methods, advertising or promotional programs, sales and statistics affecting financial results are particularly sensitive and must not be disclosed.
- (c) A director who takes the serious step of resignation on a point of principle should consider whether the reasons for resignation should be disclosed to shareholders (perhaps through the stock exchange) or the appropriate regulator. In deciding whether or not to make public the reasons for resigning and composing any resignation statement, a director should have regard to the following:
  - the duty not to disclose confidential information so as to damage the Company; and
  - the duty to act bona fide in the interests of the Company.
- (d) A director must respect the Company's obligations to provide absolute confidentiality regarding customer's affairs. A director who has been nominated to the Board by outside parties should recognise the particular sensitivity of the position and should be especially careful not to disclose matters that are confidential to those outside parties, unless the prior agreement of the Board has been obtained.
- (e) A director must not buy or sell shares as a director of the Company while in possession of information which, if disclosed publicly, would be likely materially to affect the price of the Company's shares.
- (f) A director should ensure that any information which is not publicly available and which would have a material effect on the price or value of the Company's securities is not provided to anyone who may be influenced to subscribe, buy or sell shares. Such information includes, but is not limited to drilling results; profit forecasts; proposed share issues; borrowings; impending takeovers; impending litigation; significant changes in operations; mineral resource or reserve statements; and liquidity problems.
- (g) A director should ensure that adequate and timely disclosure is made to the stock exchange.

## **2.8 Article 9 – Professional Integrity**

- (a) An executive director should recognise that the position occupied is particularly sensitive. As a director one must be prepared, if necessary, to express disagreement with colleagues including the managing director. However, in the absence of a need to express disagreement, one should be prepared to implement the decisions of the Board and the instructions of the managing director as a loyal member of the Board.
- (b) If there is any doubt about whether a proposed course of action is inconsistent with a director’s fiduciary duties then the course of action should not be supported. Independent advice should be sought as soon as possible to clarify the issue.
- (c) When a director feels so strongly as to be unable to acquiesce in a decision of the Board, some or all of the following steps should be considered:
  - making the extent of the dissent and its possible consequences clear to the Board as a means of seeking to influence the decisions;
  - asking for additional legal, accounting or other professional advice;
  - asking that the decision be postponed to the next meeting to allow time for further consideration and informal discussion;
  - tabling a statement of dissent and asking that it be minuted;
  - writing to the Chairman, or all members of the Board, and asking that the letter be filed with the minutes; and
  - if necessary, resign, and advise the appropriate regulator.
- (d) “Opinion shopping” and the search for loopholes in the law is unacceptable.

## **2.9 Article 10 – Dealings in Shares or Other Securities**

- (a) Directors must consult with the Chairman of the Board, or in his absence, the Managing Director, before dealing in shares or other securities of the Company.
- (b) Dealings (whether purchases or sales) in the Company’s shares or other securities by related persons may not be carried out other than in the dealing “window”, as stated in the Securities Trading Policy.
- (c) All related persons must give details of any acquisitions or disposals of shares or other securities in the Company, within one business day to the Company Secretary of the Company.
- (d) All related persons must ensure that they, at all times, observe the insider trading rules, as stated in the Securities Trading Policy.

The Code of Conduct was adopted on 1 July 2006.