



Magontec Limited
Code of Conduct

Approved: 24th February 2016

This policy documents Magontec Limited's (MGL's) Code of Conduct. MGL aims to maintain a high standard of ethical business behaviour at all times and expects its Directors, Senior Executives and other employees to treat others with fairness, honesty and respect.

Purpose

1.1 The purpose of this Code is to:

- a) articulate the high standards of honest, ethical and legal behaviour expected of MGL's Directors, Senior Executives and other employees;
- b) encourage the observance of those standards so as to protect and promote the interests of shareholders and other stakeholders in MGL;
- c) guide Directors, Senior Executives and other employees as to the practices thought necessary to maintain confidence MGL's integrity; and
- d) determine the responsibility and accountability of Directors and Senior Executives in particular to report and investigate reports of unethical practices.

Application

1.2 In this Code of Conduct, a reference to MGL also includes a reference to any one or more of MGL's subsidiary and controlled entities.

1.3 In this Code of Conduct, a reference to *Laws and Regulations* is a reference to *Laws and Regulations* in all the current and future jurisdictions in which MGL operates.

1.4 This Code of Conduct applies to:

- The Boards of Directors of MGL and its controlled subsidiaries ("Directors")
- Senior Executives of MGL including the Chief Executive Officer (or equivalent); and any other employee or officer who has the opportunity to materially influence the integrity, strategy and operation of the business and financial performance of MGL ("Senior Executives"); and
- all other employees of the MGL Group.

Compliance with Laws, Regulations, Policies and Procedures

2.1 MGL requires and expects Directors, Senior Executives and other employees to:

- Comply with all laws, rules and regulations that apply to MGL in the conduct of its business and affairs;
- Abide by all applicable rules and standards of bodies empowered to regulate the businesses in which MGL operates; and
- Comply with all contractual obligations and other undertakings without attempting to evade or delay compliance; and
- Abide by all protocols, policies and procedures of MGL, including those of its subsidiary and related entities and business units as are directly applicable to Directors, Senior Executives and other employees respectively.

2.2 Employees are encouraged to seek guidance from MGL's Senior Executives concerning the appropriate response to perceived unethical behaviour encountered within the Company or by competitors or customers.

Honesty and Integrity

3.1 MGL expects that its Directors, Senior Executives and employees will:

- a) deal fairly with all parties;
- b) be respectful in all dealings with others and treat them openly and honestly without prejudice or discrimination;
- c) not behave in a manner that is fraudulent, corrupt or unlawful; and
- d) refuse all payments and incentives from third parties that may compromise decisions or judgements;

Proper Use of Position and Resources

4.1 MGL requires Directors, Senior Executives and other employees to comply with their legal, statutory and equitable duties as officers or employees of MGL. Each will apply and use their corporate position and corporate resources in a responsible manner.

Broadly, this includes duties to:

- Act in good faith and in the best interests of MGL as a whole;
- Act with due care and diligence;
- Act for proper purposes;
- Avoid conflicts of interest or duty; and

Refrain from:

- Making improper use of information gained through their office or employment
- Taking improper advantage of their position; or
- Soliciting gifts or benefits from other parties.

Confidentiality and Privacy

5.1 All Directors, Senior Executives and other employees must:

a) Maintain the confidentiality of all proprietary, commercial or other information that is confidential to MGL, its customers, suppliers or employees that is acquired in the course of performing their duties for MGL; and

b) Not make improper use of, or improperly disclose, such confidential information to third parties, except as otherwise approved by Directors or Senior Executives required by law or the listing rules of an applicable stock exchange.

5.2 Directors, Senior Executives and other employees must keep confidential the existence and details of Board and management information, discussions, deliberations and decisions to the extent that they:

- a) Are not publicly known; and
- b) Have not been approved by Directors or Senior Executives for public release.

5.3 All other information that is not generally available concerning the activities, results, or plans of MGL must be used for authorised purposes only.

Such confidential information should be treated and communicated with care, and must not be disclosed outside MGL without permission from management.

- 5.4 Directors, Senior Executives and other employees must treat all information given to MGL by customers as confidential.
- 5.5 These obligations of confidentiality continue after Directors, Senior Executives and other employees retire from or otherwise leave MGL.

Conflicts of Interest

- 6.1 A conflict of interest may arise if Directors, Senior Executives or other employees, or their family, friends or business associates have a personal interest in a business decision involving MGL.
- 6.2 Directors, Senior Executives and other employees must all use reasonable endeavours to avoid being in a situation in which their personal or external interests could conflict with the best interests of MGL.
- 6.3 Where a Director or Senior Executive has (or becomes aware of) an actual or potential conflict of interest or duty in connection MGL's affairs (whether the conflict involves that Director or Senior Executive or another officer or employee), MGL expects the Director or Senior Executive to be vigilant in seeking to ensure that:
 - a) The person who has the conflict complies with all applicable fiduciary obligations to MGL; and
 - b) Adequate and appropriate steps are taken to safeguard the interests of MGL and its shareholders.
- 6.4 Where an employee has (or becomes aware of) an actual or potential conflict of interest, MGL requires the employee to:
 - a) Disclose the conflict or potential conflict to their manager; and
 - b) Follow their manager's instructions about how to resolve the conflict.
- 6.5 Directors must obtain the Chairman's, and all other employees their manager's, permission to serve in any capacity in a business, company or other organisation if there is a possibility that their role or duties in that capacity could conflict with the best interests of MGL.

Fair Dealing

- 7.1 MGL will respect the rights and dignity of employees by providing:
 - a) Fair, open, honest, dignified and non-discriminatory treatment;
 - b) A safe and healthy working environment;
 - c) Training and development to maximise individual potential and contribution to MGL where considered necessary and relevant;
 - d) Fair and equitable remuneration;
 - e) The opportunity to give and receive feedback on their work and individual performance.
- 7.2 MGL will engage only in fair and vigorous competition.
- 7.3 MGL will treat customers in a fair, open and honest manner.

- 7.4 MGL expects its Directors, Senior Executives and other employees to also deal fairly with its customers, competitors and fellow employees.
- 7.5 MGL expects its Directors, Senior Executives and other employees will not take unfair advantage of any party dealing with MGL through illegal conduct, manipulation, undue influence, concealment, abuse of privileged or confidential information, misrepresentation of material facts, or any other unfair dealing practice.

Gifts and Entertainment

- 8.1 As previously stated in paragraph 4.1, Directors, Senior Executives and other employees must refrain from soliciting gifts or benefits from other parties. All employees must exercise due care and discretion when giving or receiving business related gifts.
- 8.2 Directors, Senior Executives and other employees must not give or accept any gifts or entertainment from any person doing business with MGL if the gifts or entertainment could reasonably be regarded as influencing the recipient or creating business obligations on the part of the recipient.
- 8.3 Reasonable offers of gifts or entertainment of moderate value may be provided or accepted where it is legal and in accordance with business practice.

Protection and Proper Use of MGL's Assets

- 9.1 MGL expects Directors, Senior Executives and other employees to use reasonable endeavours to protect the assets of MGL and to ensure their efficient use. Any suspected (on reasonable grounds) incidents of fraud or theft should be reported immediately for investigation.
- 9.2 Directors, Senior Executives and other employees must use the assets of MGL (such as funds, products, vehicles and computers) for legitimate business purposes only. Use for other purposes must be approved by Directors or Senior Executives.
- 9.3 Directors, Senior Executives and other employees must protect the assets of MGL (including proprietary information such as intellectual property, business and marketing plans, employee information and any information concerning MGL that is not generally known to the public, subject to MGL's Continuous Disclosure protocols). This obligation to protect MGL's assets continues after Directors, Senior Executives and other employees retire from or cease employment with MGL.

Compliance with the Code of Conduct

- 10.1 MGL is committed to promoting and maintaining a culture of honest, ethical and law-abiding behaviour. To fulfil this commitment, MGL needs to be able to ensure that:
- a) Violations of these standards, requirements and expectations are detected and reported; and
 - b) Appropriate action is taken in response to any such violations.

- 10.2 Accordingly MGL encourages Directors, Senior Executives and other employees to report promptly in good faith any serious violations or suspected violations of this Code of Conduct.

Directors should report any such violations initially to the Chairman of the Board, or failing him, the Company Secretary. Senior Executives should report any such violations to the Chief Executive Officer, or failing him, to the Company Secretary. Other employees should report any such violations to their immediate supervisor, or failing them, to the Chief Executive Officer or the Company Secretary.

- 10.3 MGL encourages all Directors, Senior Executives and other employees who receive a report of an actual or suspected violation of this Code of Conduct to take all reasonable steps within their control to ensure that the behaviour alleged in the report is thoroughly investigated and appropriate disciplinary action is taken if the allegation is substantiated.

- 10.4 Directors, Senior Executives and other employees who are proven to have breached this Code of Conduct may face disciplinary action which, depending on the seriousness and severity of the breach, could include dismissal or legal action, or both.