



Registered Office
PO Box 1486, Port Moresby NCD 121
Papua New Guinea
Level 1 Allotment 6, Section 58
Sir Hubert Murray Highway
Boroko NCD
Papua New Guinea

Telephone: (675) 323 5966
Facsimile: (675) 323 5990
Website: www.highlandspacific.com

Registered Office in Australia
GPO Box 3086, Brisbane QLD 4001
Australia
Level 4, 167 Eagle Street
Brisbane Qld 4000
Australia

Telephone: (617) **3239 7800**
Facsimile: (617) 3221 6727
Email: info@highlandspacific.com

CODE OF CONDUCT

It is Company policy that Highlands Pacific Limited conducts its activities with honesty, integrity and high ethical standards. For Highlands Pacific to conduct its activities with honesty, integrity and high ethical standards, it must have a Board, officers, employees, contractors and agents who are committed to such standards.

The purpose of this Code of Conduct is to provide guidelines as to what behaviour the Company expects of its Directors, officers, employees, contractors and agents. It applies to all Highlands Pacific Directors and employees and also to all contractors or consultants who are engaged by the Highlands Pacific Group.

Highlands Pacific acknowledges the expectation that funds of shareholders and the financial community generally will be used in a manner that results in the best possible return, consistent with the agreed risk profile which takes into account the appropriate level of risk after balancing returns with risk. The Company also acknowledges that it will comply with all accounting policies, practices and standards (both locally and internationally – as applicable) in order to report to shareholders and the financial and investment community.

It is the responsibility of each Highlands Pacific Director, officer, employee, contractor and agent to understand and comply with this Policy. Any person who becomes aware of a breach or suspected breach of this Policy should report the matter to the Managing Director or the Chairman. Highlands Pacific is committed to ensuring that parties can raise concerns regarding breaches or potentially illegal conduct in good faith without being subjected to victimisation, harassment or discriminatory treatment, and to have such concerns properly investigated.

These are the standards of behaviour required by Highlands Pacific:

Honesty and Integrity

Highlands Pacific's Directors, officers, employees, contractors and agents are required to maintain the highest levels of professional conduct (honesty and integrity) in their interactions with each other and in representing the Company to all stakeholders including the community in which they operate, shareholders, customers, suppliers, consultants and contractors.

Compliance with Applicable Laws

As a minimum, Highlands Pacific carries out its activities, and people representing or working for Highlands Pacific carry out their activities, in compliance with all laws applicable to those activities (in whichever jurisdiction that applies). These laws shall be observed in both letter and spirit without exception.

Professional staff belonging to teamed Societies shall comply with the Code of Ethics of these Societies on all of their dealings on behalf of the Company.

Compliance with Contracts

Highlands Pacific honours its contractual commitments.

Business Expenses

Travel, entertainment and other business expenses are incurred in a reasonable and financially responsible manner.

Private and Confidential Information

Highlands Pacific's confidential technical, financial and commercial information is not divulged to others except by the Managing Director or his nominee to comply with the law or as required for the purpose of Highlands Pacific's business.

Any information gathered from the public will be retained and used in accordance with the Company's Privacy Policy.

Gifts

Highlands Pacific's Directors, officers, employees, contractors and agents must not seek, accept, provide, offer or cause to be provided bribes, kickbacks, gifts, entertainment, payments or any other benefit ("gratuities") where the provider of the gratuity is using the offer to obtain or retain business.

The Company will allow acceptance of low value gifts and entertainment provided they are appropriate. If a staff member is uncertain in any way, they should seek clarification from the Managing Director or their manager.

Insider Trading

Highlands Pacific's Directors, officers and employees must not engage in insider trading of Highlands Pacific.

Conflicts of Interest

Highlands Pacific's Directors, officers and employees should avoid situations where their private or non-Highlands Pacific interests conflict with the interests of Highlands Pacific in what they are doing or deciding for Highlands Pacific. The Company's Directors, officers and employees must avoid taking improper advantage or property, information or position, or opportunities arising from these, for personal gain or to compete with the Company.

Where potential conflicts arises, the Director, officer or employee will take no part in any discussion or decision on the matter in question. However the non-interested Directors may pass a resolution that identifies the potential conflict and states that those non-interested Directors are satisfied that the potential conflict does not disqualify the Director from participating in or voting on certain prescribed matters even if a Director has an interest in that matter. The non-interested Directors reserve the right to exclude the Director at any time during discussions even though they may have passed a resolution to not disqualify.

Employment and Community Standards

Highlands Pacific aims to conduct its business in a way that reflects the applicable community standards. In order to achieve this, it has adopted policies that describe the principles that guide Highlands Pacific's business in such areas as:

- Safety for its employees (Occupational Health and Safety Policy)
- Environmental protection (Environment Policy)
- Localisation and training (Training and Localisation Policy)
- Community relations (Community Affairs Policy and Community Health & Education Policy)
- Employment practices (Employment Policy, Equal Opportunity Policy and Affirmative Action Policy)