

Newzulu Limited

Code of Conduct

The Company has adopted a code of conduct for all employees and directors to promote high ethical standards and responsible decision making. Such conduct is considered integral to the primary objective of working to enhance the Company's reputation and shareholder value.

We will achieve this by upholding the following principles:

- acting with honesty, integrity, decency and responsibility at all times;
- acting fairly in our dealings with others;
- acting in the best interests of the Company as a whole and avoiding real or perceived conflicts of interest;
- respecting the law at all times, both to the letter and in spirit, and acting in accordance with it;
- treating all persons with whom we deal with dignity, regardless of individual differences;
- respecting confidentiality, the proprietary nature of information and not misusing Company information, assets or facilities;
- exercising independent and sound judgment in performing our duties;
- accepting responsibility for ensuring a safe workplace, maintaining proper occupational health and safety standards and minimizing environmental impacts; and
- ensuring equality of opportunity in our employment practices.

Introduction

This Code of Conduct sets out the standards which the Board, management and employees of the Company are encouraged to comply with when dealing with each other, the Company's security holders and the broader community.

Responsibilities to security holders

The Company aims to increase shareholder value within an appropriate framework which safeguards the rights and interests of security holders; and complies with systems of control and accountability.

Responsibilities to clients, employees, suppliers, creditors, customers and consumers

The Company is to comply with all legislative and common law requirements which affect its business.

Employment practices

The Company will employ the best available staff with skills required to carry out the role for which they are employed. The Company will ensure a safe workplace and maintain proper occupational health and safety practices.

Responsibility to the community

The Company will recognise, consider and respect environmental, and cultural issues which arise in relation to the Company's activities and comply with all applicable legal requirements.

Obligations relative to fair trading and dealing

The Company will deal with others in a way that is fair and will not engage in deceptive practices.

Business courtesies, bribes, facilitation payments, inducements and commissions

Corrupt practices are unacceptable to the Company. It is prohibited for the Company or its directors, managers or employees to directly or indirectly offer, pay, solicit or accept bribes or any other corrupt arrangements.

Conflicts of interest

The Board, management and employees shall report any situations where there is a real or apparent conflict of interest between them as individuals and the interest of the Company. Where a real or apparent conflict of interest arises, the matter should be brought to the attention of:

- the Chairperson, in the case of a Board member or the Chief Executive Officer;
- the Chief Executive Officer, in the case of a member of management; or
- a supervisor, in the case of an employee,

so that it may be considered and dealt with in an appropriate manner.

If requested by the Chairperson, a Board member who has a conflict of interest (or in the case of the Chairperson, if requested by the Vice-Chairperson) shall leave a Board meeting but only for such period as the Board meeting is addressing the specific matter in relation to which the Board member has a conflict of interest.

The Company is committed to maintaining an open working environment in which employees are able to raise concerns regarding actual or suspected unethical, unlawful or undesirable conduct.

To support this commitment, the Company encourages all employees and directors to exercise their responsibility to raise concerns freely without fear of dismissal or discriminatory treatment.

The Company will:

- provide channels through which inappropriate conduct can be reported and investigated;
- protect individuals who in good faith, report conduct which they believe to be corrupt, illegal, unethical or undesirable without fear of dismissal or discriminatory treatment (irrespective of whether the allegation is proven or not); and
- maintain confidentiality of the whistleblower's identity as per the Corporations Act 2001 (Cth).

Any employee who wishes to raise concerns regarding actual or suspected unethical, unlawful or undesirable conduct should first speak to or put the concern in writing to their supervisor.

Compliance with the Code of Conduct

Any breach of compliance with this Code of Conduct is to be reported directly to the Chairperson.

Periodic review of Code

The Company will monitor compliance with this Code of Conduct periodically by liaising with the Board, management and staff. Suggestions for improvements or amendments to this Code of Conduct can be made at any time to the Chairperson.

For information purposes the Code of Conduct as published by the Australian Institute of Company Directors together with its guidelines is appended as Appendix 1.

APPENDIX 1

Directors Code of Conduct

The Code of Conduct is as follows:

- 1) A director must act honestly, in good faith and in the best interests of the company as a whole.
- 2) A director has a duty to use care and diligence in fulfilling the functions of office and exercising the powers attached to that office
- 3) A director must use the powers of office for a proper purpose, in the best interests of the company as a whole.
- 4) A director must recognise that the primary responsibility is to the company's shareholders as a whole but should, where appropriate, have regard for the interest of all stakeholders of the company.
- 5) A director must not make improper use of information acquired as a director.
- 6) A director must not take improper advantage of the position of director.
- 7) A director must properly manage any conflict with the interests of the company.
- 8) A director has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the board of directors.
- 9) Confidential information received by a director in the course of the exercise of directorial duties remains the property of the company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by that company, or the person from whom the information is provided, or is required by law.
- 10) A director should not engage in conduct likely to bring discredit upon the company.
- 11) A director has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of this Code.

Guidelines for the interpretation of the principles of the Code of Conduct

The following guidelines are intended to assist directors in complying with the core principles of the Code of Conduct. They are not meant to be exhaustive and may be added to over time to address issues of importance as they arise.

1. Duties to the Company

- 1.1 Each director should endeavour to ensure that the functions of the board have been specified clearly, are properly understood and are competently discharged in the interests of the company.
- 1.2 A director should endeavour to ensure that the management of the company is competent and is devoting its best endeavours in the interests of the company.
- 1.3 In evaluating the interests of the company, a director should take into account the interests of the shareholders as a whole, but where appropriate or required by law should take into account the interests of creditors and others.

2. Duties to Shareholders

- 2.1 Each director should endeavour to ensure that the company is financially viable, properly managed and constantly improved so as to protect and enhance the interests of the shareholders.
- 2.2 A director should seek to ensure that all shareholders or classes of shareholders are treated fairly according to their rights as between each other.
- 2.3 A director should consider whether any benefit to be received by the director or an Associated Person is of sufficient magnitude that the approval of the shareholders should be sought, even though not required by law.
- 2.4 A director who is appointed to a board at the instigation of a party with a substantial interest in the company, such as a major shareholder or a creditor, should recognise the particular sensitivity of the position. Fiduciary duty requires the director to make a contribution in the interests of the company and the shareholders as a whole and not only in the interest of the nominator. Where obligations to other people or bodies preclude an independent position on an issue the director should disclose the position and seriously consider whether to be absent or refrain from participating in the board's consideration of the issue (see also Guideline 6.2). Before taking the decision to be absent, a director should consider whether that absence would deprive the board of essential background or experience. The matter should be disclosed to and resolved by the rest of the board.

3. Duties to Creditors

- 3.1 While the obligations of a director are primarily owed to the company (that is to the shareholders as a whole), there are situations in which it is necessary to evaluate the interests of the creditors. This is particularly so where the company's financial position is uncertain or where insolvency may be pending. In cases of doubt, a director should, with some urgency, seek professional advice.

4. Duties to other Stakeholders

- 4.1 All companies and their directors must comply with the legal framework governing their operations and must be conscious of the impact of their business on society. Without limiting in any way the nature of the issues with which the director must be concerned in the running of the business, particular attention should be paid to the environment, questions of occupational health and safety, industrial relations, equal opportunity for employees, the impact of competition and consumer protection rules, and other legislative initiatives that may arise from time to time. Although the director owes primary duty to the shareholders of the company as a whole, the responsibilities imposed on companies and the director under various Acts of Parliament clearly demand that the director evaluate actions in a broader social context.

5. Due Diligence

- 5.1 A director should attend all board meetings but where attendance at meetings is not possible appropriate steps should be taken to obtain leave of absence.
- 5.2 A director must acquire knowledge about the business of the company, the statutory and regulatory requirements affecting directors in the discharge of their duties to the company, and be aware of the physical, political and social environment in which it operates.
- 5.3 In order to be fully effective, a director should insist upon access to all relevant information to be considered by the board. This information should be made available in sufficient time to allow proper consideration of all relevant issues. In the extreme circumstances where information is not provided, the director should make an appropriate protest about the failure on the part of the company to provide the information and if necessary abstain from voting on the particular matter

on the basis that there has not been the time necessary to consider the matter properly. Any abstention, and the reasons for it, should be included in the minutes. It may also be appropriate to vote against the motion or move for deferment until proper information is available.

- 5.4 A director should endeavour to ensure that systems are established within the company to provide the board, on a regular and timely basis, with necessary data to enable them to make a reasoned judgment and so discharge their duties of care and diligence. An internal audit of systems supporting the board should be conducted regularly.
- 5.5 A director should endeavour to ensure that relations between the board and the auditors are open, unimpeded and constructive. Similarly, the auditors should have direct and unimpeded access to the board. A director should be satisfied that the scope of the audit is adequate and that it is carried out thoroughly and with the full co-operation for management and the internal auditors.
- 5.6 A director should endeavour to ensure that any company on whose board the director sits complies with the law and strives for the highest standards of business and ethical conduct.
- 5.7 A director should endeavour to ensure that the company complies with the listing and business rules and in particular those rules relating to any benefits that may be received by a director or an Associated Person from the company by way of an issue of shares or any other transaction of a similar nature.
- 5.8 A director from time to time may need expert advice (whether it be legal, financial or some other professional advice and whether it relates to fiduciary or other duties) in order to discharge the director's duties properly. The director should ensure, to the extent possible, that any advice obtained is independent of the company. In that regard the services of advisers independent of those advising the company may need to be sought. In any case of doubt, separate independent advice should always be sought by the directors on matters that may impact on their position vis-a-vis the company. There should be an agreed procedure for directors in the furtherance of their duties to take independent professional advice if necessary, at the company's expense.

6. Conflicts of Interest

- 6.1 A director must not take improper advantage of the position as director to gain, directly or indirectly, a personal advantage or an advantage for any Associated Person, which might cause detriment to the company.
- 6.2 The personal interests of a director, and those of the director's family must not be allowed to prevail over those of the company's shareholders generally. A director should seek to avoid conflicts of interest wherever possible. Full disclosure of any conflict, or potential conflict, must be made to the board. In considering these issues, account should be taken of the significance of the potential conflict for the company and the possible consequences if it is not handled properly. Where a conflict does arise, a director must consider whether to refrain from participating in the debate and/or voting on the matter, whether to be absent from discussion of the matter, whether to arrange that the relevant board papers are not sent, or, in an extreme case, whether to resign from the board. Where a director chooses to be absent from the meeting, consideration should be given as to whether expertise that would be contributed by the director is otherwise available. In the case of a continuing material conflict of interest, a director should give careful consideration to resigning from the board and consider the provisions of Guideline 7.3.
- 6.3 An executive director must always be alert to the potential for conflict of interest between management interests and the director's fiduciary duties.
- 6.4 Dealing in the shares of the company may give rise to dangers of breaching the duties of a director and should be undertaken with care. A director should not engage in the short term trading of the company's shares. The board should lay down precisely when shares can be traded by a director of a company.
- 6.5 The payment of "success fees" in situations of potential conflict of interest is unacceptable.

7. Use of Information

- 7.1 A director must not make improper use of information acquired by virtue of the director's position. This prohibition applies irrespective of whether the director would gain directly or indirectly a personal advantage or an advantage for any Associated Person or might cause detriment to the company.
- 7.2 Matters such as trade secrets, processes, methods, advertising and promotional programs, sales and statistics affecting financial results are particularly sensitive and must not be disclosed.
- 7.3 A director who takes the serious step of resignation on a point of principle should consider whether the reasons for resignation should be disclosed to shareholders (perhaps through the stock exchange) or the appropriate regulator. In deciding whether or not to make public the reasons for resigning and composing any resignation statement, a director should have regard to the following:

- (a) the duty not to disclose confidential information so as to damage the company; and
 - (b) the duty to act bona fide in the interests of the company.
- 7.4 A director who has been nominated to a board by outside parties should recognise the particular sensitivity of the position and should be especially careful not to disclose to the nominators matters that are confidential unless the prior agreement of the board has been obtained.
- 7.5 A director must not buy or sell shares as a director of a company while in possession of information which, if disclosed publicly, would be likely materially to affect the price of the company's shares.
- 7.6 A director should ensure that any information which is not publicly available and which would have a material effect on the price or value of the company's securities is not provided to anyone who may be influenced to subscribe for, buy or sell shares.
- Such information includes, but is not limited to:
- (a) profit forecasts;
 - (b) proposed share issues;
 - (c) borrowings;
 - (d) impending takeovers;
 - (e) impending litigation;
 - (f) significant changes in operations;
 - (g) new products;
 - (h) new discoveries; and
 - (i) liquidity problems.
- 7.7 A director has a particular duty in this regard and should ensure that adequate and timely disclosure is made to the Australian Stock Exchange.

8. Professional Integrity

- 8.1 An executive director should recognise that the position occupied is particularly sensitive. A director must be prepared, if necessary, to express disagreement with colleagues including the managing director. However, in the absence of a need to express disagreement, an executive director should be prepared to implement the decisions of the board and the instructions of the managing director as a loyal member of the board.
- 8.2 If there is any doubt whether a proposed course of action is inconsistent with a director's fiduciary duties then the course of action should not be supported. Independent advice should be sought as soon as possible to clarify the issue.
- 8.3 When a director feels so strongly as to be unable to acquiesce in a decision of the board, some or all of the following steps should be considered:
- (a) making the extent of the dissent and its possible consequences clear to the board as a means of seeking to influence the, decision;
 - (b) asking for additional legal, accounting or other professional advice;
 - (c) asking that the decision be postponed to the next meeting to allow time for further consideration and informal discussion;
 - (d) tabling a statement of dissent and asking that it be minuted;
 - (e) writing to the Chairman, or all members of the board, and asking that the letter be filed with the minutes;
 - (f) if necessary, resign, and consider advising the appropriate regulator.
- 8.4 'Opinion shopping' and the search for loopholes in the law is unacceptable.

Definitions of terms

Associated Person in relation to a director includes any spouse (including a de facto spouse), parent, child, brother or sister of the director or any company, corporation, partnership, trust or other entity owned or controlled by the director or in which the director has a material personal interest within the meaning of the Corporations Act.

Directors includes all directors whether executive or non-executive.

Executive Director means a director who is employed by the company and is part of management.