

mcm entertainment group Limited
ACN 006 173 271
updated and re-adopted by the Board on 17 September 2008

code of conduct

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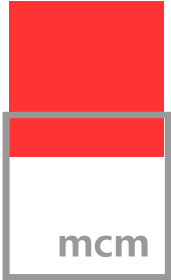
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Dear Colleague

The Company's success is dependent on the knowledge, experience and talent of our employees, the strength of our management team, the quality of our business strategy and our compliance with the highest standards of corporate conduct, ethics and governance. We are constantly working to reinforce and communicate our values to our employees, shareholders, customers, suppliers and the broader financial community.

The Board of Directors believes it is important to provide a clear set of values that emphasise a culture encompassing strong corporate governance, sound business practices and good ethical conduct.

The Code of Conduct has been prepared for the guidance and benefit of all people employed, contracted by, associated with, or acting on behalf of the Company. The Code of Conduct extends to all Company Directors. The Code of Conduct has been adopted by the Company as it expresses the core values that drive our behaviour and aspirations.

The key values underpinning the Code of Conduct are as follows:

- our actions must be governed by the highest standards of integrity and fairness;
- our decisions must be made in accordance with the spirit and letter of applicable law;
- our business must be conducted honestly and ethically, with our best skills and judgment, and for the benefit of customers, employees, shareholders and the Group alike.

You are required to read and be familiar with the Code of Conduct. The Board of Directors will adhere to the values and standards in the Code of Conduct and expect all employees to do the same. By doing so we can be proud of our individual and collective achievements, and ensure that the Company maintains a reputation for high standards of business conduct, professionalism and integrity.

We appreciate your support.

Yours sincerely

Tony McGinn
Chief Executive Officer

1 purpose

The Company is committed to the highest level of integrity and ethical standards in all business practices. Employees must conduct themselves in a manner consistent with current community and Company standards and in compliance with all relevant legislation.

The Code of Conduct outlines how the Company expects Company Directors and employees to behave and conduct business in the workplace on a range of issues. It includes legal compliance and guidelines on appropriate ethical standards.

The Code of Conduct does not include:

- every ethical issue that a Company Director or employee might face; nor
- every law and policy that applies to the Company.

The objective of the Code of Conduct is to:

- provide a benchmark for professional behaviour throughout the Company;
- support the Company's business reputation and corporate image within the community; and
- make directors and employees aware of the consequences if they breach the policy.

2 scope

All employees, including temporary employees and contractors, must comply with the Code of Conduct. The Code of Conduct extends to all Company Directors. When reading the Code of Conduct, a reference to 'employees' includes temporary employees, contractors and Company Directors.

The Code of Conduct applies to all business activities with suppliers, contractors, customers, shareholders and employees in Australia and overseas.

The Code of Conduct should be read in conjunction with the relevant company policies.

3 responsibilities under the code of conduct

Position	Responsibility
Chair	It is the Chair's responsibility to: <ul style="list-style-type: none">• communicate the Code of Conduct to Company Directors.

Position	Responsibility
Chief Executive Officer (CEO)	<p>It is the CEO's responsibility, through his management team, to:</p> <ul style="list-style-type: none"> • communicate the Code of Conduct to employees and contractors; • take immediate action if there is a breach of the Code of Conduct; • take a leadership role in observing and promoting the behaviour and standards in the Code of Conduct and related policies; and • refer any serious breaches to a Senior Manager for further action.
Employee/Contractor	<p>It is the employee's/contractor's responsibility to:</p> <ul style="list-style-type: none"> • comply with the Code of Conduct; • act at all times in the best interests of the Company, with strict integrity and according to legal and approved Company business practices; and • raise any concerns or issues with their Manager.
Chief Operating Officer (COO)	<p>It is the responsibility of COO to:</p> <ul style="list-style-type: none"> • revise and update the Code of Conduct and related policies as required; and • conduct regular training on the Code of Conduct for employees.

Responsibility lies with every person covered by the Code of Conduct to conduct themselves in accordance with the Code of Conduct, whatever the person's position and role. If any person covered by the Code of Conduct believes they know of or suspect any dishonest activities or breaches of the Code of Conduct, they should contact senior management. The matter will be handled in strict confidence and only those who need to know will be made aware of the situation. Employees are expected to comply with any investigations into concerns about breach of the Code of Conduct or the Company's policies and procedures. Retribution against a person for reporting or supplying information about a Code of Conduct or policy concern will not be tolerated.

Managers will take immediate action if an employee breaches the Code of Conduct. The type of action will depend on the severity of the misconduct and may range from counselling to dismissal.

Any employee who is suspected of fraud, defalcation, theft of Company property etc will usually be referred to the police for further investigation and action. The

Manager/Supervisor must discuss the issue with a Senior Manager prior to any action being taken.

4 compliance with laws and regulations

Each of us, whatever our role and position, should be aware of, and comply with, the duties and obligations that apply to us under any laws, legislation or regulations relevant to our work. Employees are encouraged to attend seminars presented by the Company or other external service providers to ensure that their knowledge remains up to date and that they remain abreast of relevant legal and industry developments.

The Company and its directors and officers are subject to various legal requirements in relation to the conduct of the Company's operations, and the performance of their roles and responsibilities. These might relate to financial, corporate, disclosure, trade practices and fair trading and other requirements. Directors and officers also owe a number of duties as a fiduciary of the Company.

If you have a question as to whether particular laws apply or how they may be interpreted, please contact either your Senior Manager or the Company Secretary.

5 fair trading and dealing

The Company aims to maintain the highest standard of ethical behaviour in conducting business and to behave with integrity in all dealings with customers, shareholders, government, employees, suppliers and the community.

Directors, senior management, employees and contractors are expected to perform their duties in a professional manner and act with the utmost integrity and objectivity, striving at all times to enhance the Company's reputation and performance. Each of us must ensure that our actions, and the actions of those who report to us, deal fairly with the Company's customers, suppliers, competitors and employees.

You are encouraged to familiarise yourself with the legal requirements applying to fair trading and dealing, and to undertake training or attend seminars to develop and maintain your knowledge so that you can act in accordance with these requirements.

If you have a question or wish to report a breach of fair dealing requirements, please contact either your Senior Manager or the Company Secretary.

6 company policies

The Company has implemented policies in relation to:

- continuous disclosure of material information
- guidelines for dealing in securities
- occupational health and safety
- equal employment opportunity
- privacy
- email and internet.

- Whistleblower.

Copies of these policies are available on the Company's intranet.

The Board of Directors continually assess and upgrade these policies and procedures to ensure compliance with corporate governance requirements. You will be notified of any changes to the policies and procedures. You should ensure you regularly make yourself aware of and adhere to the current policies and compliance requirements.

If you have any questions regarding the Code of Conduct or any of the Company's policies at any time, you should contact either your Senior Manager or the Company Secretary.

7 conflicts of interest

A conflict of interest exists where loyalties are divided. A person can have a potential conflict of interest if, in the course of their employment or engagement with the Company, any decision they make provides for an improper gain or benefit to themselves or an associate. A conflict of interest can be defined as an issue that may occur when personal interests, the interests of an associate, or relative, or a duty or obligation to some other person or entity, conflict with a person's duty or responsibility to the Company.

All business transactions must be conducted solely in the best interests of the Company. Employees must avoid situations where their personal interests could conflict with the interests of the Company.

Any person covered by the Code is responsible for notifying the Company if they suspect that there is a conflict of interest or a potential conflict of interest. If you are concerned that you have a potential conflict of interest you should disclose and discuss the matter with, and seek direction from, your Senior Manager or the Company Secretary.

The following are some common examples that illustrate actual or apparent conflicts of interest that should be avoided, but this is not intended to be an exhaustive list. The examples are not intended to authorise anyone to act in a particular way as each situation will be different.

7.1 improper personal benefits

You should not exploit your position or relationship with the Company for personal gain. For example, conflicts of interest can arise when you or a member of your family receives improper personal benefits as a result of your position. Neither you nor your relatives should give unreasonable gifts to, or receive unreasonable gifts from, the Company's customers or suppliers or others with whom the Company interacts.

We encourage you not to accept a gift in circumstances in which it would appear to others that your business judgement has been compromised, nor put yourself or the Company in a position that would be embarrassing if the gift was made public.

You should read and be familiar with the Company's detailed Gift Policy, a copy of which may be found on the Company's intranet.

7.2 financial interests in other businesses

You should avoid having a significant ownership interest or personal financial interest in any other enterprise if that interest compromises or appears to compromise your loyalty to the Company. Each employee is responsible for disclosing personal

financial interests that they or members of their family have in organisations which have established, or are attempting to establish, a business relationship with the Company or which compete with the Company.

Personal financial interests include, among other things, interests resulting from the following relationships:

- officer, director, employee or independent contractor;
- ownership of shares or other equity interest;
- debtor or creditor; or
- lessee or lessor.

Ownership of less than one per cent of the common or ordinary shares in a listed entity is not normally considered a conflict.

If you have any doubt about personal financial interest, you should consult with either your Senior Manager or Company Secretary.

7.3 corporate opportunities

You should advance the Company's legitimate interests when the opportunity to do so arises and should not take advantage of property, information, your position or other opportunities arising from your position in the Company. You should also ensure that Company property is used in accordance with ethical standards of conduct - outlined in section 8 - 'Improper use of Company property, assets and email'.

For example, if you learn of a business or investment opportunity through the use of corporate property or information or your position within the Company, you should not participate in the business or make the investment without approval from the Chief Executive Officer. As a general principle, you should not participate in a joint venture, partnership or other business arrangement with the Company without approval from Chief Executive Officer.

7.4 conflicts with competitors, clients and family members

You must ensure that your actions, and those of employees who report to you, deal fairly with the Company and its clients, competitors and employees (see also section 5 'Fair trading and dealing').

If you feel a conflict may arise between the Company or you and a competitor, client or family member, you should disclose the situation to your Senior Manager or the Chief Executive Officer so that the Company may assess the nature and extent of any concern and how it can be resolved.

7.5 conflict of interest arising from a personal relationship

It is important that employees who have the authority or responsibility to affect other employees' careers or terms and conditions of employment perform their functions free from any conflict of interest arising from a personal relationship.

For example, a conflict of interest will arise from a personal relationship if you have a family, business or personal relationship (including a personal financial interest, sharing living quarters or a romantic relationship) with any other employee within the Company and that relationship causes, or might reasonably be anticipated to cause, an inability on your part or their part to perform your or their responsibilities objectively and impartially as far as the other party to the relationship is concerned.

You must disclose any conflict of interest arising from a personal relationship to either your Senior Manager or the Company Secretary. Any such disclosure will be treated confidentially.

7.6 outside memberships, directorships, employment and public office

The Company supports involvement in community activities and professional organisations. However, outside employment or activity must not conflict with an employee's ability to properly perform their work for the Company, or create a conflict or the appearance of a conflict of interest.

Before accepting outside employment or a position on the board of directors of another company or non-profit organisation, you must carefully evaluate whether the position could cause, or appear to cause, a conflict of interest. If there is any question, you should consult either your Senior Manager or the Chief Executive Officer.

You must obtain prior written consent from your Senior Manager or the Chief Executive Officer where the proposed employment or position relates to an outside organisation that has or seeks to have a business relationship with the Company or competes with services provided by the Company.

You may accept public office or serve on a public body in your individual, private capacity, but not as a representative of the Company. If such public office would require time away from work, you must comply with Company policies regarding leave of absence and absenteeism.

7.7 use of company name

It is the Company's policy to make available to all employees any company discounts with suppliers or other businesses that may be passed on to employees. However, you may not use the Company's name or purchasing power to obtain personal discounts or rebates unless the discounts or rebates are made available to all employees.

8 improper use or theft of company property, assets and email

You are expected to be responsible for protecting any Company property and assets that are under your control and you should safeguard them from loss, theft and unauthorised use. Company property and assets includes cash, securities, business plans, third party information, intellectual property (including computer programs, software, models and other items), confidential information, office equipment and supplies.

The use of Company assets for any unlawful purpose or unauthorised personal benefit is strictly prohibited.

As a general rule, Company property and documents should not be removed from official premises without a good and proper reason. If removed, they should be stored in a secure manner and covered by appropriate insurances.

You must also guard against improper disclosure, including inadvertent or careless disclosure, of competitive business strategies and plans, special methods of operation and other information that is of competitive value to the Company. If you are unsure whether information is of a confidential nature, you should seek advice from your supervisor before disclosure.

As set out in the Company's Values Statement, you are encouraged to use common sense and observe standards of good taste regarding content and language when

creating documents that may be retained by the Company or a third party. The Company's electronic communications systems should not be used to access or post material that violates Company policies or any laws or regulations. Personal non-business use of the Company's electronic communications systems must be kept to a minimum.

9 privacy

The Company respects the privacy of others. We ask you to familiarise yourself and comply with privacy laws and the Company's privacy policies which detail the appropriate use of personal information. You should refer to those policies and ensure that your actions comply. If you have any questions in relation to privacy, please contact the Chief Operating Officer.

10 continuous disclosure and public communications

The Company has adopted a Disclosure policy relating to its continuous disclosure and communication obligations under the *Corporations Act 2001* (Cth) and the ASX Listing Rules. The aim of the Disclosure policy is to keep the market fully informed of information that may have a material effect on the price or value of the Company's securities, and to correct any material mistake or misinformation in the market. You should ensure that you are aware of the requirements of the policy and, if it applies to you, you must act in accordance with the policy.

Media statements and official announcements may only be made by persons authorised under the Disclosure policy. If you receive a request for information and you are not authorised to respond to the enquiry, you should refer the request to the appropriate person. Company employees and associated parties must not participate in chat room discussions or similar (eg blogs) on the internet. In addition, unless your Senior Manager has given prior written consent, Company employees and associated parties must not participate in other public forum discussions where the subject matter is related to the Company, its competitors or the industry in which the Company operates.

You are responsible for the integrity of the information, reports and records under your control and are expected to exercise the highest standard of care in preparing materials for public communications.

Documents should:

- comply with any applicable legal requirements;
- fairly and accurately reflect the transactions or occurrences to which they relate and be supported by accurate documentation;
- not contain any false or intentionally misleading information, nor intentionally misclassify information; and
- be in reasonable detail and recorded in the proper account and in the proper accounting period.

11 employment practices

If you have any questions or concerns in relation to the Company's employment practices, please contact the Chief Operating Officer.

11.1 company reputation

Employees must not act in any way that could cause harm to the Company's reputation or market position during or after their employment. Employees have a duty to act in a manner that merits the continued trust and confidence of the public.

11.2 equal opportunity and anti-discrimination

The Company is committed to:

- equal employment opportunity;
- compliance with the letter and spirit of a full range of fair employment practices and non-discrimination laws; and
- a workplace free from any kind of discrimination, harassment or intimidation of employees.

Copies of the Company's equal opportunity policy can be found on the Company's intranet. All employees are expected to have read and be familiar with these policies.

The Company will promptly investigate all allegations of harassment, bullying, victimisation or discrimination and will take appropriate corrective action. Retaliation against individuals for raising claims of harassment or discrimination will not be tolerated.

11.3 occupational health and safety

The Company is committed to maintaining a healthy and safe working environment for its employees. All appropriate laws and internal regulations (including occupational health and safety laws) should be fully complied with. All people have obligations to assist in ensuring that this situation is maintained at all times.

Misusing controlled substances or alcohol or selling, manufacturing, distributing, possessing, using or being under the influence of illegal drugs on the job will not be tolerated.

You should be aware of the Company's Occupational Health and Safety (**OH&S**) policies and all relevant procedures to ensure the workplace is safe and without risk to the health of others and yourself. You should follow any lawful and reasonable instructions consistent with that policy and those procedures.

11.4 smoke-free policy

Smoking is prohibited in the workplace. Employees must comply with the non-smoking policy applicable in each work location. Employees may only smoke in the designated areas and at designated times.

11.5 securities trading

The Company has developed guidelines for dealing in the Company's securities by directors, officers and employees of the Company. You should review the guidelines and ensure you act in accordance with them.

11.6 bribes, inducements and commissions

You should not pay or receive any bribes, inducements or commissions (this includes any item intended to improperly obtain favourable treatment or avoid unfavourable circumstances). Also, you should not give or receive any unreasonable gifts (see section 7 'Conflicts of Interests') or otherwise act in an unethical way. This extends to not doing something so as to receive a benefit or inducement. Agreeing not to act may have the same ramifications as acting in an unethical way.

11.7 whistleblower

The Board has adopted a Whistleblower Protection Policy that offers officers, employees, independent contractors and their employees the opportunity to bring to the attention of management, conduct which is corrupt, illegal or unethical, without fear of revenge, dismissal or discriminatory treatment.

Under the policy, the officers, employees, independent contractors and their employees can make a complaint by contacting a Whistleblower Protection Officer. The Whistleblower Protection Officer/s is as follows:

- Chief Executive Officer;
- In the case where the complaint is against the Chief Executive Officer, the Chairperson.

It will be the task of the Whistleblower Protection Officer to assess the complaint and recommend an action plan. The complaint will be treated in a sensitive and, to the extent permitted by law, confidential manner.

If the complaint relates to finance or auditing matters, the Whistleblower Protection Officer will consider whether the matter should be referred to the Audit & Risk Committee or may refer the matter to the external auditors.

If the complaint relates to breaches of the law, regulations or the company's own policies or constitution, the Whistleblower Protection Officer may refer the matter to the Board.

The officers, employees, independent contractors and their employees making complaints in good faith can rely on the protection offered by the Whistleblower Protection Policy.

12 community

12.1 environment

The Company is committed to doing business in an environmentally responsible manner and identifying environmental risks that may arise out of its operations.

If you are aware of, or suspect, an action that is not environmentally responsible and in breach of the applicable laws and regulations, you should report the matter in accordance with section 13 – 'Reporting unlawful and unethical behaviour'.

12.2 politics

You may voluntarily participate in the political process as an individual. We ask that you refer to the Company's Disclosure Policy and comply with the policy in relation to making public announcements. We also ask that you do not engage in actions that

could cause someone to believe your actions reflect the views or position of the Company, if that is not the case.

12.3 contribution to the community

The Company is a responsible corporate citizen and actively supports the communities in which we live and work. We provide information about the Company in response to reasonable requests. We abide by all local laws and regulations. We respect and care for the environments in which we operate. We support and encourage our employees to actively contribute to the needs of the community. If you wish to make such a contribution (such as donations or sponsorship) on behalf of the Company, you should consult the Chief Operating Officer for approval.

13 reporting unlawful and unethical behaviour

It is recognised that breaches of the Code of Conduct may occur from time to time. It is expected that any breach will be inadvertent and without intent, however it should be clearly understood that any breach may result in disciplinary action or other penalty including, in extreme circumstances, dismissal or termination of the contract or engagement.

If it is considered that a potential breach has occurred it should be reported to the Chief Operating Officer or Chief Executive Officer. You will never be penalized for reporting your discoveries or suspicions. Wherever possible, your calls, detailed notes and/or emails will be dealt with confidentially. You have the Company's commitment that, wherever possible, your privacy will be protected where you make a report under the Code of Conduct.

When it is considered that a breach of the Code of Conduct has occurred, the handling of the process is to be administered by the Chief Operating Officer in consultation with the supervisor or manager of the offending person. Where breaches are considered to be of a serious nature, penalties may be imposed ranging from counselling to dismissal (in extreme circumstances). In these instances the Company will act objectively, fairly and equitably and consistent with any applicable provisions or requirements in an employment contract.

The Company reserves the right to inform the appropriate authorities where it is considered that there has been criminal activity or an apparent breach of the law.

14 conclusion

While the Company has tried to address a wide range of business practices and procedures in the Code of Conduct, it cannot anticipate every issue that may arise. You are responsible for ensuring that you act ethically and lawfully at all times.

If you believe that the application of the Code of Conduct in a particular circumstance would be inappropriate or detrimental to the Company, you must contact your General Manager or Chief Executive Officer to ask for clarification or request that an exception be made.

15 disclaimer

The Code of Conduct is a statement of certain fundamental principles, policies and procedures that govern actions in the conduct of the Company's business. It is not intended to, and does not create any rights in any employee, client, customer, supplier, competitor, securityholder or any other person or entity.