



**Papua New Guinea
Chamber of Mines and Petroleum**

Rules and Code of Ethics



PAPUA NEW GUINEA CHAMBER OF MINES AND PETROLEUM

(Incorporated)

R U L E S

NAME

1. The name of the Association is "Papua New Guinea Chamber of Mines and Petroleum (Incorporated)".

(The "Chamber")

STATEMENT OF OBJECTIVES

2. The objectives for which the Chamber is established are all or any of the following:
 - (a) To promote mineral and hydrocarbon exploration, production, processing and supporting industries in Papua New Guinea; ("the Industry")
 - (b) To consider policy positions on all matters relating to the Industry;
 - (c) To foster balanced environmental, community and economic responsibility within the Industry;
 - (d) To present the views of the Industry to Governments and the community generally in Papua New Guinea, including in particular its views regarding:
 - (i) Access to land for the purpose of mining and petroleum exploration and the production of minerals and hydrocarbons under conditions necessary to protect both the public interest and security of tenure of exploration and mining operations; and
 - (ii) The Industry's ability to create investment, employment and economic growth.
 - (e) To monitor, consider and assess the effect of government policy, legislative and regulatory measures, and other matters on the Industry, and to represent the views of its members on these matters to Governments and the community generally;
 - (f) To liaise with and monitor the activities of government departments,

agencies and authorities which regulate or have an influence on the Industry;

- (g) To conduct education and public information programmes by means of announcements, seminars, publications, sound and visual materials, speeches and articles relating to the Industry;
- (h) To collect, communicate and publish information and statistics of interest to the Industry;
- (i) To co-operate with educational and training institutions regarding trade and professional courses relevant to the needs of the Industry;
- (j) To co-operate with research establishments in the development and promotion of research programmes important to the industry;
- (k) To co-operate, affiliate or amalgamate with any other association, body or society having similar purposes;
- (l) Generally, to do all other such things as may appear to be incidental or conducive to the attainment of the above objectives or any of them.

POWER OF THE CHAMBER

- 3. In carrying out its purposes, the Chamber has the rights, the powers and the privileges of a natural person and, without limiting the generality of the foregoing, may do all or any of the following:
 - (a) Procure the Chamber to be registered or recognised as an incorporated body in any place outside Papua New Guinea; and
 - (b) Do any other act that it is authorised to do by any law.
- 4. (a) The income and property of the Chamber shall be applied solely towards the promotion of the Chamber and, subject to sub-rule (b) of this Rule, no portion thereof shall be paid or transferred directly or indirectly to members;
- (b) Nothing in sub-rule (a) of this Rule shall prevent the payment in good faith of reasonable and proper remuneration to any officer or employee of the Chamber, or to any member in return for services actually rendered to the Chamber, nor prevent the payment of interest on money lent and rent for premises leased by any member to the Chamber, but no Councillor shall be appointed to any salaried office and no remuneration or other

benefit in money or monies worth shall be given by the Chamber to any Councillor, except repayment of out of pocket expenses and interest or rent as aforesaid.

INTERPRETATION

5. In these Rules unless there be something in the subject or context inconsistent therewith:

(a) The following shall have the meanings respectively assigned to them:

“Chamber” means **Papua New Guinea Chamber of Mines and Petroleum (Incorporated)**;

“Code of Ethics” means the code of ethics forming part of these Rules and contained in the schedule.

“Council” means the **Council of the Chamber** established pursuant to Rule 45;

and means the **Councillors** for the time being **of the Chamber** or such one or more of them as has or have authority to act for the Chamber;

“Ethics Committee” means the committee of that name established under Rule 62.

“Executive Director” means **the person** from time to time **appointed as such by the Council** pursuant to these Rules;

“General Meeting” means **a general meeting of the Chamber** whether annual or otherwise, including any adjournment thereof;

“Head Office” means **the head office** from time to time **of the Chamber**;

“Hydrocarbons” includes petroleum, natural gas and related compounds;

“Industry” means **the exploration for minerals or hydrocarbons in PNG; the mining, production and processing thereof; and the support of all such activities.**

“Member” means **a member of the Chamber**;

“Mineral” means **gold, silver, base metals, rare earths, iron ore, diamonds, dolomite, gypsum, limestone, salt, coal and clay, and such other mineral substances** as the Council may from time to time declare to be minerals for the purposes of these Rules;

“Petroleum” means **any naturally occurring hydrocarbons, or mixture of hydrocarbons, whether in gaseous liquid or solid state, or any mixture of hydrocarbons and other substances.**

“Prescribed Office” has the meaning **ascribed thereto in Rule 45(a);**

“Representative” means **a representative appointed** pursuant to Rule 16 **by a member** which is a firm, association or corporation;

“Rules” means **these Rules** as altered or added to from time to time;

“Seal” means **the common seal** from time to time **of the Chamber;**

“Special Resolution” means **a resolution passed or to be passed** by a majority of not less than three fourths of such members who, being entitled so to do, vote in person or by proxy at a General Meeting of which notice specifying the intention to propose the resolution as a special resolution has been given in accordance with these Rules;

“Writing” and **“written”** includes **printing, typing, lithography** and other modes of reproducing words in a visible form;

- (b) Words importing the singular include the plural and vice versa;
- (c) Words importing a gender include any other gender;
- (d) Words importing persons include firms, associations and corporations; and
- (e) The headings shall not affect the construction.

MEMBERS

6. The Chamber shall have the following classes of members:
 - (a) Full Members
 - (b) Associate Members
 - (c) Service Members
 - (d) Life Members
 - (e) Honorary Members
7. Full members shall be persons, firms, associations or corporations which, in the opinion of the Council, are interested in the objectives of the Chamber and

directly concerned with the Industry and whose admission to full membership is approved by the Council.

8. Associate members shall be persons, firms, associations or corporations which, in the opinion of the Council, have a connection with the Industry (but not, in the opinion of the Council, a sufficient connection to become full members) and whose admission to associate membership is approved by the Council.
9. Service members shall be persons, firms, associations or corporations which, in the opinion of the Council, have an interest in the Industry, whose admission to service membership is approved by the Council.
10. Life members shall be persons who have, in the opinion of the Council, rendered outstanding service to the Chamber and whose admission to membership is recommended by the Council and approved at a General Meeting of the Chamber.
11. Honorary members shall be persons upon whom, in the opinion of the Council, the distinction of honorary membership should be conferred and whose admission to membership is recommended by the Council and approved at General Meeting. An honorary member shall be admitted to membership for a term, not exceeding twelve months, as determined by the Council.
12. All persons, firms, associations or corporations desiring to become full members, associate members or service members shall lodge an application with the Executive Director in the form from time to time prescribed by the Council. The Council shall approve or reject the application at its next meeting.
13. Upon receipt of an application to become a full member, associate member or service member, the Council may approve the applicant for admission to membership, specifying in such approval the class of membership (being full membership, associate membership or service membership) to which admission is recommended, which need not be the class of membership applied for.
14. The Council may nominate a person for life membership or honorary membership. Any such nomination shall be referred by the Council to the next General Meeting of the Chamber.
15. Upon approval by the Council of an application or nomination of a person for membership, that person shall become a member of the Chamber in the relevant class of membership.

REPRESENTATIVES OF FIRMS, ASSOCIATIONS AND CORPORATIONS

16. Any member which is a firm, association or corporation may, by writing under the seal or under the hand of a partner, officer or attorney of the member duly authorised and delivered to the Executive Director, appoint a natural person to act as its representative, either at a particular General Meeting or meetings of the Chamber or at all General Meetings and meetings of the Chamber. A person so appointed is, in accordance with his appointment and until his appointment is revoked by the member appointing him, entitled to exercise the same powers on behalf of the member as the member could exercise if it were a member who was an individual natural person.

REGISTER OF MEMBERS

17. The Executive Director shall maintain a register of members in which shall be entered the name, address, class of membership and date of commencement of membership of each member. The Executive Director shall as and when reasonably requested by any member make the register available for inspection by that member at the Head Office.

ENTRANCE FEES, SUBSCRIPTIONS AND LEVIES

18. (a) Each member (other than a life member or an honorary member) shall pay such entrance fee and annual subscription as shall be prescribed by the Council from time to time. In prescribing any such fee or subscription, the Council shall have approval at a General Meeting of the Chamber for that fee. The Council may prescribe fees and subscriptions which differentiate between classes of membership, or within a class of membership, on such basis as it sees fit;
 - (b) The annual subscription payable by a member shall be advised to such member by the Executive Director and shall be due and payable by such member to the Chamber on or before the thirty-first day of January in each year or such other date as the Council may from time to time determine.
19. On a person, firm, association or corporation becoming a member (other than a life member or an honorary member) the Council shall assess the amount of the subscription payable by the member for the unexpired portion of the then current financial year of the Chamber and such subscription and the applicable entrance fee shall be paid by the member within one month from the date of his becoming a member.

20. The Council may in its absolute discretion retain the whole or any part of the subscription payable by a member in any year.
21. The Council may from time to time make recommendations to a General Meeting for a levy to be made upon the members for specific purposes. Such levies shall be due and payable at the time and in the manner approved by a General Meeting.
22. Any entrance fee, subscription or levy which is not paid by the due date shall be recoverable as a debt due and owing to the Chamber.

CESSATION OF MEMBERSHIP

23. A member shall cease to be a member of the Chamber:
 - (a) If the member's subscription remains unpaid for a period of three months after it becomes due and the Council, after notice of the default has been sent to the member and such default is not remedied within fourteen days, resolves that he cease to be a member;
 - (b) If in the opinion of the Council, the member ceases to hold the appropriate qualification for membership and the Council resolves that he cease to be a member;
 - (c) If the member resigns by giving one month's notice in writing to the Executive Director; or
 - (d) If the member does or refrains from doing any act or things the doing or refraining from doing of which in the opinion of the Council renders that member unfit to remain a member or likely to bring discredit on the Chamber.
24. If a member ceases to be a member of the Chamber, such member shall remain liable to the Chamber in respect of all amounts owing to the Chamber at the date of such cessation.

ANNUAL GENERAL MEETING

25. The Chamber shall hold a General Meeting to be known as the Annual General Meeting, which shall be convened by the Council and held between the end of February and the 30th day of April in each year.
26. The business of an Annual General Meeting shall be to receive and consider reports of the Council and such financial and other statements as are required

by law to be submitted by the Chamber to its members thereat and to transact any other business of which due notice is given pursuant to these Rules.

GENERAL MEETINGS

27. The Council may, whenever it thinks fit, convene General Meetings at such times and places as it thinks fit.
28. (a) The Council shall on the requisition of not less than 15% of the full members forthwith convene a General Meeting to be held as soon as practicable but in any case not later than two months after the receipt by the Council of the requisition.

(b) The requisition shall state the objects of the General Meeting and shall include copies of any resolutions to be put to the General Meeting and shall be signed by the requisitionists and shall be lodged with the Executive Director and may consist of several documents in like form each signed by one or more requisitionists.

(c) If the Council does not within one month after the date of the deposit of the requisition proceed to call a General Meeting, the requisitionists, or a majority of them, may themselves, in the same manner as nearly as possible as that in which General Meetings are to be convened by the Council, convene a General Meeting, but any meeting so convened shall not be held after the expiration of three months after the date of the deposit of the requisition.
29. Twenty-one days' notice of a General Meeting, including the Annual General Meeting shall be given to all members, specifying the place, day and hour of the General Meeting and the general nature of the business to be transacted thereat and including copies of any resolutions to be put to the General Meeting.
30. The non-receipt of a notice by, or the accidental omission to give a notice to, any of the members of any General Meeting shall not invalidate any resolutions passed at any such General Meeting.

ATTENDANCE AND VOTING AT GENERAL MEETINGS

31. Each member and Councillor shall be entitled to attend General Meetings and to take part in the discussions thereat. A member which is a firm, association or corporation shall, in addition to attending a General Meeting by representative or proxy, be entitled, by notice in writing to the Executive Director, to authorise

additional natural persons, who need not be members, to attend such General Meeting as observers on its behalf.

32. Each full member, associate member and service member shall be entitled to one vote at a General Meeting. In case there be an equality of votes on a resolution (whether on a show of hands or a poll) the Chairman at such a General Meeting shall be entitled to a casting vote in addition to the vote to which he may be entitled as a member or representative or proxy.
33. Life members, honorary members and observers authorised under Rule 31 shall not be entitled to vote at General Meetings.
34. At any General Meeting, unless a poll be demanded as hereinafter provided, every resolution shall be decided by a show of hands.
35. A declaration by the Chairman that a resolution has been carried or carried by a sufficient majority, or lost, as the case may be, and an entry to that effect in the minute book of the Chamber, shall be conclusive evidence of the fact, without proof of the number of votes recorded in favour of or against such resolution.
36. If at any General Meeting a poll be demanded by notice in writing signed by at least five members present in person or by representative or proxy and entitled to vote (which notice shall be delivered during the General Meeting to the Chairman) the poll shall be taken at such time and in such manner as the Chairman shall direct.
37. No poll shall be demanded on the election of a Chairman of a General Meeting or on any question of adjournment.
38. No member who has not paid any fee, subscription or levy for the time being due from him to the Chamber shall be entitled to be present, either personally or by representative, proxy or observer, at any General Meeting or to vote thereat, either personally or by representative or proxy.
39. A member entitled to attend a General Meeting may appoint another person as his proxy to attend and (in the case of any full member, associate member or service member) vote instead of such member at the General Meeting and a proxy appointed to attend instead of a member shall have the same right as such member to speak and (in the case of a full member, associate member or service member) vote at the General Meeting. A proxy need not be a member.
40. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a

firm, association or corporation, under seal or under the hand of a partner, officer or attorney of the member duly authorised and shall as nearly as the circumstances shall admit be in the form or to the effect following:

PAPUA NEW GUINEA CHAMBER OF MINES AND PETROLEUM
(Incorporated)

I,, of
being a member of Papua New Guinea Chamber of Mines and Petroleum
(Incorporated), hereby appoint.....
of
as my proxy to vote for me and on my behalf at the General Meeting of the
Chamber to be held on theday of20..... and at any
adjournment thereof.
As witness my hand thisday of20.....
Signed by the said ()
()

The instrument appointing a proxy and the power of attorney or other authority, if any, under which such instrument is signed or a certified copy of that power of authority, shall be lodged with the Executive Director not less than five working days before the time for holding the General Meeting which the person named in the instrument proposes to attend and in default thereof the instrument of proxy shall not be treated as valid. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument or the power of attorney or other authority under which the instrument was executed if no intimation in writing of such death, unsoundness of mind or revocation has been received by the Executive Director before the commencement of the General Meeting at which the instrument is used.

PROCEEDINGS AT GENERAL MEETINGS

41. The President of the Council shall be entitled to take the Chair at every General Meeting, or if there be no President, or if at any General Meeting he shall not be present at the time appointed for holding the General Meeting or, being present, shall be unwilling to act as Chairman of the General Meeting, the members present may choose one of the Vice Presidents to take the chair or if there be no Vice President, or if at any General Meeting one shall not be present at the time appointed for holding the General Meeting or, being present, shall be unwilling to act as Chairman of the General Meeting, the members present may choose another Councillor to take the Chair or, if no Councillor is present or all the Councillors present decline to take the Chair, then the members present may choose one of their number to be Chairman of the General Meeting.
42. The quorum for a General Meeting shall be 6 members present in person or by representative or proxy. No business shall be transacted at any General Meeting except the adjournment of the General Meeting unless the requisite quorum be present at the commencement of the General Meeting.
43. If within thirty minutes from the time appointed for a General Meeting a quorum is not present, the meeting, if convened upon requisition of members shall be dissolved, but in any other case shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the members present shall be a quorum or, if no members are present, the meeting shall be dissolved.
44. The Chairman of a General Meeting may with the consent of the meeting adjourn the same from time to time and place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a General Meeting is adjourned for fourteen days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

COUNCIL

45. (a) There shall be a Council of the Chamber which shall comprise not less than eight nor more than twelve Councillors consisting of:

- (i) The following office bearers nominated and elected [subject to Rule 49(c)] by the full and associate members.
 - (a) A President;
 - (b) Senior Vice President; and
 - (c) Vice President.
- (ii) Not less than three other Councillors nominated by full members and elected [subject to Rule 49(c)] by full members and associate members;
- (iii) One or two other Councillors nominated by associate members and elected [subject to Rule 49(c)] by full and associate members; and each office specified in a sub-paragraph of paragraph (i), or in paragraph (ii), or paragraph (iii), being a “prescribed office”.

(b) A Councillor shall be a natural person.

46. Every Councillor shall be entitled to be paid out of the funds of the Chamber all reasonable travelling, hotel and other expenses incurred while engaged on the business of the Chamber.

47. (a) Any Councillors nominated by full members and elected by full and associate members in accordance with Rule 45(a)(ii) or nominated by associate members and elected by full and associate members in accordance with Rule 45(a)(iii) shall (subject to this Rule and to Rule 51) retire at the second Annual General Meeting following their election; except that:

- (i) If more than four Councillors are elected by full and associate members in accordance with Rule 45(a)(ii) at any Annual General Meeting, a number of such Councillors equal to the number by which the number of such Councillors so elected exceeds four shall retire at the Annual General Meeting next following their election, and
- (ii) If two Councillors are elected by full and associate members in accordance with Rule 45(a)(iii) at any Annual General Meeting, one Councillor so elected shall retire at the Annual General Meeting next following his election;

and the names of the Councillors who shall so retire at the Annual General Meeting next following their election shall be determined by agreement between the Councillors concerned or otherwise by lot.

- (b) Councillors nominated and elected by full and associate members in accordance with Rule 45(a)(i) shall retire at the Annual General Meeting next following their election.
 - (c) All retiring Councillors shall hold office until the dissolution or adjournment of the Annual General Meeting at which their successors are elected.
48. If at any Annual General Meeting at which an election of Councillors ought to take place the places of the retiring Councillors are not filled up the retiring Councillors or such of them as have not had their places filled up shall, if willing, continue in office until the Annual General Meeting in the next year and so on from year to year until their places are filled up.
49. (a) The Executive Director shall give notice to all members at least two months before the Annual General Meeting in each year that all nominations of eligible persons to be proposed as candidates for each prescribed office must be lodged with the Executive Director within twenty-one days of the date of the notice;
- (b) A person is only eligible for nomination and election to hold an office if :
 - i) In the case of a prescribed officer under Rule 45(a)(i), he is a Full Member or an Associate Member, or a representative of a Full Member or an Associate Member (either of which is a firm, association or corporation) who is appointed under Rule 16;
 - ii) In the case of a Councillor under Rule 45(a)(ii), he is a Full Member, or a representative of a Full Member (being a firm, association or corporation) who is appointed under Rule 16;
 - iii) In the case of Councillor under Rule 45(a)(iii), he is an Associate Member, or a representative of an Associate Member (being a firm, association or corporation) who is appointed under Rule 16.
 - (c) Each nomination for a prescribed office shall be signed by the nominator, being a member (or in the case of a member being a firm, association or corporation, by a representative thereof) in the relevant classes or class of membership prescribed by Rule 45, and by the nominee and shall state the prescribed office for which the nomination is made;
 - (d) If the number of candidates nominated for any prescribed office exceeds the number of persons to be elected to that prescribed office, the candidates to be elected to that prescribed office shall be elected by members in the relevant classes or class of membership prescribed by Rule 45 by ballot.

The Executive Director shall cause ballot papers in respect of each such prescribed office to be printed containing, in alphabetical order, all the names of the relevant nominees, indicating, if such be the case, which of such candidates are retiring Councillors. The Executive Director shall post a copy of each such ballot paper to each member entitled to vote in the election to the relevant prescribed office at least twenty-one days before the date fixed for the Annual General Meeting;

- (e) Each member (or, in the case of a member being a firm, association or corporation, its representative) entitled to vote in an election for a prescribed office shall vote for as many candidates as there are vacancies to be filled and no more or less, by striking out the names of the candidates on such ballot paper for whom he does not vote. The member or representative voting shall then place the ballot paper or papers in a sealed envelope marked "Voting Paper", and return it to the Executive Director so as to reach him on or before the day preceding the day fixed for the Annual General Meeting;
- (f) The President shall on or before the day fixed for the Annual General Meeting in each year appoint one or more members or representatives of members, not being candidates, to act as scrutineers. The report of the scrutineers as to the result of any election shall be final and conclusive;
- (g) The Executive Director shall, on the day of the Annual General Meeting, hand unopened all the sealed envelopes marked "Voting Paper" received by him to the scrutineers;
- (h) The scrutineers shall (where an election in respect of more than one prescribed office is required) count the votes in respect of each office in the order in which the prescribed offices appear in Rule 45(a);
- (i) The candidates, up to the number of vacancies, in respect of each prescribed office who receives the most number of votes (disregarding any candidate already elected to another prescribed office) shall be the candidates elected to that prescribed office. In the case of two or more candidates receiving an equal number of votes the President shall have a second or casting vote;
- (j) Upon completing their count of votes, the scrutineers shall hand their report as to the result of the election to the President before the Annual General Meeting;

- (k) The report of the scrutineers shall be read by the President at the Annual General Meeting, and he shall thereupon declare the names of the Councillors elected.
50. The Office of Councillor shall be vacated if the holder:
- (a) Becomes bankrupt or suspends payment or liquidates by arrangement or compounds with or assigns his estate for the benefit of his creditors;
 - (b) Is found lunatic or becomes of unsound mind;
 - (c) Resigns office by notice in writing to the Executive Director;
 - (d) Without leave of the Council, is absent from meetings of the Council for four consecutive meetings;
 - (e) Is required to resign by a special resolution passed at a General Meeting;
or
 - (f) Dies.
51. If any casual vacancy occurs in any prescribed office, such vacancy may be filled by the Council. Such appointment shall be made at a meeting of the Council held upon at least twenty-one clear days' notice in writing given to each Councillor of the intention to fill the casual vacancy at the meeting. A Councillor appointed to fill a casual vacancy shall retire from office at the Annual General Meeting next following his appointment but shall be eligible for re-election.

ALTERNATE COUNCILLORS

52. (a) Each Councillor may from time to time by writing under his hand, appoint any person approved by the Council to act as an alternate Councillor in his place whenever by absence or illness or otherwise he shall be unable to act;
- (b) In the event of the alternate Councillor being unable to be present at a meeting of the Council the Councillor by whom he was appointed may, either in writing or by verbally advising the Executive Director, appoint a substitute to attend in his stead and such substitute shall be his alternate Councillor for that meeting.
53. The following provisions shall apply to each alternate Councillor:
- (a) He may be removed or suspended from office by written notice, letter, telex

or facsimile transmission to the Executive Director from the Councillor by whom he was appointed;

- (b) He shall be entitled to vote at meetings of the Council if the Councillor by whom he was appointed is not present;
- (c) He shall be entitled to exercise all the powers (except the power to appoint an alternate Councillor) and perform all the duties of a Councillor insofar as the Councillor by whom he was appointed has not exercised or performed them;
- (d) He shall ipso facto vacate office if the Councillor by whom he was appointed vacates office;
- (e) He shall, whilst acting as an Councillor, be responsible to the Chamber for his own acts and defaults and shall not be deemed to be the agent of the Councillor by whom he was appointed.

PROCEEDINGS OF THE COUNCIL

- 54. The Council may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.
- 55. The quorum for a meeting of the Council shall be five Councillors, present in person or by alternate.
- 56. The President or one of the Vice Presidents may at any time direct the Executive Director to convene a meeting of the Council.
- 57. The President or, in his absence, one of the Vice Presidents chosen by the Councillors present, shall be entitled to take the Chair at every meeting of the Council. If there be no President or Vice President present at the time appointed for holding such meeting, the Councillors present shall choose one of their number to be Chairman of such meeting.
- 58. Questions arising at meetings of the Council shall be decided by a majority of votes and, in the case of an equality of votes, the Chairman shall have a second or casting vote.
- 59. A meeting of the Council for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by the Council generally or under these Rules.

60. All acts done at any meetings of the Council or by any person acting as a Councillor shall, notwithstanding that it shall afterwards be discovered that there is some defect in the appointment of the Councillors, or any one of the Councillors, or that they or any one of them were disqualified, be as valid as if every such person had been duly appointed and was qualified and continued to be a Councillor.

POWERS OF THE COUNCIL

61. The management and control of the business and affairs of the Chamber shall be vested in the Council which (in addition to the powers and authorities expressly conferred upon it by these Rules) may exercise all such powers and do all such acts and things as are within the scope of these Rules and are not hereby expressly directed or required to be exercised or done by the Chamber in a General Meeting but subject nevertheless to these Rules and to any direction as to the general policies of the Chamber decided at a General Meeting and to any regulations from time to time made by the Chamber in General Meeting, but no direction or regulation shall invalidate any prior act of the Council which would have been valid if such direction or regulation had not been made.

ETHICS COMMITTEE

62. The Council shall elect three Councillors who will comprise the Ethics Committee of the Council. The Ethics Committee shall:
- (a) Appoint one of its members as chairman;
 - (b) Operate as a sub-committee of the Council; and
 - (c) Investigate, consider and report to the Council on matters referred to it by the Council, which shall include reports by members of improper conduct by public officials and breaches by members of the Code of Ethics.

POWERS OF THE CHAMBER IN GENERAL MEETINGS

63. The powers of the Chamber in General Meetings shall be:
- (a) To determine the general policies of the Chamber and to give directions as to such general policies to the Council;
 - (b) To approve entrance fees and annual subscriptions; and
 - (c) Such other powers as are specifically conferred on it by these Rules eg. Life Membership and Honorary Membership of the Chamber.

STAFF

64. The Council may appoint, remunerate and dismiss such executive and other officers and employees as it shall from time to time deem necessary and may delegate to any one or more of them such powers as it shall think fit.
65. The Council shall appoint an Executive Director who shall perform the duties imposed upon him by these Rules and such duties as the Council shall direct. In addition to such duties, the Executive Director :
- (a) May attend all General Meetings, and meetings of the Council, but shall not have a vote thereat;
 - (b) Shall keep minutes of the proceedings and resolutions of all General Meetings, and meetings of the Council in books maintained for that purpose, and shall make such books available for inspection by any member whenever reasonably required;
 - (c) Shall have the custody of the seal, all books, documents and securities of the Chamber, and shall make such books, documents and securities available for inspection by any member whenever reasonably required; and
 - (d) Shall be the public officer of the Chamber for the purposes of legislation requiring the Chamber to have a public officer.

FUNDS AND ACCOUNTS

66. The funds of the Chamber shall be derived from fees, subscription and levies as provided by these Rules and such other sources as the Council determines.
67. The Council shall keep such accounting and other records as will enable it to provide the financial and other statements required by law to be submitted by the Chamber to its members at the Annual General Meeting, and shall cause such statements to be prepared and to be so submitted.

SEAL

68. (a) The President, the Vice Presidents and the Executive Director shall for the period for which they shall have been elected or appointed, act as seal-holders of the Chamber;
- (b) The Seal shall not be used except with the authority of the Council and in the presence of two seal-holders, who shall sign every instrument to which the Seal is affixed;

- (c) A separate book shall be kept, to be called the Seal Register, in which, before the Seal is affixed to any document, there shall be entered a short title and description of the document, together with the date of the resolution of the Council authorising the Seal to be affixed to the document. Such entry shall be signed by the two seal-holders who attest the affixing of the Seal to such document.

NOTICES

69. (a) A notice may be served by the Chamber upon any member either personally or by facsimile transmission or by sending it through the post in a prepaid envelope or wrapper addressed to such member at his registered address;
- (b) Each member shall from time to time notify the Chamber of an address in Papua New Guinea which shall be deemed his registered address for the purpose of sub-Rule (a) of this Rule.
70. Any notice sent by post shall be deemed to have been served at the expiration of seven days after the envelope or wrapper containing the same is posted and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed and posted. Any notice sent by facsimile transmission shall be deemed to have been received on the day the transmission was despatched.
71. A notice may be served on the Chamber or the Executive Director by delivering it, or posting it by prepaid post, to the Papua New Guinea Chamber of Mines and Petroleum, **P.O. Box 1032, PORT MORESBY, N.C.D. 121** or such other address as may from time to time be registered by the Chamber.
72. All notices of meetings shall contain an agenda of the business to be transacted at the meeting.

AMENDMENT OF RULES

73. These Rules, including the Statement of Purposes of the Chamber contained in Rule 2, shall not be amended save by special resolution passed at a General Meeting.

WINDING UP OR DISSOLUTION

74. If upon the winding up or dissolution of the Chamber any property remains after satisfaction of all its debts and liabilities, the same shall be given or transferred

to some other institution or institutions to be determined by special resolution passed before the dissolution of the Chamber and in default thereof shall be divided amongst the full members in equal shares.

AUDIT

75. The accounts and financial records of the Chamber shall be audited at least once in each year by a firm of registered accountants who shall be appointed by the members at the Annual General Meeting.

SCHEDULE

CODE OF ETHICS

SUMMARY OF AIMS AND OBJECTIVES

The Papua New Guinea Chamber of Mines and Petroleum is a private sector organisation which exists to promote and advance the growth and prosperity of, and provide services to the mining and petroleum industry, consistent with the national interest, and to create the best possible environment in the public and private sectors for the industry to develop and expand, by being the primary source of information for the mining and petroleum industry, and by representing the industry's best interests to the government and nation, in those areas which members agree are best handled on a cooperative basis.

INTRODUCTION

The following Code of Ethics is morally binding on all members of the Chamber.

The Chamber of Mines and Petroleum has incorporated this Code in its Rules to give member companies and their employees operating in Papua New Guinea, or intending to operate here, a simple guideline of the modus operandi expected of them.

The Chamber believes that it is in the interest of all parties concerned to maintain standards and prevent the establishment of unnecessary precedents, which will adversely affect the industry.

The Chamber expects that members will abide by the following Code. Breach of the Code may give lead to termination of membership in accordance with Rule 23(d).

IN GENERAL:

1. To at all times uphold the legally adopted Constitution of The Independent State of Papua New Guinea and the Rules of the Papua New Guinea Chamber of Mines and Petroleum.
2. To promote the concepts of free, fair and ethical competition in all business dealings within a democratic framework.
3. To ensure at all times that the Chamber represents the views of the majority of its members in any issues relevant to the mining and petroleum industry in Papua New Guinea.

4. To continue to work for the establishment and maintenance of a good working relationship with the national government through its relevant departments and ministries, likewise with the other tiers of government – provincial and local (community) governments; to promote a climate of mutual trust and cooperation to achieve this end, through opening and maintaining clear channels of communication with a frank exchange of member/government philosophies.
5. To maintain on-going programmes of education and community awareness regarding the benefits accruing to communities and the nation at large from partnerships between the companies, governments (national and provincial) and the landowners in developing the mineral and petroleum potential of the nation.
6. To conscientiously pursue a corporate citizenship image in the community at large by:
 - (a) Carefully conforming to the laws, rules, regulations, and guidelines established by the government for mineral and petroleum exploration, production and processing;
 - (b) Respecting the traditional customs and laws of the many various ethnic groups in Papua New Guinea, particularly with regard to the Melanesian philosophy regarding customary land ownership.

IN PARTICULAR:

1. Mining and Petroleum Tenement

All mining and petroleum tenements holders to have a responsible attitude to exploration and development, to include:

- (a) Endeavouring to ensure that all dealings in tenements are done with the full knowledge of government;
- (b) Endeavouring to ensure that all reporting to government, as required under the various statutes, is complete and accurate; false or misleading reporting with the intention of licence promotion should not occur;
- (c) Endeavouring to ensure that the rights of other tenement holders are respected; in particular endeavouring to avoid the practice of influencing landowners on a tenement against the legitimate licence holder;
- (d) Endeavouring to ensure that the legitimate rights of landowners residing in a mining and petroleum tenement are respected.

2. Employment Practices

To be committed to sound and fair employment practices, which include:

- (a) A healthy and safe working environment.
- (b) Remuneration and promotion based on performance.
- (c) Equal opportunity for all Papua New Guineans after satisfying the requirement of offering first preference for employment opportunities to suitably qualified people from the project area.
- (d) Reasonable and standard employment conditions for jobs in similar categories throughout the industry.
- (e) Avoiding “poaching” employees trained by other organisations wherever possible.

3. Education and Training

To be committed to the ongoing education and training of Papua New Guinean nationals to enable the individual to develop to full potential at all levels of employment in the mining and petroleum industry; this burden to be apportioned according to relative size and scope of activities of members with Papua New Guinea.

4. Promotion of PNG Based Enterprises

Wherever possible and practicable to give preference to nationally owned companies for the provision of goods and services to the mining and petroleum industry, both during exploration and into project development and operation.

5. Compensation

All mining and petroleum tenement holders to pay to landowners, on a regular basis, all the required fees and compensation as set out in the legislation governing the industry.

The categories and rates of compensation used should adhere to those set out in the Chamber’s guidelines.

Tenement holders should at all times avoid paying excessive compensation as this will raise landowner expectations and set a precedent for future compensation payments which will compromise other tenement holders.

6. Landowners

To attempt, at all times to understand the importance of the role of customary landowners in all exploration, mining and petroleum extraction projects, and with this in mind, to confer with the landowners at every stage of resource development activity, and to attempt to resolve problems occurring between members and landowners through the recognised Melanesian concept of negotiated consensus.

To attempt to understand the aspirations of landowners in project development areas by:

- (a) Offering corporate assistance to establish themselves in small entrepreneurial enterprises and to maximise spin-off business opportunities resulting from mining or petroleum extraction;
- (b) Realising that they are seeking maximum involvement and benefits from the project, going beyond obtaining preferential job opportunities, and hence to devise suitable, practicable and economic means of local equity participation, in consultation with the landowners, with the approval of the State.

7. Environment

To share community and government concern over environmental damage and support the concept of sound environmental management. Members of the Chamber will conduct exploration mining and petroleum extraction to standards as high as or higher than those laid down by the State. The Chamber supports the concept of multiple land use where applicable, and is committed to conducting mining and petroleum extraction in a manner, which has minimal environmental impact and returns the land for a safe and productive later use.

With regard to care for the environment and rehabilitation of the project area, members agree to the following guidelines:

- (a) Design and construct mineral and petroleum projects to high professional standards;
- (b) Operate mineral and petroleum projects in an environmentally responsible manner within the environmental and site rehabilitation conditions applied to the project by government;
- (c) Seek means to facilitate the rehabilitation of operating areas by progressive action throughout the life of the project;

- (d) Actively review measures introduced for environmental control and rehabilitation, monitor key variables, report significant results and their meaning, to the relevant authorities;
- (e) Demonstrate a corporate commitment to environmental principles and ensure that employees and contractors are fully informed of, and understand these corporate objectives;
- (f) Closely liaise with national and provincial government officials responsible for the environment and site rehabilitation;
- (g) Closely liaise with local landowners and the project area community to ensure a mutual understanding of operational and off-site effects.

8. Graft and Corruption

To oppose at all times graft and corruption in any form, in particular the practice of offering, or responding to requests for inducements to politicians or public servants to influence their decisions.

To avoid any form of payment to persons who make threats of violence or blackmail against members of the industry.

Members who receive requests for corrupt payments, or who are subjected to other improper demands or proposals by public officers, must report the circumstances to the Chamber (to the Executive Director in the first instance). The Council and the Ethics Committee shall collate relevant information and, on behalf of the Chamber and its members, take such steps as are practicable to suppress the misconduct by reporting it to the relevant authorities or exposing the circumstances to public scrutiny.

9. Propriety

To avoid discrediting government or any individual or company in the industry for the purpose of ingratiating oneself with the landowners or any other group or organisation. If any company or individual is believed to have failed in a particular regard that company or individual should be informed of such and if the matter is serious than it should be brought to the attention of the Chamber and the relevant government authorities.

To remain apolitical and to avoid becoming involved in the politics of Papua New Guinea in order to influence decisions in favour of a particular member to the detriment of the industry as a whole.



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