

NELSON RESOURCES LIMITED
127 620 482
(COMPANY)

CODE OF CONDUCT

1. Introduction

- 1.1. The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility.
- 1.2. This Code of Conduct (“**Code**”) addresses matters relevant to the Company’s legal and ethical obligations to its stakeholders. It may be amended from time to time by the board of directors of the Company (“**Board**”), and will be published on the Company’s website.
- 1.3. This code applies equally to all directors, employees, contractors and officers of the Company.

2. Purpose

- 2.1. All stakeholders are entitled to expect the highest professional standards from employees, directors and officers of the Company. Compliance with this Code and the Company’s other policies, will ensure compliance with the *Corporations Act 2001* (Cth) (“**Corporations Act**”) and will contribute to the good corporate governance of the Company.

3. Discharge of Duties

- 3.1. Directors of the Company (“**Directors**”) must discharge their duties at the highest levels of honesty and integrity, acting in good faith and in the best interests of the whole Company, having regard to their position, and the organisation’s goals and objectives. This entails taking personal responsibility for all issues over which they have control, and for reporting any observed breaches of laws or regulations. It also requires that the Directors do not act in ways which would lead others to question their commitment to the Company.
- 3.2. As appointed officers all Directors will undertake diligent analysis of all proposals placed before the Board, demonstrate commercial reasonableness in decision-making and will act with a level of skill expected from Directors and key executives of a publicly listed Company.

4. Relationships

- 4.1. Performance-enhancing teamwork relies on a workplace where people are treated fairly, are respected by their colleagues, and encourage each other to develop corporately and personally. All Directors and key executives are all responsible for making this happen.
- 4.2. The Company is an equal opportunity employer, and discrimination or harassment of any kind will not be tolerated.
- 4.3. In dealings both inside and outside the Company individual Directors will value integrity, accuracy, conciseness and timeliness.

5. Compliance with Laws and Ethics

- 5.1. Directors must respect the laws, customs and business practices of the countries in which the Company operates, without compromising the Code principles. Additionally, the Directors must:

- (a) comply with the ethical and technical requirements of relevant regulatory and professional bodies;
- (b) comply with and promote ethical behaviour; and
- (c) not engage in conduct likely to bring discredit upon the Company.

6. Conflicts of Interest

- 6.1. All Directors have an obligation to be independent in judgment and actions and as Directors will take all reasonable steps to be satisfied as to the soundness of all decisions of the Board.
- 6.2. In circumstances where personal interests may conflict with those of the Company, or its stakeholders, steps must be taken by each Director to eliminate or manage such conflict.
- 6.3. Directors must disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between the interests of the Director and the interests of the Company. Whether an interest is material or not is covered by the materiality threshold set by the Board.
- 6.4. The Board can request a Director to take reasonable steps to remove the conflict of interest. If a Director cannot or is unwilling to remove a conflict of interest then the Director must absent himself or herself from the room when discussion and voting occur on matters to which the conflict relates. The entry and exit of the Director concerned will be minuted by the Company Secretary. Directors are not required to absent themselves when either:
 - (a) the conflict of interest relates to an interest common to all Company members; or
 - (b) the Board passes a resolution that identifies the Director, the nature and extent of the Director's interest and clearly states that the other Directors are satisfied that the interest should not disqualify the Director concerned from discussion and/or voting on the matter.
- 6.5. Gifts or entertainment must not be accepted where the acceptance of the gift could create an obligation on the Company to outside parties.

7. Related Party Transactions

- 7.1. Related party transactions include any financial transaction between a Director or officer and the Company and will be reported in writing to each Board meeting.
- 7.2. The Board cannot approve or decide on related party transactions. The Corporations Act and the ASX Listing Rules require related party transactions to be approved by the shareholders.
- 7.3. The Board has also resolved that where applications are made by a related party to a Director or officer of the Company, then the Director or officer shall exclude himself or herself from the approval process.
- 7.4. Related party for this process has the meaning given in section 228 of the Corporations Act.

8. Confidentiality

- 8.1. Directors, officers and employees of the Company who are in possession of commercially sensitive or otherwise confidential information should not disseminate it to colleagues unnecessarily, and must not disclose the information to outside parties.
- 8.2. All individuals are prohibited by law from trading in the Company's securities if they possess commercially sensitive information not released to the ASX. The Board has

adopted a Security Trading Policy governing when Directors, key executives and employees are able to buy and sell the Company's securities.

9. Use of Company Assets

- 9.1. The Company's assets are critical to its business and future success. The Company's assets can include, for example, office and plant equipment. Employees cannot make personal use of assets without permission.
- 9.2. There will be no unreasonable expenditure on benefits such as gifts or entertainment for employees or outside parties.

10. Competition

- 10.1. The Company competes fairly in the situations and markets in which it operates. It does not use coercive or misleading practices. Furthermore, the Company does not falsify or wrongly withhold information.

11. Environment, Health and Safety

- 11.1. The Company must take into account the impact of environmental, health and safety issues when making business decisions and in particular, compliance with local laws.

12. Breach of the Code

- 12.1. Directors, officers and employees of the Company are under the obligation to ensure that the Code is not breached. Should a Director, officer or employee notice any violations of this Code, the Executive Director, Managing Director, Chief Executive Officer or the relevant supervisor must be notified. In the case where none of the above is available, breaches must be reported to the Chairman of the Company.
- 12.2. The reporting of any breaches of this Code will undergo thorough investigation and appropriate actions will be taken by the Company. Any alleged breach of the code will be dealt with promptly and in fairness. The Company will ensure that any officer or employee reporting any alleged breach of this Code will not be disadvantaged in any way. Officers and employees must not use the reporting mechanism maliciously or mischievously.

13. Review of Code of Conduct

- 13.1. This Code will be formally reviewed by the Board each year.