

**Living Cell Technologies  
Governance Policy**

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Written by	Secretary	Approved	Board	Issued	05 Nov 2008	Number	

## 1. Purpose

The purpose of this Code is to:

- a) articulate the high standards of honest, ethical and legal behaviour expected of its 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 LCT;
- c) guide Directors, Senior Executives and other employees as to the practices considered necessary to maintain confidence in LCT's integrity;
- d) set out the responsibility and accountability of Directors and Senior Executives and in particular to report and investigate reports of unethical practices.

## 2. Scope

This Code of Conduct applies to:

- a) The Board of Directors of LCT, including the Managing Director/Chief Executive Officer ("Directors")
- b) Senior Executives of LCT including:
  - the Chief Financial Officer; 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 LCT ("Senior Executives"); and
- c) all other employees of LCT

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

## 3. Compliance with Laws, Regulations, Policies and Procedures

3.1 LCT requires and expects its Directors, Senior Executives and other employees to:

- a) comply with all laws, rules and regulations that apply to LCT in the conduct of its business and affairs;
- b) abide by all applicable rules and standards of bodies empowered to regulate the industries in which LCT operates;
- c) comply with all contractual obligations and other undertakings without attempting to evade or delay compliance.
- d) abide by all protocols, policies and procedures of LCT, 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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- 3.2 Employees are encouraged to seek guidance from LCT's Senior Executives concerning the appropriate response to perceived unethical behaviour encountered within the Company or by competitors or customers.
- 3.3 LCT, its Directors, Senior Executives and employees will co-operate with regulatory bodies in any properly constituted investigation.

#### **4. Honesty and Integrity**

LCT 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;
- d) refuse all payments and incentives from third parties that may compromise decisions or judgements;

#### **4. Proper Use of Position and Resources**

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

Broadly this includes duties to:

- a) act in good faith and in the best interests of LCT as a whole;
- b) act with due care and diligence;
- c) act for proper purposes;
- d) avoid conflicts of interest or duty; and
- e) refrain from:
  - making improper use of information gained through their office or employment;
  - taking improper advantage of their position; and soliciting gifts or benefits from other parties.

#### **5. 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 LCT, its customers, suppliers or employees that is acquired in the course of performing their duties for LCT; 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 the Australian Stock Exchange.

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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 LCT must be used for authorised purposes only. Such confidential information should be treated and communicated with care, and must not be disclosed outside LCT without permission from management.

5.4 Directors, Senior Executives and other employees must treat all information given to LCT by customers as confidential.

5.5 These obligations of confidentiality continue after Directors, Senior Executives and other employees retire from or otherwise leave LCT.

**6. 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 LCT.

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 LCT.

6.3 Where a Director or Senior Executive has (or becomes aware of) an actual or potential conflict of interest or duty in connection LCT's affairs (whether the conflict involves that Director or Senior Executive or another officer or employee), LCT 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 LCT; and
- b) adequate and appropriate steps are taken to safeguard the interests of LCT and its shareholders.

Issues of conflicts of interest or potential conflicts of interest that may involve the Board of Directors of LCT is further dealt with in the Board Charter adopted by Directors.

6.4 Where an employee has (or becomes aware of) an actual or potential conflict of interest, LCT 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 LCT.

**7. Fair Dealing**

7.1 LCT will respect the rights and dignity of employees by providing:

- a) fair, open, honest, dignified and non-discriminatory treatment;

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- b) a safe and healthy working environment;
- c) training and development to maximise individual potential and contribution to LCT;
- d) fair and equitable remuneration;
- e) the opportunity to give and receive feedback on their work and individual performance.

7.2 LCT will engage only in fair and vigorous competition.

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

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

7.5 LCT expects its Directors, Senior Executives and other employees will not take unfair advantage of any party dealing with LCT through illegal conduct, manipulation, undue influence, concealment, abuse of privileged or confidential information, misrepresentation of material facts, or any other unfair dealing practice.

## **8. 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 LCT 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. Employees should consult their manager if they are in any doubt as to whether they should make or accept any offer of a gift or entertainment over \$250.00 in value.

## **9. Protection and Proper Use of LCT's Assets**

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

## **10. Political Donations and Activities**

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- 10.1 LCT will not make direct political donations to any political party, no matter what the persuasion, at any level of government be it Federal, State or Local in any of the countries in which it has operations. However it is recognised that it may be necessary from time to time, for legitimate business reasons, for Directors, Senior Executives and other employees to attend politically related functions.
- 10.2 Directors, Senior Executives and other employees may personally make contributions to, and participate in, political activities provided they do not use LCT's funds, time, equipment, supplies, facilities or other resources without Board approval in relation to those contributions or activities.
- 10.3 When attending political activities, Directors, Senior Executives and other employees must ensure that they:
- a) do not represent, or claim to represent the views of LCT; and
  - b) do not claim to have the endorsement of LCT in expressing their private views.

**11. Compliance with the Code of Conduct**

- 11.1 LCT is committed to promoting and maintaining a culture of honest, ethical and law-abiding behaviour. To fulfil this commitment, LCT 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.
- 11.2 Accordingly LCT 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 Managing Director. Senior Executives should report any such violations to the Managing Director, or failing him, to the Chairman of the Board. Other employees should report any such violations to their immediate supervisor, or failing them, to their business unit manager or the Managing Director of LCT.
- 11.3 LCT affirms that where a Director, Senior Executive or other employee (Reporting Officer) reports, in good faith, an actual or suspected violation of this Code of Conduct, the position of the Reporting Officer will be protected, including through the following measures:
- a) the Reporting Officer's identity will not be revealed without the consent of the Reporting Officer (except where such disclosure is required by law); and
  - b) no disciplinary, discriminatory or other adverse action will be taken (or tolerated) against the Reporting Officer as a consequence of reporting, in good faith, that violation or suspected violation.
- 11.4 LCT requires 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:
- a) the behaviour alleged in the report is thoroughly investigated, the rules of natural justice are observed in that investigation and that appropriate disciplinary action is taken if the allegation is substantiated; and
  - b) the requirements set out in paragraph 11.3 are strictly complied with.

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