

talga

Code of Conduct

1. Code of Conduct

This Code of Conduct sets out the appropriate standards of conduct and behaviour which the Board, management and employees (collectively called the employees) of the Company are encouraged to strive towards when dealing with each other, shareholders, other stakeholders and the broader community.

The Board and senior executives are committed to conducting themselves with integrity and honesty in accordance with this Code of Conduct.

Employees shall deal with the Company's customers, suppliers, competitors and each other with honesty, fairness and integrity and observe the rule and spirit of the legal and regulatory environment in which the Company operates.

1.1. General Principles

- Employees of the Company must act honestly, in good faith and in the best interests of the Company as a whole.
- Where there is an actual or potential conflict of interest, employees must either eliminate the conflict or seek guidance from senior management how to eliminate the conflict.
- Employees have a duty to use due care and diligence in fulfilling the functions of their position and exercising the powers attached to their employment.
- Employees must recognise that their primary responsibility is to the Company's shareholders as a whole. The company aims:
 - to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders and the financial community; and
 - to comply with systems of control and accountability which the Company has in place as part of its corporate governance with openness and integrity.
- Employees must protect the assets of the Company to ensure availability for legitimate business purposes and ensure all corporate opportunities are enjoyed by the Company.
- Employees must not take advantage of their position for personal gain, or the gain of their associates.
- Directors have an obligation to be independent in their judgements.
- Employees must respect confidentiality of all information of a confidential nature which is acquired in the course of the Company's business and not disclose or make improper use of such confidential information to any person unless specific authorisation is given for disclosure or disclosure legally mandated.
- Employees have an obligation to comply with the spirit, as well as the letter, of the law which affects its business, wherever it operates, and with the principles of this code. Employees shall comply with the relevant local laws in Sweden and Germany as well as any applicable Australian laws.

The Company views breaches of this code as serious misconduct. Employees who have become aware of any breaches of this code must report the matter immediately to their line manager or the Company Secretary. The line manager or Company Secretary has the responsibility to report the breach to the appropriate senior management and to advise the relevant employee of the outcome and actions implemented.

Any employee who in good faith, reports a breach or a suspected breach will not be subject to any retaliation or recrimination for making that report.

Employees who breach the policies outlined in the Code may be subject to disciplinary action, including in the case of serious breaches, dismissal.

1.2. Directors

The following additional principles apply to Directors of the Company and aim to ensure Directors have a clear understanding of the Company's expectations of their conduct.

- **Fiduciary duties.** All Directors have a fiduciary relationship with the shareholders of the Company. A Director occupies a unique position of trust with shareholders, which makes it unlawful for Directors to improperly use their position to gain advantage for themselves.
- **Duties of Directors.** Each Director must endeavour to ensure that the Company is properly managed so as to protect and enhance the interests of all shareholders. To this end, Directors need to devote sufficient time and effort to understand the Company's operations.
- **Directors should ensure that shareholders and the ASX are informed of all material matters which require disclosure and avoid or fully disclose conflicts of interest.**
- **Conflict of interest.** At all times a Director must be able to act in the interests of the Company. Where the interests of associates, the personal interest of a Director or a Director's family may conflict with those of the Company, then the Director must immediately disclose such conflict and either:
 - eliminate the conflict, or
 - abstain from participation in any discussion or decision-making process in relation to the subject matter of the conflict.

Directors must always be alert to the potential for a conflict of interest between their roles as executive managers and their fiduciary duty as Directors.

- **Insider trading.** Information concerning the activities or proposed activities of the Company, which is not public and which could materially affect the Company's share price must not be used for any purpose other than valid Company requirements.

1.3. Stakeholders

The Board recognises that the primary stakeholders in the Company are its shareholders. Other legitimate stakeholders in the Company include employees, customers and the general community.

The Company's primary objective is to create shareholder value through capital growth and continued successful exploration, evaluation and development of its projects.

The Company is committed to conducting all its operations in a manner which:

- protects the health and safety of all employees, contractors and community members;
- recognises values and rewards the individual contribution of each employee;
- employs the best available persons with the skills required to carry out vacant positions;
- achieves a balance between economic development, maintenance of the environment and social responsibility;
- maintains good relationships with suppliers and the local community; and
- is honest, lawful and moral.

1.4. Financial and other inducements

It is an offence to bribe a foreign public official under the Criminal Code Act 1995 (Code). There are potentially serious consequences for breaching the Code including imprisonment. The Code describes a bribe as providing, causing or promising a benefit to another person where that benefit is not legitimately due. The Code makes this provision irrespective of whether the benefit is customary or perceived to be customary or tolerated.

Internationally, various similar legislation enables some other countries to prosecute their own citizens and corporations, as well as other persons within their jurisdiction, for bribery of public officials abroad.

The Company does not countenance the making of payments (including payments in kind such as gifts, favours, etc.) to influence individuals to award business opportunities to the Company or to make business decisions in the Company's favour.

In some countries employees may be asked to make small payments to low level public officials or government employees which are sometimes called facilitation payments. These payments are sought to expedite or bring about routine services or actions by those individuals. The Company does not support making these payments as a matter of policy, and expects employees and officers to make every effort to avoid them.

Where a payment of this kind cannot be resisted the payment must, at a minimum, be approved by senior executive management and be accounted for clearly and accurately. A record must be kept detailing the value of the benefit, the date on which the conduct occurred, the identity of the foreign public official and particulars of the routine government action that was sought to be expedited or secured.

In addition, the Company must maintain an accurate and auditable record of all financial transactions in accordance with generally accepted accounting principles. This includes maintaining appropriate records of all gifts, entertainment and payments to government officials, employees and others. Entries should not distort or disguise the true nature of any transaction.

This Code of Conduct does not prohibit any payments, including facilitation payments, where these payments are made in accordance with the Code and this Code of Conduct.

This Code of Conduct also applies to agents and third parties who are employed by the Company to represent its interests.

All employees (including Directors) are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

This policy is reviewed annually.