

# CODE OF CONDUCT





## Code of Conduct Letter

MAGONTEC has been providing innovative solutions in the field of magnesium products for nearly 70 years. It's a record to be proud of and one that can help to sustain our business in the years ahead.

To survive over this long period a company must be flexible and able to adjust to changing business requirements so that it remains a viable entity, an attractive place to work and a strong counterparty for customers and suppliers.

To that end we present a revised Code of Conduct, among other corporate governance papers, that I urge all employees to read and understand.

This Code describes the legal and ethical foundation for our organisation. It is designed to ensure that MAGONTEC employees and other parties with whom we interact, understand their rights and obligations.

The Code highlights the obligations we have adopted for our organisation so that customers and partners can be confident that our products are made responsibly, that we source our raw materials ethically and we treat our employees according to local and international law.

Nicholas Andrews

Executive Chairman, Magontec Limited, January 2021

## Purpose

The purpose of this Code of Conduct is to:

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

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*MAGONTEC requires and expects Directors, Senior Executives, and other employees to comply with all laws, rules and regulations in the conduct of its business*

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*Notes A reference to MAGONTEC also includes a reference to any one or more of MAGONTEC's subsidiary and controlled entities*

*A reference to Laws and Regulations is a reference to Laws and Regulations in all the current and future jurisdictions in which MAGONTEC operates.*

## Overview

Who this code applies to?

This Code of Conduct applies to:

- **The Boards of Directors** of MAGONTEC and its controlled subsidiaries ("Directors") and
- **Employees, agents, and other representatives** of the MAGONTEC Group.



## Honesty and Integrity

MAGONTEC expects that its Directors 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





## Compliance with Laws and Regulations

MAGONTEC requires and expects Directors, and Employees to:

- **Comply with all laws, rules and regulations** that apply to MAGONTEC in the conduct of its business and affairs
- **Abide by all applicable rules and standards of bodies** empowered to regulate the businesses in which MAGONTEC 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 MAGONTEC**, including those of its subsidiary and related entities and business units as are directly applicable to Directors, Senior Executives and other employees respectively.

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

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## Protection/Proper Use of MAGONTEC’s Assets

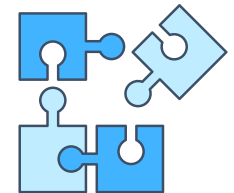


MAGONTEC expects Directors, Senior Executives and other employees to use reasonable endeavours to **protect the assets** of MAGONTEC and to ensure their efficient use. Any suspected (on reasonable grounds) incidents of fraud or theft should be reported immediately for investigation.

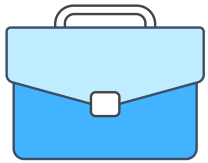
Directors, Senior Executives and other employees must use the assets of MAGONTEC (such as funds, products, vehicles and computers) for **legitimate business purposes only**. Use for other purposes must be approved by Directors or Senior Executives. **MAGONTEC expects its Directors and Employees to use company social media assets responsibly, specifically being factual and ethical.**

Directors, Senior Executives and other employees must protect the assets of MAGONTEC (including proprietary information such as intellectual property, business and marketing plans, employee information and any information concerning MAGONTEC that is not generally known to the public, subject to MAGONTEC’s Continuous Disclosure protocols). **This obligation to protect MAGONTEC’s assets continues after Directors, Senior Executives and other employees retire from or cease employment with MAGONTEC.**

## Supply Chain Integrity



**MAGONTEC has a zero-tolerance policy towards forced or child labour, and does not permit the use of conflict materials in its supply chain.** All workers are treated in accordance with local regulations applicable to each operating region.



## Confidentiality and Privacy

All Directors, Senior Executives and other employees must:

- **Maintain the confidentiality** of all proprietary, commercial or other information that is confidential to MAGONTEC, its customers, suppliers or employees that is acquired in the course of performing their duties for MAGONTEC and
- 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.

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 are:

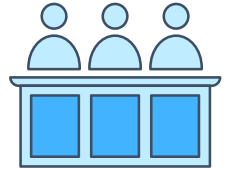
- a) not publicly known and
- b) have not been approved by Directors or Senior Executives for public release.

All other information that is not generally available concerning the activities, results, or plans of MAGONTEC must be used for authorised purposes only. Such confidential information should be treated and communicated with care, and must not be disclosed outside MAGONTEC without permission from management.

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

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## Conflicts of Interest

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 MAGONTEC.

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 MAGONTEC.

Where a Director or Senior Executive has (or becomes aware of) an actual or potential conflict of interest or duty in connection MAGONTEC's affairs (whether the conflict involves that Director or Senior Executive or another officer or employee), MAGONTEC expects the Director or Senior Executive to be vigilant in seeking to ensure that:

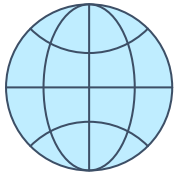
- a) The person who has the conflict complies with all applicable fiduciary obligations to MAGONTEC and**
- b) Adequate and appropriate steps are taken to safeguard the interests of MAGONTEC and its shareholders.**

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 MAGONTEC.

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*Where an employee has (or becomes aware of) an actual or potential conflict of interest, MAGONTEC requires the employee to disclose the conflict or potential conflict to their manager; and follow their manager's instructions on how to resolve it*

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## Fair Dealing

MAGONTEC 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 MAGONTEC where considered necessary and relevant
- d) Fair and equitable remuneration
- e) The opportunity to give and receive feedback on their work and individual performance.

MAGONTEC will engage only in fair and vigorous competition.

MAGONTEC will treat customers in a fair, open and honest manner.

MAGONTEC expects its Directors, Senior Executives and other employees to also deal fairly with its customers, competitors and fellow employees.

MAGONTEC expects its Directors, Senior Executives and other employees will not take unfair advantage of any party dealing with MAGONTEC 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



Directors, Senior Executives, and other employees must not give or accept any gifts or entertainment from any person doing business with MAGONTEC if the gifts or entertainment could reasonably be regarded as influencing the recipient or creating business obligations on the part of the recipient.

Reasonable offers of gifts or entertainment of moderate value may be provided or accepted where it is legal and in accordance with business practice.

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***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.***

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## Proper Use of Position and Resources

MAGONTEC requires Directors, Senior Executives and other employees to comply with their legal, statutory and equitable duties as officers or employees of MAGONTEC. 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 MAGONTEC
- 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.

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*MAGONTEC is committed to promoting and maintaining a culture of honest, ethical and law-abiding behaviour.*

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## Compliance with the Code of Conduct

To fulfil this commitment, MAGONTEC 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.

MAGONTEC 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.**

MAGONTEC 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.

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.