



Date Amended last 28 September 2018

# **Code of Conduct – The Company's Obligations to Stakeholders**

**Recce Pharmaceuticals Ltd**  
ACN 124 849 065

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**(Company)**

# Code of Conduct – The Company's Obligations to Stakeholders

## 1. Commitment to the code of conduct

- 1.1 The Company endeavours to be recognised as an organisation committed to the highest ethical standards in business. We aspire to be a role model in conducting business honestly and fairly.
- 1.2 This code of conduct (**Code**) reflects our high standards of professional conduct and ethics in dealing with all of our stakeholders and our commitment to complying with all applicable state, national and international laws.
- 1.3 The Company considers stakeholders as: employees, shareholders, creditors, customers, suppliers, contractors, governmental and non-governmental organisations, the communities where the Company operates and other parties that have influence over or are influenced by the Company.
- 1.4 The Company is firmly committed to compliance with the Code. Any action contrary to the Code will be treated very seriously.
- 1.5 The Company reviews the Code at least annually and reports to the Board any changes it considers should be made. The Code may only be amended by resolution of the Board.

## 2. Accountabilities

### 2.1 Managers and Supervisors

- (1) Managers and supervisors are responsible and accountable for:
  - (a) undertaking their duties and behaving in a manner that is consistent with the provisions of the Code of Conduct;
  - (b) the effective implementation, promotion and support of the Code of Conduct in their areas of responsibility; and
  - (c) ensuring employees under their control understand and follow the provisions outlined in the Code of Conduct.

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- (2) Employees
    - (a) All employees are responsible for:
      - (i) undertaking their duties in a manner that is consistent with the provisions of the Code of Conduct;
      - (ii) reporting suspected corrupt conduct; and
      - (iii) reporting any departure from the Code of Conduct by themselves or others.

### 3. Personal and professional behaviour

3.1 When carrying out your duties, you should:

- (1) behave honestly and with integrity and report other employees who are behaving dishonestly;
- (2) carry out your work with integrity and to a high standard and in particular, commit to the Company's policy of producing quality goods and services;
- (3) operate within the law at all times;
- (4) act in the best interests of the Company;
- (5) follow the policies of the Company; and
- (6) act in an appropriate business-like manner when representing the Company in public forums.

#### Responsibilities to shareholders and the financial community

3.2 In addition to this Code, the Company complies with all provisions of the *Corporations Act 2001*, the ASX Listing Rules and all other applicable rules and legislation.

#### Shareholders

- 3.3 We have a positive relationship with our shareholders. We always attempt to respond to their inquiries and requests as quickly as possible.
- 3.4 The Company is committed to delivering value for shareholders and exerts its best efforts to maximise shareholder benefits.
- 3.5 The Company treats all shareholders equally.

#### Disclosure

- 3.6 a) The Company values communication with its shareholders, other stakeholders and the public at large, and will fulfil its duty to make appropriate disclosure of relevant information to the ASX according to the "Continuous Disclosure Policy".

## 4. Responsibilities to clients and customers

- 4.1 The Company highly values its clients and customers. We continually strive to deliver the best possible outcomes for our clients and customers. We act fairly and reasonably in our dealings with clients and customers.

### Quality and safety

- 4.2 All products and services comply with quality and safety standards as reasonably appropriate. The Company also ensures the provision of accurate information so that clients and customers may make informed decisions regarding the Company's products and services.

### Privacy policy

- 4.3 In some circumstances it will be necessary to maintain files about our clients and customers.
- 4.4 The Company will be bound by the *Privacy Act 1988* (Australia) and the National Privacy Principles (extracted from the *Privacy Amendment (Private Sector) Act 2000* (Australia)). The National Privacy Principles set the standards by which the Company handles information collected from clients.
- 4.5 The Company does not disclose information about the client except in the ordinary operation of the affairs of the Company, which may include providing information on a confidential basis to a mailing house when we send out newsletters and other publications concerning services available to clients.
- 4.6 At any time a client may opt out of receiving communications from the Company (other than as required for the operation of our business, eg regarding payment of an account or to communicate in relation to a legal matter).
- 4.7 Ordinarily we will not release the contents of a file without the client's consent. However, there may be occasions where the Company may be required to release the details of a file, irrespective of whether the individual has consented to the disclosure of the information. This will occur where the law requires disclosure, such as pursuant to a subpoena.
- 4.8 Any questions regarding the operation of this privacy policy should be directed to the Chairperson or Company Secretary.

## 5. Employment practices

### Equal opportunity

- 5.1 The Company is an equal opportunity employer. This means that the Company does not discriminate on the basis of racial origin, gender, age, ethnicity, marital status, disability, religious or philosophical beliefs, sexual preference or political affiliation. The Company considers allegations of harassment and unlawful discrimination as serious and will take appropriate action.

## **Diversity**

- 5.2 Whenever practical the Company promotes and supports a diverse workforce at all levels of the Company. It is our belief that creating a work environment that enables us to attract, retain, and fully engage diverse talents leads to enhanced innovation and creativity in our products and services.

The Company has adopted a Diversity Policy which all Directors and employees must follow.

## **Occupational Health and Safety**

- 5.3 The Company strives to protect the physical and emotional health of all employees in the workplace.
- 5.4 The Company endeavours to provide a safe and hazard-free workplace.
- 5.5 It is the responsibility of all employees to act in accordance with occupational health and safety legislation, regulations and policies applicable to their respective organisations and to use security and safety equipment provided.
- 5.6 Specifically all employees are responsible for safety in their work area by:
- (1) following the safety and security directives of management;
  - (2) advising management of areas where there is potential problem in safety and reporting suspicious occurrences; and
  - (3) minimising risks in the workplace.

## **Discrimination and Harassment**

- 5.7 Employees must not harass, discriminate, or support others who harass and discriminate against colleagues or members of the public on the grounds of sex, pregnancy, marital status, age, race (including their colour, nationality, descent, ethnic or religious background), physical or intellectual impairment, homosexuality or transgender.
- 5.8 Such harassment or discrimination may constitute an offence under legislation. The Company's executives should understand and apply the principles of equal employment opportunity.

## **Training and potential**

- 5.9 The Company believes in enabling employees to develop to the extent of their full capabilities. We improve our employee's skills and competencies by regular performance reviews and undertaking education, training and coaching. We recognise potential and offer professional development opportunities within the Company.

## **Use of Company funds and resources**

- 5.10 Employees must not use Company funds, property, equipment or other resources for personal benefit.

- 5.11 Employees should use Company funds sensibly and effectively. Employees must report expenditures accurately. The Company will treat submission of a fraudulent expense report as serious misconduct.

### **Confidentiality**

- 5.12 Employees are required to protect proprietary, commercial and other information that is confidential to the Company. Obligations of confidentiality continue after an individual's employment with the Company ends.
- 5.13 Information that is not publicly available concerning the activities, results or plans of the Company must only be used for authorised purposes.

### **Insider trading**

- 5.14 All employees must observe the Company's "Trading Policy". In conjunction with the legal prohibition on dealing in the Company's securities when in possession of unpublished price sensitive information, the Company has established specific time periods when Directors, management and employees are permitted to buy and sell the Company's securities.

## **6. Conflicts of interest**

- 6.1 Potential for conflict of interest arises when it is likely that you could be influenced, or it could be perceived that you are influenced by a personal interest when carrying out your duties. Conflicts of interest that lead to biased decision making may constitute corrupt conduct.
- (1) Some situations that may give rise to a conflict of interest include situations where you have:
- (a) financial interests in a matter the Company deals with or you are aware that your friends or relatives have a financial interest in the matter;
  - (b) directorships/management of outside organisations;
  - (c) membership of boards of outside organisations;
  - (d) personal relationships with people the Company is dealing with which go beyond the level of a professional working relationship;
  - (e) secondary employment, business, commercial, or other activities outside of the workplace which impacts on your duty and obligations to the Company;
  - (f) access to information that can be used for personal gain; and
  - (g) offer of an inducement.
- (2) You may often be the only person aware of the potential for conflict. It is your responsibility to avoid any conflict from arising that could compromise your ability to perform your duties impartially. You must report any potential or actual conflicts of interest to your manager.

- (3) If you are uncertain whether a conflict exists, you should discuss that matter with your manager and attempt to resolve any conflicts that may exist.
- (4) You must not submit or accept any bribe, or other improper inducement. Any such inducements are to be reported to your manager.

## **7. Public and Media Comment**

- 7.1 Individuals have a right to give their opinions on political and social issues in their private capacity as members of the community.
- 7.2 Employees must not make public comment on matters relating to the Company unless they are:
  - (1) properly authorised to do so; or
  - (2) giving evidence in court; or
  - (3) otherwise authorised or required to by law.
- 7.3 Employees must not release unpublished or privileged information unless they have proper authority to do so.
- 7.4 The above restrictions apply except where prohibited by law, for example in relation to “whistleblowing”.

## **8. Corrupt Conduct**

- 8.1 Corruption can take many forms including, but not limited to:
  - (1) official misconduct;
  - (2) bribery and blackmail;
  - (3) unauthorised use of confidential information;
  - (4) fraud; and
  - (5) theft.
- 8.2 Corrupt conduct will not be tolerated by the Company.

## **9. Intellectual property/copyright**

- 9.1 Intellectual property includes the rights relating to scientific discoveries, industrial designs, trademarks, service marks, commercial names and designations, and inventions and is valuable to the Company.
- 9.2 The Company is the owner of intellectual property created by employees in the course of their employment unless a specific prior agreement has been made. Employees must obtain written permission to use any such intellectual property from the Company Secretary/Chairman before making any use of that property for purposes other than as required in their role as an employee and/or director.

## **10. Responsibilities to the community**

### **Environmental protection**

- 10.1 The Company respects the environment and protects our natural resources. Wherever possible we prevent or otherwise minimise and mitigate harmful effects of the Company's operations on the environment.

### **Support for the community**

- 10.2 We have a commitment to the improvement of society as well as the communities we serve and in which we operate.

### **Political**

- 10.3 The Company does not directly or indirectly participate in party politics. Participation by the Company in government funding/incentives for the development of new antibiotics is not considered to be indirect participation by the Company in the respective government's party politics. The Company does not make payments to political parties or individual politicians in any country.

## **11. International compliance**

- 11.1 The Company operates outside of Australia and will comply with all local and international laws. Employees are expected to know and follow the laws of the relevant market where the Company operates.

## **12. Monitoring compliance with the Code**

- 12.1 It is the responsibility of every employee of the Company to promote the Code.
- 12.2 The Company will develop a system for reporting violations of any of the Company policies and the Code, as well as any suspected misconduct by any director, employee or representative of the Company. This may be done in writing to the registered office of the Company (Attention: The Chairperson).
- 12.3 The Company will not permit any form of retribution against any person, who, in good faith, reports known or suspected violations of the Code or any other Company policy.

## **13. Breaches of the Code of Conduct**

- 13.1 Employees should note that breaches of certain sections of this Code of Conduct may be punishable under legislation.
- 13.2 Breaches of this Code of Conduct may lead to disciplinary action. The process for disciplinary action is outlined in Company policies and guidelines, relevant industrial awards and agreements.

## **14. Reporting matters of concern**

- 14.1 Employees are encouraged to raise any matters of concern in good faith with their manager or with the Company Secretary, without fear of retribution.