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# Code of Conduct

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# Code of Conduct

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# Code of Conduct

## 1 Introduction

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### 1.1 Summary

- (a) Hexima Limited (the **Company**) is committed to making positive economic, social and environmental contributions, while complying with all applicable laws and regulations and acting in a manner that is consistent with the principles of honesty, integrity, fairness and respect. We can only achieve these objectives if we set clear standards against which to guide our decision making and hold ourselves accountable.
- (b) The board of directors of the Company (**Board**) has adopted this Code to provide a set of guiding principles which are to be observed by all employees of the Company. The Board will keep this Code under review to ensure that it continues to evolve and reflect community expectations.
- (c) All employees are expected, at all times, to act consistently with the fundamental principles of the Company as set out in this Code. Our employees are expected to:
  - (i) Do their work diligently, act in good faith, and act in the best interests of the Company.
  - (ii) Promote and protect the business, reputation, general interests and welfare of the Company, and promote the values of the Company.
  - (iii) Comply with all applicable local, national and international laws.
  - (iv) Respect and preserve confidentiality.
  - (v) Refrain from misusing any information, assets, systems or facilities of the Company, including email and internet facilities, and ensure that these facilities are not used to access or distribute illegal, offensive or otherwise inappropriate material, or for any other purpose which may damage the reputation of the Company.
  - (vi) Value, promote and maintain professionalism.
  - (vii) Avoid conflicts of interest with the Company and advise the Company of any conflict or potential conflict of interest.
  - (viii) By their actions to assist the Company in operating ethically, complying with the law and making positive economic, social and environmental contributions to the communities in which we operate.
  - (ix) Approach their work in ways that minimise environmental impacts and maximise workplace safety.

- (x) Show fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public.
- (xi) Endorse and support diversity in the Company's employment practices.
- (xii) Avoid any form of discrimination, bullying, harassment or other inappropriate workplace behaviour, and take action to prevent or stop these behaviours if demonstrated by others.
- (xiii) Comply with all applicable policies and procedures of the Company.
- (xiv) Promote the Company's values in the performance of their duties.

In order to abide by these expectations, all employees will receive mandatory training on their obligations under this Code as part of their formal induction program.

## 1.2 Who does this Code apply to?

- (a) This Code applies to anyone who is employed by or works for the Company or its subsidiaries (**Group**).
- (b) This Code applies to you whenever you are identified as a representative of the Group. In some circumstances, this will include times when you are outside of your workplace or working hours.
- (c) Contractors, consultants, agents and other intermediaries are also expected to know and observe our standards and should be made aware of this Code when we engage them to work with us.

## 1.3 Where can I get a copy of this Code?

A copy of this Code can be found on the Company's website ([www.hexima.com.au](http://www.hexima.com.au)). Copies of this Code will also be provided to all new employees when they join the Group.

## 1.4 Adherence to this Code and who you can speak to

- (a) This Code has the full support of the Board and management, and we take compliance with this Code seriously.
- (b) If you breach this Code you may face disciplinary action, including termination of your employment. If the situation involves a breach of law or other regulation, the matter may also be referred to an appropriate law enforcement authority.
- (c) You have a responsibility to immediately report any breaches of this Code by a colleague to your immediate supervisor or manager, and you should also report conduct where you are unsure whether a breach of this Code has occurred. All reports will be kept confidential and no employee will be disadvantaged or prejudiced by reporting in good faith a breach or suspected breach of a law, regulation, or of this Code. The *Corporations Act 2001* (Cth) (**Corporations Act**) also gives special protection to disclosures about breaches of the Corporations Act, as long as certain conditions are met.
- (d) Any material breaches of this Code will be reported to the Board.

## 2 Objectives

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The Company's primary objective is to provide a satisfactory return to its shareholders.

The Company aims to achieve this by:

- (a) Pursuing research at the highest standard and presenting all results honestly and accurately.
- (b) Providing a fulfilling and safe work environment for employees, rewarding good performance, and providing opportunities for advancement within the Company.
- (c) Contributing to the growth and prosperity of the communities where we operate, by conducting existing operations in an efficient manner and by seeking opportunities for growth that will generate and sustain shareholder value.
- (d) Responding to the reasonable and legitimate expectations of other stakeholders and of the communities in which we operate.
- (e) Being responsible for delivering targets to key stakeholders.
- (f) Satisfying the needs of customers through the provision of goods on a competitive and professional basis.
- (g) Acting with honesty and integrity in dealings both inside and outside the Company.
- (h) Continual improvement in the quality and cost effectiveness of its product through internal and external research and development.

## 3 Fundamental Principles

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### 3.1 Fundamental Principles

All employees and representatives of the Group are expected at all times to act consistently with the fundamental principles of the Company, including ethical behaviour, honesty, integrity and respect. These principles are described in this Code and are categorised as follows:

- (a) Honesty, integrity and fairness.
- (b) Responsibilities to shareholders and financial markets.
- (c) Compliance with laws, policies and procedures.
- (d) Confidential information, privacy and maintenance of business records.
- (e) Conflicts of interest.
- (f) Engaging external personnel.
- (g) Employment practices.

- (h) Use of Group resources and information systems.
- (i) Sustainability.

### **3.2 Honesty, Integrity and Fairness**

- (a) Honesty, integrity and fairness are integral to the way in which our businesses operate and should guide us all in our decision making. These values are expected of us if we are to maintain the trust of our customers, colleagues, community and shareholders.
- (b) Honesty and integrity also extends to reporting the suspicious or dishonest conduct of a colleague.
- (c) We display honesty, integrity and fairness by abiding by the following principles:
  - (i) Always report scientific results honestly and accurately.
  - (ii) Comply with and uphold all laws against bribery and related improper conduct in all jurisdictions where the Company operates.
  - (iii) Do not use funds, property, information or information systems belonging to the Company for your personal benefit, or the benefit of unauthorised third parties.
  - (iv) Accurately document all business dealings to reflect the true nature of the transaction. Expenditure must be reported accurately and in a timely manner.
  - (v) All discounts to customers and employees of the Company must be approved by a manager and be recorded on sales invoices and may not be taken in the form of additional unrecorded goods, or goods of higher quality or value than those invoiced.
  - (vi) Ensure that any engagement with public departments or other government officials on the Company's behalf is done on an arm's length basis.
  - (vii) Do not make political donations at a business level (these must be authorised by the Board).
- (d) The Company's shareholders, customers and the communities in which we operate expect the Company and those who work for and represent it to act in a professional manner.
- (e) We can maintain our professionalism, and the reputation of the Group, by:
  - (i) Undertaking our duties with care and diligence, seeking to achieve excellence in our roles.
  - (ii) Being accountable for our decisions and actions.
  - (iii) Dealing fairly with all of the Group's customers, suppliers, competitors and any other third parties or business partners.

- (iv) Using the Group's information systems, including email, messaging and internet access for proper purposes.
- (v) Acting in a manner that takes into account the Group's impact on the broader community and the environment.

### 3.3 Responsibilities to Shareholders and Financial Markets

An important part of achieving the Company's primary objective of delivering satisfactory shareholder returns is to ensure that the Company complies with its disclosure, financial reporting and other Corporations Act and Australian Securities Exchange (**ASX**) Listing Rules obligations.

- (a) Continuous disclosure
  - (i) To enable the Company to comply with its disclosure obligations under the Corporations Act and ASX Listing Rules, a continuous disclosure policy (**Continuous Disclosure Policy**) has been adopted to ensure that:
    - (A) the Company's shareholders and the market are provided with full and timely information about the Company's activities;
    - (B) there is no selective or inadvertent disclosure of material price-sensitive information relating to the Company;
    - (C) stakeholders have equal access to information issued by the Company; and
    - (D) all disclosures are factual, complete, balanced (disclosing both positive and negative information) and expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.
  - (ii) Persons identified as part of the Company's reporting system in the Continuous Disclosure Policy are responsible for identifying and reporting potentially price sensitive information in accordance with the terms of the Continuous Disclosure Policy.
  - (iii) The Group's personnel must immediately report to the designated compliance officer or his or her deputy any price sensitive information relating to the Company, being information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.
  - (iv) The Group's personnel must not make comments that may affect the price or value of the Company's securities.
  - (v) The Continuous Disclosure Policy can be found on the Company's website.
- (b) Insider Trading

- (i) The Group's personnel must never trade (or communicate to others who might consider trading) in the securities of the Company, or companies engaged in transactions with the Company, where they have obtained information through their position which is not public and could materially affect the price of those securities. Such trading, dealing or communicating to others who might trade is known as 'insider trading' and is prohibited under the Corporations Act. Penalties for contravening insider trading laws include criminal prosecution and civil liability, such as an obligation to pay compensation to anyone who suffered a loss as a result of the insider trading.
  - (ii) The Group's personnel cannot avoid the prohibition on insider trading by arranging for a family member or friend to deal in the Company's securities. The Group's personnel or their associates must not give "tips" concerning price sensitive information to others, including customers.
  - (iii) Those employees who hold securities under any Company employee share or long-term incentive plans must also be aware of and comply with the rules of those plans when undertaking transactions in the Company's securities.
  - (iv) If you are in doubt about whether you are free to deal in the Company's securities, you should seek the advice of the Company Secretary before trading or dealing.
  - (v) The Company's Security Trading Policy can be found on the Company's website.
- (c) Financial Reporting
- (i) The Company's accounting policies and procedures are governed by the Australian Accounting Standards. The Company must adhere to these standards and all other financial reporting requirements.
  - (ii) All employees engaged in the Company's financial reporting processes are required to exercise diligence and good faith in the preparation of financial information, ensuring that this information is accurate and timely, and that it presents a true and fair view of the performance and position of the Company.

### 3.4 Compliance with laws, policies and procedures

The Company is committed to operating in a manner consistent with the laws of the jurisdictions in which it operates.

We all must be familiar and comply with the applicable laws and regulations of the locations in which we work and the policies and procedures of the Company.

#### (a) Competition and Consumer Laws

The Company is committed to compliance with the *Competition and Consumer Act 2010* (Cth) (**CCA**). The CCA has two main purposes:



- (A) to promote and maintain fair and open competition in the marketplace; and
  - (B) to protect the position of consumers by requiring accurate information in the marketplace and fairness in business dealings where there is an inequality in bargaining power.
- (ii) We respect consumers by providing accurate information, acting in a fair manner in our business dealings and trading independently of our competitors. All Group employees have an obligation to actively promote compliance with the CCA (and equivalent legislation in other jurisdictions, where applicable).
  - (iii) Any breach of the law can have serious consequences both for the Company and for the individuals involved. If there is anything inconsistent between the laws and regulations applying where you work and the Company's policies and procedures, then you should meet whichever sets the higher standard of behaviour. If you are unsure whether a particular law, policy or procedure may apply, you should raise the matter with your supervisor or a member of the executive management of the Company (**Senior Management**).

### 3.5 Relationship with politicians and government officers

- (a) All dealings with politicians and government officers which relate to the Company and its business activities must be conducted at arm's length and with the utmost professionalism, to avoid any perception of attempts to gain advantage.
- (b) The Company may choose to make donations to political parties because the Company believes this would enable any such parties to perform their functions better and to improve the democratic process.
- (c) Any political donations must be authorised by the Board and will be disclosed as required by law and recorded in our accounts. In particular, any donations above a level determined in federal legislation will be disclosed annually to the Australian Electoral Commission and will be published on that organisation's website.

### 3.6 Confidential information, privacy, and maintenance of business records

- (a) Where we come across confidential information concerning the Company, which may include technical, strategic or financial information, commercial arrangements or intellectual property, such information must not be disclosed or misused to obtain a personal benefit or a benefit for another person. Group personnel must:
  - (i) use confidential information solely for purposes of their duties as employees of the Group;
  - (ii) preserve the confidentiality of confidential information, and ensure that it is not disclosed, except on a need-to-know and confidential basis, to other employees of the Group, or other authorised recipients on a confidential basis; and

- (iii) not use or modify any confidential information for their own or a third party's interest or benefit.
- (b) Obligations with respect to confidentiality and privacy, whether it be with respect to personal information, information about suppliers or confidential information concerning the Company, continue even after you have left the Group.
- (c) The Company is committed to maintaining the confidentiality and security of information we come across in our dealings with customers, suppliers and other third parties. In practice this may mean we limit the access of personnel and visitors to our sites and require deeds of confidentiality to be signed by customers, suppliers or other third parties.
- (d) We all need to ensure that information is kept secure. This includes not sharing private or confidential information with other employees, unless they need it to perform their work at the Group. Confidential information should not be shared with those outside the Group, unless authorised or required by law.
- (e) The Company is committed to complying with government legislation governing privacy of personal information obtained by its businesses and protecting and safeguarding the privacy of people who deal with the Company.
- (f) We must ensure that we accurately and rigorously maintain all records relating to the Company's business and operations to ensure compliance with legal obligations as well as to preserve documents of importance for business reasons. Specifically, each Production Operator, Quality Assurance Analyst, Research Chemist and Production Line Manager must accurately and rigorously maintain records for alkaloid manufacture, usage and alkaloid content.
- (g) If any report or record is found to be incorrect, it will be rectified via the standard procedure and all Company personnel affected will be notified. If the report or record was issued to an external party, they will be notified of the correction and provided with an explanation of the error.

### **3.7 Conflicts of interest**

- (a) Our personal interests should not conflict with our duties and obligations to the Company. This also extends to interests which a reasonable person would perceive as involving a conflict.
- (b) A conflict of interest may arise if you have a direct or indirect (through a family member, friend or associate) financial interest in a business that has commercial arrangements with the Company.
- (c) We manage conflicts of interest by:
  - (i) disclosing any actual or perceived conflicts of interest to the Chief Executive Officer;
  - (ii) seeking approval from the Chief Executive Officer before accepting any outside business interests including non-Company work, business ventures, directorships (other than to a board of a non-trading family company), partnerships or other interests which have the potential to create a conflict of interest; and



- (iii) keeping an arm's length relationship when dealing with customers and suppliers.

### 3.8 Engaging external personnel

- (a) From time to time the Company engages agents, contractors, consultants and other intermediaries (**External Personnel**). It is our policy to deal fairly and honestly with all External Personnel and ensure that all relationships with External Personnel are based on price, quality, service and reputation.
- (b) Group personnel who deal with, or are in a business relationship with, External Personnel are prohibited from accepting or soliciting any personal benefit that might compromise, or appear to compromise, an objective assessment of the products or services to be provided by External Personnel.
- (c) The Company is committed to the safe and ethical manufacture and supply of goods and services, and reserves the right not to do business with External Personnel who do not share and demonstrate this commitment.
- (d) The approval of the Chief Executive Officer, or other member of Senior Management must be obtained before the engagement of External Personnel, following satisfaction of the following criteria:
  - (i) a thorough examination of the qualifications and reputation of the External Personnel has been conducted;
  - (ii) the proposed fee or remuneration arrangements with the External Personnel are on an arm's length basis and reasonable for the services to be provided and are made known to the Company prior to the engagement. Incentive based payments in connection with the securing of business arrangements or transactions for the Company must be authorised by the Chief Executive Officer or other member of Senior Management;
  - (iii) where appropriate, a system of performance review against agreed standards (covering business conduct and commercial performance) has been established;
  - (iv) all relevant licences have been obtained and safety standards are followed;
  - (v) termination procedures are in place in the event of improper or ineffective performance or conduct by External Personnel; and
  - (vi) where appropriate, External Personnel have been made aware of, and accept, the principles outlined in this Code.
- (e) Improper conduct by External Personnel can expose the Company to legal liability or reputational damage. Group personnel who expressly or impliedly authorise or permit improper conduct by External Personnel may be exposed to personal criminal or civil liability.

### 3.9 Employment practices

The Company is committed to the principles of equal employment opportunity in the workplace and promoting a positive, safe and healthy work environment which values equal opportunity and is free of unlawful discrimination, bullying, or harassment.

The Company is committed to the following practices:

- (a) complying with all relevant laws and regulations in relation to employment practices;
- (b) ensuring all employment matters are based on merit without consideration to irrelevant characteristics and that such matters are regarded with dignity and respect;
- (c) "zero" tolerance of unlawful discrimination and harassment;
- (d) that fair pay and conditions are provided to all employees;
- (e) providing a safe and healthy workplace and working conditions for all, including employees, contractors, customers and visitors; and
- (f) all employees, suppliers and contractors comply with the following Policies:
  - (i) Anti-discrimination and Harassment Policy;
  - (ii) Workplace Health and Safety Policy;
  - (iii) Intellectual Property Policy.

The Company will make these policies available upon commencement of employment as well as accessible by electronic means at any time via their internal website or file server.

### 3.10 Drugs and alcohol

The Company has in place a comprehensive Drug and Alcohol Policy which must be adhered to by all Company personnel.

### 3.11 Use of resources and information systems

- (a) As Company personnel, we are required to use property, funds, facilities and services belonging to the Company for authorised purposes and not for personal benefit, or the benefit of unauthorised third parties. The Company regards the unauthorised removal of equipment, supplies and other resources belonging to the Company as theft.
- (b) We must ensure that any transactions or disposals of the Company's resources are approved by Senior Management, and accurately recorded in financial records.

### **3.12 Information Systems**

- (a) Email, the internet, facsimile, telephones and other Company information systems, like all other Company assets, must be used appropriately. Occasional personal use of the Company's information systems is permitted, provided that it does not interfere with the performance of work during working hours. We must not use the Company's information systems:
  - (i) to release or distribute confidential information in an unauthorised manner; or
  - (ii) to store, display or transmit illegal material.
- (b) The Company's personnel are expected to comply with the requirements of this Code at all times when using social networking sites or other non-work related sites.

### **3.13 Intellectual Property**

Unless otherwise agreed in writing by the Company, any intellectual property developed by an employee during, or as a result of, employment by the Group is the sole property of the Company. Employees must provide to the Company, and on request assign to the Company any rights in, all work, ideas, concepts, designs, inventions, models, developments and improvements made or developed during the course of their employment or through use of the Company's time, materials, facilities or other resources.

### **3.14 Cessation of Employment**

Upon the cessation of employment with the Group, you must ensure that all books, records, documents and other resources of the Company (such as keys, security passes, computer equipment, mobile devices and corporate credit cards) are returned to your supervisor or manager as appropriate. Employees must also return all confidential information in their possession to their supervisor or manager.

### **3.15 Sustainability**

The Company believes that companies have community responsibilities above and beyond the contribution made by their employment and wealth creation activities. The Company is committed to seeking to make positive economic, social and environmental contributions in the communities in which we operate and to ensuring that good corporate behaviour is integrated into all aspects of the Company's operations. By their actions the Company's employees are expected to assist the Company in meeting these commitments.