



Code of Conduct

Context and Purpose

The Board of Directors of Flinders Mines Limited (the Company), has endorsed and adopted this Code of Conduct to underpin its commitment to fostering honesty, integrity and ethical standards in our corporate governance and in all business dealings.

This Code of Conduct (the Code) is underpinned by the Flinders Mines Values and sets out the Company's intentions and expectations of our employees to deal with key stakeholders and each other with honesty, fairness and integrity. The Board acknowledges that the Code cannot possibly cover every situation which may arise in the day-to-day operation of our business. Therefore we are all expected to always exercise sound judgment and professional integrity in our activities to ensure compliance with the spirit and intention of this Code.

Scope and Application

This Code applies to all employees (**Employees**) of the Company, and all contractors, sub-contractors, consultants, and agents (**Contractors**) engaged by the Company.

The Code is intended to be applied in conjunction with other relevant Company policies, procedures and guidelines as amended from time to time.

As an **Employee** or **Contractor** you have a responsibility to ensure that you:

- are aware of, and comply with, the requirements and principles of this Code;
- understand the specific policies, procedures and guidelines that relate to your work and work areas;
- seek guidance if you are unsure about the application of any aspect of the Code; and
- report any actual or suspected breaches of the Code to your immediate manager/supervisor.

If you are in a supervisory role (**managers/supervisors**) you have the additional responsibility to:

- ensure Employees and Contractors within your work groups have access to, understand the requirements of, and comply with this Code and associated policies, procedures and guidelines;
- promptly respond to and deal with Employee and Contractor issues and questions in relation to the Code; and
- lead by example and provide an appropriate role model for Employees and Contractors through exemplary behavioural standards in accordance with this Code.

Employment

Health and Safety

Flinders Mines is a safety conscious Company committed to operating in a manner which ensures that the highest practical standards of occupational health and safety are maintained at all sites and operations.

All Employees and Contractors are required to:

- share the responsibility of ensuring the safe well-being of all persons in the workplace;
- conduct their work in a manner which promotes and sustains a safe and healthy workplace; and
- ensure that all of their activities comply with the appropriate legislation and standards.

Fitness for Work

Further to the broad health and safety requirements above, the Company recognises that factors such as fatigue, the use of illegal drugs, and the misuse of legal drugs, alcohol or other substances can threaten health and safety in our workplaces.

We are therefore all required to take personal responsibility for our individual fitness for work, and:

- must not be impaired by fatigue, drugs (illegal or legal), or alcohol; and also
- must be able to perform our work in a way that does not compromise or threaten the safety or health of ourselves or others.

While we are committed to eliminating the hazards associated with drugs, alcohol and fatigue, we are also committed to ensuring that Employees/Contractors who are unfit to work are dealt with in a fair, respectful, and constructive manner.

Equal Employment Opportunity and Diversity

In addition to compliance with relevant legislation, the Company aims to provide an inclusive work environment which respects, values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

We are committed to fostering equal opportunity in all aspects of employment by:

- providing individuals with equitable access to employment, career development and workplace participation; and
- selecting candidates for positions based on their merits.

Our Equal Opportunity & Diversity Guidelines and Harassment & Bullying Guidelines provide the framework to ensure our Employees and Contractors are provided with a fair, equitable, flexible and safe workplace, which is free from unlawful discrimination, harassment and bullying.

We will not tolerate any form of unlawful discrimination, harassment or bullying in the organisation. Allegations of harassment, bullying, victimisation, or discrimination will be promptly and objectively investigated and appropriate corrective action will be taken.

Further, the Company will not tolerate any form of retaliation against individuals who raise allegations, or are involved in investigations of allegations.

Ethical Business Practices and Fair Dealing

Flinders Mines is committed to dealing fairly and honestly at all times and our Employees and Contractors must not take advantage of any person or situation through utilisation of unfair or unethical dealing practices.

Gifts and Hospitality

Employees and Contractors must not give or accept gifts or hospitality in circumstances that could reasonably be regarded as:

- a bribe, payoff or financial inducement;
- conflicting with the Company's commitment to fostering the highest levels of integrity and ethical standards;
- influencing the recipient or creating a real or perceived business obligation on the recipient's part;
- influencing a commercial decision; or
- creating a conflict of interest situation.

"Gifts" include anything of value such as direct payment (i.e. money) and payments in kind (e.g. discounts, loans, favourable service terms, shares, securities, vouchers, gift certificates etc). "Hospitality" includes meals, travel and invitations to sporting or entertainment events etc.

Note: As a general guide, gifts or hospitality with a value of **less than \$250** would be considered as "reasonable" and would not breach the requirements of this Code. If you are unsure about a gift or hospitality offer, you should seek guidance from your manager prior to acceptance.

Conflicts of Interest

A conflict of interest occurs when an employee has a direct or indirect financial or other interest which could compromise the ability of the employee to make impartial business decisions on behalf of the Company.

We all have an obligation under this Code to:

- avoid situations or activities which might place us in a position of conflict of interest with the Company; and
- fully disclose any situations which could give rise to a conflict of interest, or a potential conflict of interest.

The FMS Corporate Governance Statement covers specific disclosure requirements for conflicts of interest in relation to Company directors.

Insider Trading

Employees and Contractors who are in possession of unpublished price-sensitive information (ie information which, if it was generally available, would be likely to have a material effect on the price or value of FMS shares), are prohibited from trading in FMS shares.

Fraud and Corruption

We will not tolerate fraudulent or corrupt behaviour by any Employees or Contractors. The FMS Risk Committee provides oversight in relation to the identification, management and control of the risk of fraud and corruption.

Fraudulent and/or corrupt actions include but are not limited to:

- falsifying expenditure statements, reports or entries;
- distorting the true nature of a financial transaction; and
- lying with the intent of obtaining money or other benefits.

It is important for you to report any suspected fraudulent or corrupt behaviour to your supervisor and/or manager.

Use of Company Assets

We are all responsible for safeguarding Company assets and property against loss, damage, theft and unauthorised use, and must only use Company assets and property for legal and authorised purposes.

The assets and property of the Company includes but is not limited to:

- cash;
- intellectual property (including computer programs, software, business models, etc.);
- plans and designs;
- office equipment and supplies;
- vehicles and tools;
- third party information; and
- IT systems and resources*.

***Note:** It is very important to understand that our information and technology (IT) systems and resources (including computers, intranet, internet access, software, hardware, email, telephones, mobile phones, voicemail, fax machines, databases, etc.) are also Company assets. You must not use our IT resources and systems in any way which creates any impropriety or breach of this Code (such as using Company systems to access, view, and/or distribute malicious, racial, pornographic or other offensive material).

Sustainable Development Responsibilities

We demonstrate our ongoing commitment to sustainable development by appropriately integrating and balancing social, environmental, health & safety and economic factors across our business activities. Our Sustainable Development Policy is underpinned by our commitment to open and honest dialogue with our stakeholders to ensure that Flinders Mines is considered a preferred business partner.

Responsibilities to Shareholders and the Financial Community

Flinders Mines recognises the importance of building and sustaining shareholder and public confidence as we strive to improve shareholder value. To this end, we have established corporate governance policies and procedures which are, where appropriate and practicable, consistent with the Corporate Governance Principles and Recommendations – 2nd Edition (ASX Recommendations). The Company reports on its performance against the ASX Recommendations each year (refer www.flindersmines.com/governance).

More specifically, we maintain effective business controls by:

- complying with the continuous disclosure requirements of the ASX Listing Rules to ensure that all information which may be expected to affect the value of the Company's securities or influence investment decisions is released to the market to provide investors with equal and timely access;
- ensuring that shareholders are informed of all major developments affecting the Company's state of affairs;
- ensuring accurate and reliable financial reporting in accordance with applicable accounting standards and ASX Listing Rules; and
- maintaining an effective system of risk management and internal controls to recognise and manage financial reporting risks.

Responsibilities to Customers and Suppliers

The Company is committed to fair and honest dealings with our customers, suppliers and other key stakeholders.

We are all therefore expected to conduct our business with these entities in a professional and objective manner to enhance the reputation of Flinders Mines and optimise business outcomes.

Privacy and Confidentiality of Information

Privacy of Personal Information

The Company takes necessary measures in accordance with the National Privacy Principles to safeguard the privacy of any personal information it receives. This includes the collection, use, disclosure, and secure management of such personal information.

Confidentiality and Release of Information

The Company takes all necessary measures to safeguard confidential information and will disclose confidential information only when necessary and after appropriate approval to do so has been obtained.

Employees and Contractors are required to maintain the confidentiality of information regarding the Company's business operations and/or plans which is not publicly available. Such confidential information must not be disclosed without the prior authority of the Managing Director.

Employees and Contractors who are in possession of, or are responsible for, confidential or sensitive information in any form, must ensure it is appropriately secured and protected from unauthorised access.

Compliance with the Code

Education and Awareness

The Company will provide appropriate education and awareness for Employees and relevant Contractors to ensure you understand your responsibilities and requirements under the Code.

You will be required to formally reaffirm your commitment to this Code on an annual basis.

The most current version of the Code of Conduct will be accessible on the Company's website at www.flindersmines.com/governance.

Reporting of Breaches

Should you become aware of a breach (or suspected breach) of this Code, you must report the matter immediately to your supervisor and/or manager.

No retaliatory action will be taken or permitted against any individual who reports a breach (or suspected breach) of the Code in good faith, (provided that person is not responsible for the breach).

Breaches of the Code

Breaches of the Code will be treated seriously and objectively investigated by the Company. Outcomes of such investigations may include application of the Counselling & Discipline Guidelines and result in disciplinary action up to and including termination of employment (or termination of a contract in the case of a Contractor).

If you believe you have been unfairly treated in relation to the Code, you should raise your concern with your manager/supervisor in the first instance, and if still unresolved, follow the steps of the Fair Treatment Guidelines.

Stewardship and Review of this Code

The General Manager – HSEC & HR will initially steward the implementation and administration of this Code of Conduct and report to the Board at least annually on the status of compliance.

In addition, the Board of Directors should review the Code on an annual basis.

Authorised by	Signature	Date
Gary Sutherland Managing Director		27 June 2011