



POLICY CONCERNING ETHICAL CONDUCT

No matter where we work, honesty, integrity, trust, mutual respect and co-operation are the basis for a sound and enduring business reputation.

It is through our behaviour in the workplace that we demonstrate our commitment to these values and the acceptance of our responsibilities.

The Code of Conduct which applies to everyone who works for Hargy Oil Palms Ltd whether they be Board members, employees or individual contractors, sets out the behaviour expected of each of us at Hargy Oil Palms Ltd.

The Code generally outlines three things:

- 1. The values, which underpin the way Hargy Oil Palms Ltd operates.*
- 2. The standards, which guide the way we act.*
- 3. The responsibilities, which explain what is expected of us.*

It is expected that all employees will comply with the letter and the spirit of this Code of Conduct

1.1.1 BASIC PRINCIPLES

Employee's must conform strictly to the Laws and Regulations of Papua New Guinea as well as to accept standards of business ethics, both locally and overseas, including those set out in this Code.

1.1.2 CONFLICT OF INTEREST

To avoid possible conflicts of interest and/or being imposed with a situation where any interest, benefit or right due to the Company has to be compromised, employees may not either, directly or indirectly, become involved in any venture, business, or dealings either on his/her own, or in partnership or with some other person or persons, unless prior written approval therefore has been obtained from Management.

All executive employees must complete a Declaration of Conflict of Interest Form whether they are involved in other ventures or business partnerships or not. This includes businesses operated by other family members.

Where an employee or members of his or her immediate family is engaged or considered to be engaged in businesses or activities that might have actual or perceived conflict with the employee's official duties, it is the responsibility of the employee to make a full disclosure in writing to the General Manager. In relation to the dealings of the company, the employee shall not guarantee or otherwise become surety for the debts, or the performance of any obligation

Failure to avoid unlawful activities or declare a conflict of interest may well result in the initiation of disciplinary action and criminal proceedings.

Examples of acceptable Conflict of Interest if Declared

- *1 x 6ha LSS Block if declared.*
- *1 x 2ha VOP Block if declared*

Examples of unacceptable Conflict of Interest whether declared or not.

- *PMV Business*
- *Trade Store*
- *Contract Excavator*

1.1.3 ILLEGAL GRATIFICATION AND CORRUPT PRACTICE

(a) Solicitation and/or Acceptance of Corrupt Payments

An employee, employee's spouse and children shall not solicit or accept gratification of any kind, be it cash, gift or favour, either directly or indirectly, or through another person, from any Enterprise or employee or Agent of that Enterprise, in return for doing anything or refraining from doing anything relating to a business transaction between the employees principals and the Enterprise.

(b) Making Corrupt Payments

An employee, employee's spouse and children shall not offer, give or promise any gratification of any kind, directly or indirectly, to any employee of an Enterprise or Agent thereof as a means of persuading that person to do or refrain from doing anything relating to a business transaction between the employee's principal and the Enterprise. In particularly, this prohibition applies to dealings with Government Departments, Statutory Bodies and Agencies.

(c) Commission

An employee, employee's spouse and children are not permitted to accept or pay commission, or percentage of a commission as part of any payment arising from a commercial transaction in which the Company is a party. In simplistic terms, employees who accept "kick backs, bribes" or any other of benefit from a person or organization dealing with the Company is breaching the standard expected of Company employees and risks being dismissed.

(d) Using Company Resources

You must follow company policies, procedures and instructions for using and looking after Company Resources. These resources include equipment, materials, facilities, information, money and the time of employees and contractors.

Generally you cannot use any of Hargy Oil Palms Ltd's resources for personal gain or to compete with Hargy Oil Palms Ltd, or allow anyone else to do so without first obtaining approval in writing from management.

1.1.4 GIFTS

The receipt of any kind of gifts, (other than of a purely nominal value) directly or indirectly, or the payment of bills incurred by the employee by an Enterprise having a business transaction with the Company, or any Agent or any employee of such Enterprise, is strictly forbidden. If such gifts are offered, they must be refused on the grounds that they contravene Company Regulations.

1.1.5 INTERNAL CONTROLS

Hargy Oil Palms Ltd through its Internal Audit department has in place adequate internal audit controls to prevent and detect any corrupt practices. It does this through a Whistle blower process subject to relevant auditing and certification procedures.

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Ian Winstanley
Chief Executive Officer