



Code of Conduct

KNEOMEDIA LIMITED

ACN 009 221 783

(Company)

Adopted by the Board on 29 September 2011

Code of Conduct

1. Introduction

- 1.1 The shares of the Company are quoted on ASX Limited (**ASX**).

2. Purpose

The Corporate Code of Conduct (Code) has been established to help stakeholders understand the standards of ethical business practice endorsed and adopted by KNeoMedia Limited and its subsidiaries (Group). The Code applies to all employees, officers, directors, consultants, agents and other representatives retained by the Group.

3. Scope

- 3.1 The principles set out in this Code describe how Group staff should behave. In every business decision the Group makes, we must follow the ethics and compliance principles set out in the Code. The Group, its directors and its employees are required to not only meet these expectations, but to also demonstrate them as necessary to ensure their clients, business associates, shareholders and fellow employees are adhering to this Code. It is also our responsibility to report anything we observe or know about that might violate these principles.
- 3.2 Breach of this Code is a serious matter. It is important that you read this Code carefully and ask questions about anything that you do not understand. Each of us must understand and accept our responsibility in preserving and enhancing the Group's reputation for integrity. We must all take pride in always doing the right thing.

4. Policy

The guiding principles to which the Board and employees should strive to comply are:

- Quality – an enterprise-wide principle, the responsibility of all and reflected in everything we do;
- Excellence – in all our daily endeavours and activities;
- Growth – of our company, our staff, our customers and partners, and creating shareholder value through sustainable profits;
- Collaboration and teamwork – working as a team while taking personal responsibility to achieve superior outcomes;
- Integrity – being open, honest, respectful, fair and upholding the highest ethical standards;
- Challenging – our people through strong leadership and direction, and strategic and inspired thinking and debate;
- Creativity and innovation – attracting people and creating the environment that encourages inspired and ingenious thinking and solutions;
- Commitment – to all our stakeholders to deliver on all our objectives.

5. Fair Dealings with Stakeholders

- 5.1 All Group directors and employees should strive to be honest and fair in all dealings with customers, business partners, investors, suppliers and communities (business associates).
- 5.2 Our relationship with our business associates is central to our success. All employees must ensure that they treat business associates of the Group fairly. Employees must not discriminate against nor harass work colleagues or business associates on any grounds. Anti-discrimination laws protect Group business associates as well as our employees.

6. Business Guidelines

Group directors and employees are expected to conduct daily activities for the Group in compliance with all Group policies, legal obligations and contractual obligations. These include complying with:

- Group policies, procedures, rules, regulations and its contracts with its business associates;
- Applicable legislation;
- Contracts of employment;
- All reasonable and legal instructions of managers;
- Occupational Health and Safety requirements; and
- The Group's prohibition on sexual or other unlawful harassment or discrimination in the work place.

7. Acceptance of Gifts

- 7.1 We are a Group with integrity. Accordingly, employees must not solicit business associates for gifts of any kind. Gifts could include offers of free travel, merchandise or entertainment. Gifts of a nominal value such as advertising merchandise, may be accepted if it is clear that nothing is expected in return.
- 7.2 Other gifts and gratuities of more than a nominal value, or excessive entertainment, may not be accepted unless you are completely without responsibility for making any related decisions. Your manager or their appointed authorised representative must first approve acceptance of such gifts, gratuities or entertainment. All gifts, gratuities and entertainment received or offered, of any value, should be reported to your immediate manager.

8. Offering Payments

- 8.1 Group directors and employees are expected to not:
- Make an illegal or improper payment on behalf of the Group to any government agency, person or entity; or
 - At any time offer, promise, authorise, approve or condone the use of corporate funds or property for any of the following activities –
 - The payment of money or the giving of anything of value to any –
 - Government official(s) in order to influence them to act or fail to act in any official capacity;

- Political party, any official of a political party, or any candidate for political office in order to influence them to act or fail to act in any official capacity; or
- Person who will apply the payment or gift (in whole or in part) directly or indirectly to these activities; and
- The payment of a kickback to obtain business for the Group.

8.2 These activities set out in this section are prohibited by the Group even if permitted by the laws, standards or customs of any country in which the Group is doing business, and regardless of any requests or pressures received from any government or the competitive consequences of refusing to comply with such requests or pressures.

9. Conflict of Interest

9.1 A conflict of interest arises when an employee is in a position or situation which could:

- Benefit the employee or someone with whom the employee is associated, and that benefit is at the expense of the Group or results in a loss of opportunity for the Group; or
- Interfere with the employee's objectivity in performing their Group duties and responsibilities.

9.2 When conducting any business on behalf of the Group, an employee must always act in the best interest of the Group and must avoid situations which could reasonably give or lead to the appearance of being under obligation to, or being improperly influenced by any business associate (actual or potential) or any advisers such as banks, contractors, law firms, consultants or government agencies.

9.3 Directors and members of the executive team must not take advantage of Group property or information, their position or opportunities arising from their position for personal gain.

9.4 The Group requires that all employees disclose to their manager any financial interest that might influence their decisions or actions in their roles, including interests in any of our business associates or competitors.

9.5 To reduce the possibility of conflicts of interest arising, directors and employees are not permitted, while working for the Group, to accept additional outside employment with any other organisation that is a business associate or competitor of the Group, or any other employment that is in conflict with the employee's position in the Group.

9.6 Group employees must not use information or authority derived from employment with the Group for personal gain. For example employees:

- Are not permitted to buy or sell goods or services in their own name or the name of an associate (where associate is defined as any person or organization with which the employee has a business relationship), when the service or goods concerned would normally be supplied by the Group;
- Are not permitted to hold money or goods entrusted to the employee by a customer except for the purpose of conveying the money and goods to the Group without delay; and may not engage in any transaction with a customer other than at 'arm's length'.

9.7 These conflict of interest obligations are in addition to listed in a director's or employee's contract of employment.

10. Review and changes

10.1 The Board will review this code as often as it considers necessary.

10.2 The Board may change this code from time to time by resolution.

11. Approved and adopted

This protocol was approved and adopted by the Board on 29 September 2011.
