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# **Code of Ethics and Values**

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## 1 Objective

The objective of this code is to give the Directors mandatory directions to be followed in performing their duties with a view to enabling them to achieve the highest possible standards in the discharge of their obligations and give them a clear understanding of best practice in corporate governance.

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## 2 Obligation

**A Director has an obligation, at all times, to comply with the spirit and the principles of this code as well as the law.**

Taking a position on the Board involves taking on important legal and ethical responsibilities as well as making a commitment to uphold the values of good corporate citizenship in both individual conduct and corporate actions. These responsibilities, and this commitment, are regulated by this code for Directors who must regard themselves as bound by it accordingly. The adherence by each Director to the requirements of this code is critical to the effective operation of the Board. No person should therefore accept a Board position if they have any doubt about their ability to fulfil their obligation to comply with the requirements of this code.

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## 3 General Duties

Directors must:

- act in good faith in the best interests of the Company and for a proper purpose
- act in the interests of all shareholders and to avoid any potential conflict of interest
- exercise a reasonable degree of care and diligence
- not make improper use of information
- not make improper use of their position.

Breaches of these duties at common law and under the Act may expose Directors to potential liability in damages, fines and disqualification.

A Director, in the exercise of his or her powers, and in the discharge of their duties, must exercise the degree of care and diligence that a reasonable person would exercise if they were a Director in the circumstance prevailing and occupied the office held by, and had the same responsibilities within the Company, as the Director.

A Director must, as a fiduciary, act with fidelity and trust in relation to the Company. The Board has been appointed to manage the affairs of the Company on behalf of the shareholders and is accountable not only to shareholders but to other third parties including creditors, regulators and the community.

The Act requires directors to act honestly and with a reasonable degree of care and diligence in the exercise of their powers and duties and the discharge of their duties.

To undertake the role of a Director without taking steps to acquire and maintain a reasonable level of competence is also likely to be considered negligent. All Board members are therefore

required to attend at least one educational seminar a year to enable them to be kept fully informed of matters relevant to their position as a Director.

The Company maintains a directors' and officers' liability insurance. Directors should ensure that they are fully aware of the terms of this insurance so as to be able to qualify for protection under it.

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## 4 Business Judgment Rule

- Each Director should be familiar with the business judgment rule set out in this section.
- A director's duty to act with care and diligence will be taken to be satisfied where the director:
  - **Makes a judgment in good faith and for a proper purpose**
    - This requires an honest exercise of powers in the best interests of the company on the basis of an objective view.
    - Decisions which would allow some directors or shareholders to gain an advantage over others may be indicative of those made for improper purposes – even where the decision does not result in damage to the company.
  - **Has no material personal interest in the subject-matter of the judgment made**

This requires the avoidance of any conflict of interest.
  - **Is informed about the subject-matter of the judgment to the extent the director reasonably believes to be appropriate**

This requirement is satisfied where the director has made a reasonable effort to be informed.
  - **Rationally believes the judgment to be in the best interest of the Company**

This requirement is presumed to be satisfied unless no reasonable person in the director's position would have made that judgment.
- The business judgment rule:
  - relates only to decisions about the ordinary business operations of the Company
  - does not relieve a director from other fiduciary duties (over and above those owed as a director) such as to act in good faith, not to misuse the position of director, not to make improper use of confidential information, and to prevent insolvent trading.
- A business judgment is any decision to take or not to take action in respect of a matter relevant to the business operations of the company; it does not apply to any failure to take a decision.

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## 5 Decision-Making

**A Director must be independent in judgement and actions and must take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.**

In order to satisfy this requirement a Director must:

- make a reasonable effort to become and remain familiar with the affairs of the Group
- attend all Board meetings and Board functions unless there are valid reasons for non-attendance
- commit the necessary time and energy to Board matters to ensure that they are contributing their best endeavours in the performance of their duties for the benefit of the Group without placing undue reliance on other Directors to fulfil those duties.

Directors should rely on advice relating to Company or the Group or their affairs only where that advice is given or prepared by:

- an employee whom the Director believes on reasonable grounds to be reliable and competent in relation to the matters concerned
- a professional adviser or expert in relation to matters that the Director believes on reasonable grounds to be within the person's professional or expert competence
- another Director or officer in relation to matters within that Director's or officer's authority
- a Committee (on which the Director did not serve) in relation to matters within the Committee's authority.

Directors should only rely on such information or advice if:

- the Director's reliance was made in good faith, and after making an independent assessment of the information and advice, having regard to the Director's knowledge of the Company and Group and the complexity of their structure and operations
- the reasonableness of the reliance arose in proceedings brought to determine whether the Director performed his or her duties under the Corporations Act 2001 or the common law.

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## 6 Confidentiality

**Directors must observe confidentiality regarding all Board matters and all confidential information received by a Director in the course of the exercise of their duties.**

- All information received by a Director in the course of fulfilling Board duties must be regarded as confidential and remains the property of the Company. Confidential information is not limited to information that may be regarded as Price-Sensitive and extends to (by way of example only) information that is not Price-Sensitive as such but might reasonably be considered of use or of interest to retail investors.
- A Director may not disclose information, or allow it to be disclosed, to any other person unless that disclosure has been authorised by the Company or is required by law to be disclosed.

All discussions and resolutions of the Board must likewise be treated as confidential and not disclosed, or allowed to be disclosed, as regards either content or substance, to persons who are not Directors except in cases where disclosure:

- has been authorised by the Company
- is required by law.
- Authorisation by the Company will be presumed where and to the extent that Board or Committee minutes convey, either expressly or implicitly, that it is intended that disclosure should be made to third parties.
- Any Director in any doubt as to their obligations of confidentiality or in relation to any matter of disclosure should consult with the Chairman prior to making any disclosure. A Director may also seek independent advice in accordance with section 9 of the Board Charter.

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## **7 Improper Use of Information**

**A Director must not make improper use of information acquired as a Director.**

Directors are also prohibited from making improper use of information acquired by virtue of their position as a Director so as to gain, directly or indirectly, any personal advantage or any advantage for any other person or that may cause detriment to the Company or the Group. A Director may also seek independent advice in accordance with section 9 of the Board Charter

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## **8 Co-operation**

**Directors must observe solidarity with the resolutions of the Board and co-operate in their implementation.**

Board members are part of a team. As such they must work co-operatively with the Chairman and other Directors and with management. Directors must therefore observe solidarity regarding the resolutions of the Board or any Committee. Directors must not speak against a resolution of the Board or any Committee to any person other than fellow Directors. Directors must also support Board resolutions by providing assistance and co-operation in their implementation.

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## **9 Personal Interests and Conflicts**

**A Director must not take improper advantage of their position as a Director.**

**No Director may allow any personal interest, or the interest of any associated person, to influence or prejudice their conduct or any Board or Committee decision.**

A Director has a duty to avoid any conflict between the best interests of the Company and the Group and their own personal interests or those of any third party. Every Director must be aware of both actual and potential conflicts of interest. The law requires that a Director with a conflict of interest should refrain from voting, or entering into any discussion, at, or even being present during, relevant Board discussions. A Director who has any material personal interest in a matter must not be present at a meeting while the matter is being considered and must not vote on the matter. A personal interest may be either direct or indirect and either pecuniary or otherwise. Papers relevant to any matter on which there is a known conflict of interest, or in

relation to which there is a material personal interest, will not be provided to any Director concerned.

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## 10 Conduct

**A Director must not engage in conduct likely to bring discredit upon the Company or the Group.**

**Each Director must be and remain aware of, and observe, any standing orders adopted by the Board from time to time for the conduct of Board and committee meetings.**

**Directors must at all times comply with the spirit as well as the letter of the law and with the principles of this code.**

Directors should conduct themselves at all times in a sober, polite, lawful and restrained manner in carrying out their duties, at both Board and Committee meetings, at Company functions and meetings, and where otherwise dealing with matters concerning or involving the Company.

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## 11 Performance

**Directors must recognise that their primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders.**

**The Board shall maintain the discretion, to be exercised from time to time, to consider the appointment of an independent expert to conduct a review of the effectiveness of the Board's performance.**

The Board is accountable not only to Shareholders, but to other third parties, including creditors, regulators and the community. However, it is not practical for any of these interest groups to undertake regular appraisals of Board performance, and nor would such appraisal be appropriate as a particular interest group could have difficulty being impartial or objective. The Board must satisfy itself that it is performing to maximum efficiency so that all Directors can be assured that they are fulfilling their obligations and that there is no exposure for them to any legal liability. Each Director must cooperate fully with any review or assessment of performance, whether collective or individual, and whether conducted by the Chairman or any other Director or by any independent third party externally appointed for the purpose.

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## 12 Complaints

**Directors must abide by the complaints procedure determined by the Board.**

The Board is concerned with the development and formulation and proper implementation of strategy and policy. Management carries strategy and policy into effect. Directors may from time to time be approached by shareholders, staff or other persons who have a complaint about a matter relating to the Company or the Group. Any such complaint must be dealt with in accordance with the relevant procedure contained in the Group Operating Policies & Procedures.