



HORIZON GOLD LIMITED

ACN 614 175 923

CODE OF CONDUCT

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INTRODUCTION

This document has been designed to outline policies and procedures as well as provide practical guidance to all levels of management and employees in performance monitoring and disciplinary matters. The advice it contains takes account of case law and the development of good practice to help the Horizon Gold Limited (“**Company**”) and employees handle matters such as conflict of interest; Equal Employment Opportunity (EEO); misconduct/serious misconduct and so forth.

It is management’s responsibility to protect an employee’s rights by ensuring that disciplinary practices and procedures are effective, fair, well understood and applied with consistency.

The real purpose of discipline is to encourage people to behave sensibly at work so that Company goals can be attained through proper job performance. The majority of employees are “law abiding” people who will conform to established, accepted standards of conduct when they know what is expected of them. Corrective action is required for only a minority of employees.

When disciplinary action is required it is for the purpose of changing an individual’s behaviour, not, as commonly regarded, for punishment as such or as a way of leading into dismissal.

Proper procedures are essential as part of good management.

For the purpose of this policy, if HRN does not have a Managing Director appointed, all references to Managing Director in this memorandum, mean Non-Executive Chairman.

1 CODE OF CONDUCT

1.1 Ethical and Professional Behaviour

All employees should be committed to maintaining and improving the image of the Company. This should be reflected in the highest possible standards of ethical and professional behaviours. We look to our employees to be;

- 100% committed to all aspects of our work during working hours;
- fit for work at all times. i.e. under no circumstances should employees come to work under the influence of alcohol or drugs. No alcohol or non-prescription drugs are to be brought onto the Company premises or workplace; and
- respectful to everyone we work with and/or come into contact with. This includes co-workers, colleagues, and customers.

All employees will be subject to, and must observe and comply with all rules, policies and procedures as set out by the Company.

The Company reserves the right to amend, cancel or introduce such rules, policies and/or procedures as may be considered necessary.

Any employee found to be in breach of these rules, policies and/or procedures may be subject to disciplinary action, which may result in termination of employment.

1.2 Proper and Lawful Directions

One of the most important obligations resting on an employee is the obligation to obey all lawful directions given by the Company. However, employees are not expected or required to obey directions which are clearly unlawful or considered unsafe.

1.3 Respect for Other Employees

Regardless of the personal feelings between individuals, all employees should respect the position and expertise of their colleagues.

In any situation where individuals or groups of employees have concerns about the professional behaviour, confidentiality or behaviour of a colleague, or if individuals have concerns about the way the organisation is operating, they should follow the below steps;

- wherever possible deal directly with the person involved and
- discuss the issue with relevant management.

Employees should understand that even though they have worked through these steps, change or action may not always be possible.

1.4 Employee Share Trading

The Company requires all employees to discuss their intention to buy or sell Horizon Gold Resource Limited's shares with the Managing Director. Failure to comply with this clause may result in termination of employment. Employees (including directors) need to comply with the Company's Share Trading Policy at all times.

No employee or director of the Company may engage in the trading of securities of Horizon Gold Limited (ASX Code: PAN), nor procure a third party to trade while the employee is in possession of information that is not generally available and might have a material effect on the price or value of those securities if the information was generally available. Employees should always be mindful of the provisions of the Codes of Conduct in the Financial Services Industry which provide criminal penalties, where price sensitive information has been used for personal gain.

2 CONFLICT OF INTEREST

2.1 Company

It is in the interests of the Company and all employees that no conflict arises if the Company becomes interested in any property or transaction in which an employee or immediate family have a financial or investment interest.

The Company requires every employee or director who has an interest (whether directly or indirectly through a member of the employee's family or a corporate or other business or legal entity) in any property or investment or financial transaction in which the employee knows or believes the Company to be interested, to make a full

disclosure of the nature and extent of the interest immediately the employee becomes aware of the Company's interest.

Disclosure of interest shall be in writing to the Managing Director.

2.2 Employees

Employees have a contractual relationship with the Company. No outside employment must be undertaken without the Company's consent.

Consent to undertake outside employment will be provided in writing to the employee by the Company.

2.3 Gifts

Gifts and gratuities related to the Company's business pursuits are not to be accepted or made unless they are of nominal value (under \$500). Gifts offered independently of any business decision or inexpensive gifts, may be accepted, as it is industry practice to provide small tokens. Any gifts received under the provisions of this clause are to be recorded in the Gratuities Book.

To record disclosures of interest, gratuities and gifts, a Gratuities Book will be maintained in the Perth and Sites' Administration Offices. The book will record the date, the recipient, the donor and the nature of the interest gratuity or gift.

2.4 Disclosure and Use of Company Information

Employees have access to information about the business of the Company and as such are in a position of trust. There shall be no disclosure or use of such information outside the normal requirements of their job.

Employees must;

1. keep the Company information secret and confidential, except to the extent that the employee is required by law to disclose it;
2. take all reasonable and necessary precautions to maintain the secrecy and prevent the disclosure of any information;
3. not disclose information to any third party without first obtaining the written consent of the Company's management except in the ordinary and proper course of employment with the Company; and
4. not release any information into the public arena unless it has been authorised by an Executive of the Company.

The clause entitled 'Confidential Information' in the Company's contracts of employment is to be read in conjunction with the aforementioned.

3 PERFORMANCE PLANNING AND REVIEW (PPR)

The Performance Planning and Review (PPR) process is comprised of a series of meetings in which the employee and the Manager/Supervisor have an opportunity to discuss performance, set and review performance objectives, review appropriate behaviours, look at career plans and determine and review training and development needs.

3.1 PPR Process

The objectives of the PPR process are to;

- give clear direction about what is expected of the employee for the next year;
- give the Manager/Supervisor an opportunity to give the employee feedback on his/her performance;
- identify training and development opportunities;
- plan the employee's career within the Company;
- provide an opportunity for the employee to know where the Company is going and how the employee fits in; and
- set the employee's pay for the next year.

The most important consideration is that each employee receives a fair and objective evaluation on purely job related factors. Subjectivity and personal bias have no place in a PPR process.

3.2 Salary Review

The PPR document and ratings are established by the Manager/Supervisor and the employee and become part of the basis for the employee's salary review, training and career development.

The ordinary base rate of pay may increase based on the employee's performance and economic factors which affect the Company's capacity for such increases. The reviews for PPR usually take place in June and December.

4 MISCONDUCT AND SERIOUS MISCONDUCT

Matters that constitute serious misconduct are found in the clause entitled 'Termination of Employment' in the Company's contracts of employment.

Misconduct/Serious Misconduct is defined generally as wilful and/or negligent conduct which constitutes a breach of the Contract of Employment, relevant legislation or other relevant policies and procedures.

When an allegation of misconduct is made, the Operations Manager must document the allegation.

Once the employee has been made aware of the allegation, they will be informed that the Company will investigate the allegation thoroughly before deciding what action to take in relation to the alleged misconduct/serious misconduct.

The Company may, at its sole discretion, stand down the employee on full pay/no pay for the duration of the investigation, up to and including 7 days (*or greater for exceptional circumstances*).

As part of the investigation, an initial interview will take place between the Operations Manager and the employee (together with another Company representative, if appropriate) as soon as practicable. The employee also has the opportunity to have a fellow employee attend with him/her at the interview.

As part of the interview process, the Performance Counselling Procedure will be implemented and include the below mentioned process;

- interviewing all persons who have information relevant to the allegations;
- reviewing any other documentation or information which may be relevant to the allegations; and
- ensuring that the employee against whom the allegations have been made is aware of the information provided to the Company in relation to the allegations and has a fair and reasonable opportunity to respond to the allegations.

During the investigation, the Company will determine whether further investigation is required and will ensure that the employee has a fair opportunity to respond to any further information relating to the allegations.

Where the allegations involve possible criminal behaviour, the Company may notify the Police (if this has not already occurred). Where the allegations are the subject of a Police investigation, the Company will not rely solely on the outcome of any Police investigation or prosecution, however, they may be used as part of the Company's own investigations and assist in forming the Company's conclusion.

Once the investigation has been completed, the Company will assess whether the allegations have been substantiated and, if so, the seriousness of the misconduct and what action to take in relation to the misconduct.

Once these matters have been determined, the Company will inform the employee of its decision. The Company may, in relation to acts of misconduct/serious misconduct;

- give the employee a formal warning; and
- terminate employment.

The Company may, in relation to acts of serious misconduct, terminate the employee's contract without notice and payment will be made up to the date of dismissal only.

The employee has a responsibility to the Company to notify the Operations Manager of any conviction or any charge made by Police whilst in the Company's employ.

4.1 Stand Down

The provisions that allow the Company to stand down an employee without pay are listed in relevant legislation. This is to be confirmed before an employee is stood down without pay.

In the case of alleged serious misconduct, that if upheld would result in the employee being summarily dismissed (instant dismissal), then the Operations Manager (in consultation with the General Manager Operations) must consider standing down the employee (with/without pay) for the duration of up to and including 7 days (*or greater for exceptional circumstances*).

The employee should receive notification of the stand down using the Stand Down Letter (Appendix – Example 3) and must ensure they are available for any investigation interview.

Should an employee be stood down without pay, back payment is made for the period of stand down if no disciplinary proceedings are brought.

Key Points

- Every situation needs to be evaluated on its own merits and a determination made that the offence is of a sufficiently serious nature.
- The matter must be properly and immediately investigated by a Manager/Supervisor or Operations Manager (the employee may be immediately taken off duties while this is taking place).
- The facts should leave little room for doubt.
- The employee should be given an opportunity to explain (notes should be taken of extenuating or mitigating circumstances).
- A decision should be made without delay, except where there is a need to consult with senior management, HR Manager or other external parties.
- Details of the matter should be clearly documented and placed on the personnel file.
- The Payroll Officer should be notified to calculate entitlements as soon as possible for terminations of employment.
- If it is suspected that an employee may have committed a criminal offence, the Operations Manager must notify the Police immediately.

5 EQUAL OPPORTUNITY, DISCRIMINATION, HARRASSMENT & BULLYING

5.1 Equal Opportunity and Discrimination

EQUAL OPPORTUNITY & DISCRIMINATION POLICY STATEMENT

- The Company is an equal opportunity employer.
- The Company is committed to complying with all State and Commonwealth laws governing equal opportunity, discrimination and harassment in the workplace. The Company maintains a 'zero tolerance' policy in relation to discrimination and harassment in the workplace.
- The Company is committed to ensuring its employees and applicants are provided with an environment which is free from discrimination, harassment or abuse.
- Employees found to be engaging in discriminatory practices, harassment or abuse of fellow employees or other persons in the workplace will be subject to the Company's disciplinary policies, and may also be subject to prosecution under State and Commonwealth laws. The Company is required to report all cases of discrimination, harassment and abuse to the appropriate authorities.
- Management will endeavour to ensure that all employees are aware of the laws governing discrimination, harassment and equal opportunity. Management has a duty of care to all employees to provide a workplace in which the individual rights, beliefs and entitlements of the Company's employees are respected and protected.

The Company acknowledges the rights of employees to work in a discriminatory/harassment free environment.

The Company does not support any form of discrimination on the basis of;

- sex;
- pregnancy;
- race, ethnic background and nationality (relative or associate);
- parental/carer status and or family responsibility;
- marital/de-facto status (and identity of spouse);
- sexuality/sexual preference;
- disability (past, present, possible, future and imputed, including that of a relative or associate);
- age;
- political/religious conviction;
- irrelevant criminal record; or
- social origin.

The following conducts, are contrary to the Company's Policies -

- harassment;
- victimisation;
- compulsory retirement.

- discriminatory advertising; and
- vilification.

In line with the principle of Equal Employment Opportunity, the Company is also committed to removing any barriers to equal opportunity faced by women in leadership roles and will take steps to promote their equality.

5.2 Discrimination, Harassment and Bullying

The Company acknowledges that employees have a right to work in an environment that is safe, fair and free from discrimination, harassment and bullying. The Company is cognisant of complying with all State and Commonwealth laws governing unlawful discrimination, harassment, bullying, vilification or victimisation.

Employees found to be engaging in discriminatory practices, harassment or bullying of fellow employees or other persons in the workplace will be subject to disciplinary action, up to and including termination of employment, and may also be subject to prosecution under the Commonwealth, State or Territory laws.

5.2.1 Company Objectives

The Company actively seeks to achieve the following objectives with respect to;

- create a working environment that is free from discrimination, harassment and bullying where all employees are treated with dignity, courtesy and respect;
- provide information sessions and training to ensure that all employees know their rights and responsibilities;
- provide an effective procedure for complaints, based on the principals of natural justice;
- treat all complaints in a sensitive, fair, timely and confidential manner;
- guarantee protection for our employees from further victimisation or reprisals; and
- encourage reporting of behaviour that breaches the discrimination, harassment and bullying policy.

5.2.2 Unlawful Discrimination

Under Federal and State legislation unlawful discrimination occurs when someone, or a group of people, is treated less favourably than another person or group because of their race, colour, national or ethnic origin; sex, pregnancy or marital status; age; disability; religion; sexual preference; or some other characteristic specified under anti-discrimination or human rights legislation.

Workplace discrimination can occur in;

- recruiting and selecting employees;
- terms, conditions and benefits offered as part of employment;
- who receives training and what sort of training is offered; or
- who is considered and selected for transfer, promotion, retrenchment or dismissal.

5.2.3 Unlawful Harassment

Under Federal and State legislation unlawful harassment occurs when someone is made to feel intimidated, insulted or humiliated because of their race, colour, national or ethnic origin; sex; disability; sexual preference; or some other characteristic

specified under anti-discrimination or human rights legislation. It can also happen if someone is working in a 'hostile' or 'intimidating' environment.

Harassment can include behaviour such as;

- telling insulting jokes about particular racial groups;
- sending explicit or sexually suggestive emails;
- displaying offensive or pornographic posters or screen savers; or
- making derogatory comments or taunts about someone's race or religion.

5.2.4 What Harassment / Discrimination is Not

Workplace harassment, discrimination or bullying must not be confused with legitimate comment and advice (including relevant negative comment or feedback) from Managers/Supervisors on the work performance or work related behaviour of an individual or group.

The process of providing feedback to employees during a formal performance appraisal, or counselling employees regarding their work performance, will not always be free of stress. Managers/Supervisors should manage these processes with sensitivity, but they should not avoid their responsibility to provide full and frank feedback to employees.

5.2.5 Sexual Discrimination

The Sex Discrimination Act 1984 makes it unlawful to discriminate against a person because of their sex, marital status or because they are pregnant or might become pregnant. It is also against the law to dismiss a person from their employment because of their family responsibilities. The Act promotes recognition and acceptance within the community of the principles of equality for women and men.

5.2.6 Pregnancy Discrimination

Pregnancy discrimination occurs when a female employee is treated less favourably than another person because she is pregnant or because she may become pregnant. Indirect pregnancy discrimination may also happen when someone imposes a requirement (a rule, practice or procedure) which appears to treat everyone the same but disadvantages a woman because she is pregnant or may become pregnant in the future.

Pregnancy discrimination can occur if a woman is treated in any of the following ways (because she is pregnant or might become pregnant);

- refused employment or promotion;
- dismissed or retrenched;
- excluded from a training course;
- reduced hours of work;
- transferred to another position when there are no valid safety or medical reasons for this; or
- demoted or reduced seniority.

5.2.7 Sexual Harassment

Sexual harassment is any unwanted, unwelcome or uninvited behaviour of a sexual nature which makes a person feel humiliated, intimidated or offended. Sexual harassment can take many different forms and may include physical contact, verbal comments, jokes, propositions, the display of offensive material or other behaviour which creates a sexually hostile working environment.

Whether the behaviour is unwelcome is a subjective test: it looks at how the conduct in question was perceived and experienced by the recipient, rather than the intention behind it.

Whether the behaviour was offensive, humiliating or intimidating is an objective test: it looks at whether a reasonable person would have anticipated that the behaviour would have this effect.

Sexual harassment in the workplace can take various forms. It can involve;

- staring, leering or unwelcome touching;
- suggestive comments or jokes;
- sexually explicit pictures or posters;
- unwanted invitations to go out on dates;
- requests for sex;
- intrusive questions about a person's private life or body;
- unnecessary familiarity, such as deliberately brushing up against a person;
- insults or taunts based on sex;
- sexually explicit physical contact;
- sexually explicit emails or SMS text messages;

5.2.8 Criminal Behaviour

Some types of sexual harassment may also be offences under criminal law. These include;

- physical molestation or assault;
- indecent exposure;
- sexual assault;
- stalking; or
- obscene communications (telephone calls, letters, etc).

If the Company or an employee suspects that a criminal incident has occurred, the matter will be reported to the Police.

5.2.9 What Sexual Harassment is Not

Sexual harassment is not behaviour which is based on mutual attraction, friendship and respect. If the interaction is consensual, welcome and reciprocated it is not sexual harassment.

Disciplinary action up to and including termination of employment will occur where the grievance(s) is found to be vexatious or malicious.

5.2.10 Workplace Bullying

Workplace bullying is any repeated treatment of a person by another or others in the workplace, which may be considered unreasonable and inappropriate workplace practice. It includes behaviour that intimidates, offends, degrades or humiliates a worker.

Bullying behaviour can range from very obvious verbal or physical assault to very subtle psychological abuse. This behaviour may include;

- physical or verbal abuse;
- yelling, screaming or offensive language;
- excluding or isolating employees;

- psychological harassment;
- intimidation;
- assigning meaningless tasks unrelated to the job;
- giving employees impossible jobs;
- deliberately changed work rosters to inconvenience particular employees; and
- undermining work performance by deliberately withholding information vital for effective work performance.

5.3 Where to Get Help if Discrimination or Harassment Occurs

If you feel you have been discriminated against, harassed or bullied you should speak with your Manager/Supervisor, Site Contact Officer, HR Manager or Operations Manager.

5.4 Complaints Procedure

Due to the nature of allegations of discrimination, harassment and bullying and the investigation methodologies to be employed, the Company adheres to the Company's Performance Counselling Procedure, and offers the following procedure.

The Company's procedure for dealing with discrimination, harassment or bullying complaints has been designed to maximise the possibility of an in-house resolution. In recognition of the many different variables that can arise in discrimination, harassment or bullying cases, including the severity and complexity of the allegations, relative seniority of the parties, and whether the allegations are admitted or denied, the Company offers employees both an informal and formal complaint procedure. It is up to an employee's individual discretion, as to which procedure they choose and the Managers/Supervisors are not required to exhaust informal means of resolution before formal actions commence.

5.5 Informal Complaint Procedures

The informal procedure emphasises resolution rather than factual proof or substantiation of a complaint. Informal ways of dealing with complaints of discrimination, harassment or bullying can include the following actions;

- the individual who has been discriminated against or harassed or bullied wants to deal with the situation themselves but may seek advice on possible strategies from their Manager/Supervisor or another officer (e.g. Contact Officer or Human Resources Manager);
- the individual who has been discriminated against or harassed or bullied asks their Manager/Supervisor to speak to the alleged perpetrator on their behalf. The Manager/Supervisor privately conveys the individual's concerns and reiterates the Company's policy to the alleged perpetrator without assessing the merits of the case;
- a complaint is made, the perpetrator admits the behaviour, investigation is not required and the complaint can be resolved through conciliation or counselling;
- a Manager/Supervisor observes unacceptable conduct occurring and takes independent action even though no complaint has been made; or
- where the allegation has been investigated and clearly a misunderstanding has taken place, the complainant will be offered support, which may also include professional counselling.

This course of action is usually appropriate where;

- the allegations are of a less serious nature, but the individual subjected to the behaviour wants it to cease nonetheless;
- the individual subjected to the behaviour wishes to pursue an informal resolution; or
- the parties are likely to have ongoing contact with one another and the complainant wishes to pursue an informal resolution so that the working relationship can be sustained.

5.6 Formal Complaint Procedures

This procedure is best employed when a complaint can be substantiated, or at a minimum when parties can be brought together to try and reach a satisfactory outcome. Formal complaints procedure involves;

- investigation of the allegation/s;
- application of the principles of natural justice;
- making a finding as to whether the discrimination, harassment or bullying occurred or whether it is more likely than not that it has occurred;
- submitting a report with a recommended course of action to the appropriate decision-maker (senior management); and
- implementation of an appropriate outcome.

Formal procedures are usually appropriate where;

- informal attempts at resolution have failed
- the person alleging discrimination or harassment or bullying has been victimised;
- the complaint involves serious allegations of misconduct and informal resolution could compromise the rights of the parties;
- the complaint is against a more senior employee where formal procedures may help to ensure that the complainant is not victimised or disadvantaged;
- the allegations are denied and the person who claims to have been harassed wishes to proceed and investigation is required to substantiate the complaint; or
- the person alleging discrimination or harassment or bullying wishes to make a formal complaint from the outset.

5.7 The Steps Involved in a Formal Complaint

To ensure consistency and fairness, the following sequence of events are to occur when investigating a formal complaint. (The formal complaint may be investigated by the Operations Manager or Manager/Supervisor or Human Resources Manager (or delegated officer));

- the complainant is interviewed and the allegations are provided in written format;
- the allegations are conveyed to the alleged perpetrator in full;
- the alleged perpetrator is given the opportunity to respond and defend themselves against the allegations;
- if there is a dispute over facts, statements from any witnesses and other relevant evidence are gathered;
- a finding is made as to whether the complaint has substance;

- a report documenting the investigation process, the evidence, the finding and a recommended outcome/s is submitted to the appropriate decision-maker (Operations Manager or General Manager Operations or Managing Director (or delegate appointed by the Managing Director); and
- the decision-maker implements the recommended outcome/s or decides on an alternative course of action.

All parties involved in the complaint are encouraged to have a support person accompany them to any interviews or meetings, if required.

5.8 Guidance to Managers/Supervisors

Consideration of Evidence

A formal complaint should not be dismissed on the ground that no one saw or heard the incident/s occur. Given the nature of the offence, there are often no direct witnesses to alleged acts of discrimination, harassment or bullying. Those responsible for investigating complaints should consider all available evidence, including any surrounding evidence. The following type of evidence may be relevant;

- supporting evidence provided by a health practitioner, counsellor, family member, friend or co-worker;
- manager/supervisor's reports and personnel records (e.g. unexplained requests for transfer or shift changes, sudden increase in sick leave);
- complaints or information provided by other employees about the behaviour of the alleged perpetrator;
- records kept by the person claiming to have been discriminated against or harassed or bullied;
- whether the evidence was presented by the parties in a credible and consistent manner; or
- the absence of evidence where it should logically exist.

Outcomes

Any combination of the following examples of outcomes may occur;

- the complainant gaining a better understanding of the situation and no longer feeling aggrieved;
- the complainant receiving a verbal or written apology;
- the respondent receiving a verbal or written official warning;
- one or both parties agreeing to participate in formal counselling;
- both parties agreeing to conciliation or mediation to be conducted by an impartial third party where the parties to the complaint agree to a mutually acceptable resolution;
- disciplinary action up to and including termination of employment where Company Policy has been breached and /or where misconduct or serious misconduct or unsatisfactory performance has occurred;
- disciplinary action up to and including termination of employment will occur where the grievance(s) is found to be vexatious or malicious; or
- re-crediting any leave taken as a result of the discrimination or harassment.

6 INTERNET AND EMAIL

This information should be read in conjunction with the Company's IT Policy.

Communication through the Company's Internet and email access is intended as a business communication tool. The Company's Internet and email facilities are not to be used for private purposes. An employee's use of the Company Internet and email facilities is not private and can be monitored by the Company at any time.

Internet and email use at work or using Company property is subject to the following general requirements and guidelines;

1. Access to the Internet and email will only be provided for business related activities. The unauthorised use of the Company's internet or email facilities for private purposes is forbidden. This includes but is not limited to;
 - posting messages on internet bulletin boards;
 - private advertising;
 - political lobbying; or
 - unreasonable private business.
2. Employees are prohibited from accessing, downloading, transmitting, distributing or knowingly receiving material that is inconsistent with business objectives or is in violation of State or Federal laws. This includes, but is not limited to;
 - copyrighted material or material protected by trade secrets;
 - threatening, harassing, insulting, sexist or racist material;
 - pornographic, obscene or suggestive material; or
 - games.
3. Private or confidential information which could be detrimental to the Company or individual employees, if released, must not be placed on the Internet or sent via email to any person outside the Company unless expressly authorised (e.g. plans for new services to be introduced, specifications, financial information that is not ready to be released).
4. Employees are prohibited from using the facilities of the Company to gain unauthorised access to, or make unauthorised changes to programs or data on external sites.

6.1 Access

After an employee or contractor has completed induction, a computer logon and email account will be assigned. The electronic mailbox and Internet must be used in accordance with Company policy. The content, maintenance and use of an electronic mailbox are the responsibility of the person to whom the email account is assigned.

6.2 Internet Acceptable and Prohibited Use

Internet services are provided by Horizon Gold Limited to support open communications and exchange of information. The Company encourages the use of electronic communications by its employees.

While the Internet contains much information that is useful for work purposes, it also contains significant volumes of information that may be interesting, but which is of limited direct use to the activities of the Company. All employees should endeavour to maximise the value of their time on the Internet and avoid the unnecessary time and cost of 'surfing the net' when such activities add little value to work.

It is permissible to use the Internet for incidental personal purposes such as banking, paying bills and booking flights and accommodation. This does not include uses requiring substantial expenditures of time, uses for profit or uses that would otherwise violate Company policy with regard to employee time commitments or Company equipment.

Limited personal use does not include downloading;

- unauthorised software;
- lengthy files containing picture image;
- live pictures or graphics;
- computer games; or
- music files or gambling sites.

Downloading of such files increases the load on the network and could degrade the service to other employees with a genuine business need to use the Internet. Such files should not be emailed to others.

6.3 Email Acceptable and Prohibited Use

Use of email throughout the Company's network infrastructure is permitted where such use is required for business purposes, effective internal/external communications and supports the goals and objectives of the Company and its departments. Employees are not to use email for;

- illegal or unethical purposes;
- distributing threatening, abusive, defamatory, prohibited or offensive messages;
- the practice of harassment, abuse or defamation of any person;
- distributing chain letters, SPAM or unnecessary multiple messages;
- making false representation or breaching confidentiality;
- unauthorised use or release of Company information;
- the distributing and/or knowingly receiving of unauthorised software. or
- potentially embarrassing or negative impacts on the Company.

Ephemeral emails referring to non-business matters (e.g. social events, footy tipping) should be utilised on a limited basis. These should be discarded after use to ensure

system and network resources are not impeded. The content, maintenance and use of an electronic mailbox are the responsibility of the person to whom the email account is assigned.

Categories of behaviour and email deemed to be unacceptable are;

- networking of jokes with derogatory content and images of an offensive nature;
- posting sexual innuendos or personal information about others;
- sending messages that spread rumours about another employee; or
- passing on material containing threats or violent fantasies.

It is not acceptable to intentionally create, send or access information that could damage the Company's reputation, be misleading or deceptive, result in victimisation or harassment, lead to criminal penalty or civil liability, or be reasonably found to be offensive, obscene, threatening, abusive or defamatory. Inappropriate use includes, but is not limited to, any use of Company's equipment or services for intentionally transmitting, communicating or accessing pornographic or sexually explicit material, images, text or other offensive material.

You may be individually liable if you aid and abet others who discriminate against, harass or vilify colleagues or any member of the public. (Harassment will be treated in accordance with Section 5 Equal Opportunity, Discrimination, Harassment and Bullying within this Code).

You may not intentionally create, transmit, distribute, or store any offensive information, data or material that violates Australian or State regulations or laws. The Company reserves the right to audit and remove any illegal material from its computer resources without notice.

Email is not to be intentionally used for chain letters. Employees are encouraged to report breaches of this policy to their Manager/Supervisor or an appropriate senior employee.

6.4 Appropriate Messages / Content

The Company will not tolerate employees using the system in a manner which potentially breaches other Company policies, for example, sexual harassment and discrimination. This means that employees must not send messages to individuals or groups which;

- discuss or comment on the physical appearance of other members of staff, whether they are the recipient of the message or not;
- contain sexual innuendo;
- include comments of a sexual, sexist or racist nature or make inferences or comments about a person's sexual preferences;
- include comments of a degrading nature, whether based on race, disability, sex etc; or
- use abusive or offensive language.

This list is not complete, but merely an example of the types of conduct which are inappropriate and unacceptable.

The intention of an employee in writing or sending a message is irrelevant. If the message offends, humiliates or intimidates another person it may breach the IT Policy and breach relevant legislation.

Inappropriate messages may be received by an employee (both internally and externally). This may be out of the individual's control. However, no further internal or external distribution of such messages must occur. The mere on-forwarding of inappropriate messages/material may be sufficient to breach Company policy and/or relevant legislation. It is not necessary for the sender of the message/ material to have created it.

The Company or individual employees may be held liable for the content of messages that are offensive. Copies of internet mail messages may be requested by external bodies as discoverable documents if a complaint of harassment or discrimination is made.

6.5 Reporting Inappropriate Use of Internet Facilities

Employees must report any actual or suspected inappropriate use of Internet or email facilities to their Manager/Supervisor.

Any complaints will be treated confidentially.

6.6 Subscription to Lists

Subscription to list servers is to be kept to those that relate to the Company's activities - subscription to lists that are not work related is not permitted. In order to ensure a manageable level of emails received, which will not interfere with normal working obligations, it is advisable to limit the amount of lists to which you subscribe.

6.7 Restriction on Sites that can be Visited

The Company may monitor usage of the Internet by employees, including reviewing a list of web sites accessed by an individual. No individual should have any expectation of privacy in terms of their usage of the Internet. In addition, the Company will restrict access to certain sites that it deems are not necessary for work related purposes. These include sites that contain illegal, obscene, pornographic or hateful content, which is objectionable or inappropriate in the workplace.

6.8 Downloading

Software should not be downloaded from the Internet without prior approval of the IT Manager. Downloaded software can introduce computer viruses onto the Company's network. In addition, anti-virus download software is not to be disabled. All computers are configured to automatically scan any material downloaded from the Internet.

6.9 Accessing Personal Mail

Email may be used for incidental personal purposes. It is permissible to use the email system for incidental personal purposes. This does not include uses requiring substantial expenditures of time, uses for profit or uses that would otherwise violate Company policy with regard to employee time commitments or Company equipment. Access to personal email (such as Hotmail) using workplace computers should be restricted to lunch periods.

Any webpage or email, including online emails such as "hotmail" are also subject to the Company's acceptable use policy and guidelines.

6.10 Email and Privacy

The Company provides email to assist in conducting business; therefore emails are Company property and can be traced if necessary (even if messages have been deleted). The content of electronic communications is not the personal property of the employee. Like other forms of text-based communication, email is the property of the employer and will be treated as such.

6.11 Content of Mailboxes

Mailbox Stores are limited to Site specific values, these values are based on the I.T resources available at each site. Once a limit has been reached the users ability to send and/or receive email may be impacted until the user clears their mailbox storage below the site requirements, this can be achieved through deletion or archiving methods.

6.12 Attachments

To ensure optimal use of email capacity, attachments that are multimedia based, programs or larger than 10MB are blocked by default. Contact IT when you have a business requirement to send or receive such attachments. Distribution of attachments to a large number of people should generally be avoided. It is recommended that attachments should be;

- placed on the Intranet and referenced by a hyperlink in the email;
- scheduled to run after business hours; and
- approved by IT before distribution.

The Internet connection is a shared resource. While routine email and file transfer activities do not affect service levels significantly, large file transfers and intensive multimedia activities will impact the service levels of other users. Users contemplating file transfers over 10MB per transfer, or interactive video activities, should schedule these activities after business hours, or early or late in the day.

6.13 Arrangements for Leave

Employees taking leave must ensure that, in their absence, their mail-boxes are set up to;

- provide automated replies to senders advising of their absence and providing email and telephone contact details of the person undertaking duties while they are away; and
- automated replies should be removed as soon as employees resume their duties.

6.14 Downloads and Viruses

Employees are not to use email systems to download software unless it has been checked with appropriate virus software to ensure it is virus free and has been approved by the IT Manager.

6.15 Passwords

The use of your computer, email and the Internet is monitored through a "user id" and access rights governed by a password personal to you. Do not divulge your password to others because you could be held responsible for their actions.

6.16 Security

The Company has adequate security arrangements in place to protect the network from unauthorised access. Employees are required to support these security arrangements through the following actions;

- access to the Internet should be via officially approved mechanisms only (normally through the firewall) and the connection of stand-alone modems to individual personal computers must be authorised on a case-by-case basis;
- where external access is to be provided, security controls will be established to ensure no alternative path to the Internet services can be gained from the Company's applications, no exceptions or entry points will be allowed; and
- when there is suspicion of a virus employees must note the symptoms and any error messages appearing on the screen, isolate the workstation if possible, inform IT immediately and not attempt to transfer information to another computer.

6.17 Logging Off

At the end of each workday, employees are to log off their workstations prior to departure. On Friday afternoons employees are to close down their workstations. Employees will also ensure that their computers are locked or logged off during work hours if they leave their computer unattended.

6.18 Monitoring

The Company may monitor, copy, access or disclose any information or files that are stored, processed or transmitted using the Company's equipment and services. The Company may monitor on a random or continuous basis to;

- prevent de-standardisation of the computer network because of the downloading of unauthorised software;
- ensure compliance with Company policies;
- Investigate conduct that may be illegal or adversely affect the Company or its employees;
- prevent inappropriate or excessive personal use of Company property;
- be able to link Internet sites accessed with the user identification; or
- generate reports that link Internet sites with the user identification.

6.19 Breaches and Consequences

Every employee has a responsibility to be ethical and efficient in their official or private use of Company property and services and to be productive in the use of their work time. Any identified use of equipment or services thought to be inconsistent with the Company's policies will be investigated. Inappropriate use may be subject to disciplinary action and a range of penalties, including termination of employment and/or criminal prosecution.

7 ENVIRONMENT

The Company is committed to excellence in Environmental performance.

Employees are expected to conduct themselves at all times in a manner that prevents or mitigates any harmful effects of the Group's operations on the environment.

In line with any Environmental Policy; Environmental Management Plans; Traditional Owner Co-existence Agreements; and Risk Management Guidelines; we look to our employees to exhibit ethical and professional behaviour at all times.

Employees found to be engaging in practice contrary to Environmental considerations in the workplace, will be subject to disciplinary action, up to and including termination of employment. Additionally, prosecution under the Commonwealth, State or Territory laws may be applicable.

8 HORIZON GOLD'S PERFORMANCE COUNSELLING PROCEDURE

The Performance Counselling Procedure is *as per the Company's contract of employment*.

Where the employer believes that the employee is not meeting the standards of performance or conduct reasonably expected of them, the following procedure will apply.

At all stages of the counselling procedure the employee will be given an opportunity to explain his/her conduct or performance, or to respond to allegations made against him/her. The employee may request to have another person present at any stage in this procedure.

Step 1 – Formal Counselling

In the first instance, the employee will be counselled as to where his/her performance or conduct is deficient. The steps to be taken to rectify the deficiency will be agreed and a review period will be set.

In more serious cases, a written warning may be issued at this stage.

Step 2 – Formal Warning

If the employee fails to meet the standards of improvement in accordance with Step 1, the employer will issue the employee with a formal written warning advising the employee that his/her employment is in jeopardy if the deficiency is not rectified. A further review period may be set, if appropriate.

In more serious cases, this may be a final warning.

Step 3 – Final Warning

Where the employee's performance or conduct remains unsatisfactory despite the application of Steps 1 and 2, the employer will issue the employee with a final written warning. (Final Warning Letter – Appendix – Examples 1 and 2).

In more serious cases, termination of employment may occur.

Notwithstanding Steps 1, 2 and 3, the employer may terminate an employee's contract of employment at anytime, for any valid and sufficient reason.

9 APPENDICES

9.1 Final Warning Letter – (Example 1)

PRIVATE AND CONFIDENTIAL

Date

Address

Dear *(insert Name)*,

RE: Confirmation of Final Warning

On *(insert Date)* you were interviewed by *(insert Name)* in relation to *(insert details of the performance/behaviour issue e.g. failure to comply with the “Fit for Work Policy” or continued failure to present yourself at the commute centre at the start of your work roster, etc)*.

At the interview your disciplinary record and your failure to respond to a first warning issued on *(insert date)* and a second warning issued on *(insert date)* was discussed with you.

OR *(if no previous warnings issued)*

At the interview you were informed that *(insert nature of action e.g. harassing fellow worker)* is considered by the company to be an extremely serious matter.

You were given the opportunity to raise any matters that should be taken into consideration before deciding the course of action necessary. You were unable to provide any satisfactory explanation.

This letter serves to confirm the final warning and advise you that should you not successfully complete the “Agreed Action Plan” set out in the record of interview by the set review date or should you again fail to comply with any policy, regulation or rule that apply at the company or should your work performance not meet the standard required your employment will be terminated.

Signed

Name

Date

9.2 Termination Letter (Example 2)

PRIVATE AND CONFIDENTIAL

Date

Address

Dear *(Insert Name)*,

RE: Confirmation of Final Warning

At the interview on *(insert date)* the following *(insert reference to performance issues or workplace behaviour issues or misconduct issues)* was discussed with you.

(Delete whichever of the next two paragraphs below that does not apply)

Despite previous warnings and remedial action taken by the Company, you have failed to modify your workplace behaviour to the extent that you meet the *(company's expected performance/ workplace behaviour (delete whichever does not apply))* standards.

OR

The Company has completed an investigation into the allegations of misconduct and you have had the opportunity to respond to these allegations, to comment on the investigation findings and to provide any relevant information. The Company, having reviewed the investigation and your responses, has determined that the allegations have been upheld.

The Company has determined that there are no mitigating circumstances and I now advise you that your employment contract with *(name of relevant company & operation)* is terminated effective from *(insert date)*.

Your employment contract is terminated with / without *(delete whichever does not apply)* notice.

You are not required to work this notice and will be paid in lieu of notice *(delete this sentence if summary dismissal or notice required to be worked)*.

You are required to vacate the Mine Site and the Single Persons Quarters *(either 'by insert date' or 'immediately')*.

Your final pay will be made in accordance with your employment contract and should you have any queries, please contact *(name the relevant person)*.

**Signed
Name and Date**

9.3 Stand Down Letter (Example 3)

PRIVATE AND CONFIDENTIAL

Date

Address

Dear (Insert Name),

RE: Notification of Stand Down

We wish to advise that we are standing you down from work while an investigation is carried out into the incident that occurred on the *(specify date and time of incident)*.

We will be interviewing you during the course of the investigation and you will be required to make yourself available.

The stand down period will be paid at your base salary rate for up to seven days.

Signed

Name

Date

10 FURTHER INFORMATION

For further assistance with the administration of this Code or should you have any questions or matters about the intent of the Code, contact the Company Secretary.

Telephone (08) 6266 8600.

THIS POLICY APPROVED BY:

Peter Harold
Non-Executive Chairman
6 September 2016

Trevor Eton
Company Secretary
6 September 2016