

Code of Conduct

Boyuan Holdings Limited

ACN 608 897 963

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Code of Conduct

Date adopted by
the Board

1. Introduction

The Company is committed to making positive economic, social and environmental contributions to each of the communities in which it operates, while complying with all applicable laws and regulations and acting in a manner that is consistent with its foundational principles of honesty, integrity, fairness and respect.

The purpose of this Code is to provide a framework for decisions and actions in relation to conduct in respect of employment. It underpins the Company's commitment to not only comply with its legal obligations but also to act ethically and responsibly. It should be read in conjunction with the Company's Diversity Policy.

Staff Members are expected to act consistently with the fundamental principles as set out in this Code at all times. Similarly, consultants, contractors and partners working with or for the Company should be informed of these principles, the Company's expectations and their obligation to act in accordance with them.

The Board has adopted this Code to provide a set of guiding principles which are to be observed by all Staff Members. This Code has been prepared in accordance with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (3rd edition, 2014)*.

2. Definitions

General terms and abbreviations used in this Code have the meanings set out below:

ASX	means ASX Limited ACN 008 624 691 or the securities market operated by ASX Limited, as the case may be.
ASX Listing Rules	means the listing rules of the ASX, as amended from time to time.
Board	means the board of Directors of the Company.
Chair	means the chair of the Board.

Code	means this "Code of Conduct".
Company	means Boyuan Holdings Limited ACN 608 897 963.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Directors' Report	means the Directors' report which forms part of the Company's annual financial statements.
Managing Director	means the managing director, or equivalent chief executive officer, of the Company.
Notes to the Financial Statements	means the notes to the financial statements which form part of the Company's annual report.
Officer	means a senior executive of the Company.
Secretary	means the company secretary of the Company.
Staff Member	reference to a staff member includes: <ul style="list-style-type: none">(a) the companies or trusts substantially owned or controlled by the staff member or direct relatives;(b) executive Directors;(c) the Secretary; and(d) where the context requires, non-executive Directors, Officers, managers and all other staff engaged either on a contract of employment or a salaried basis.

3. Legal compliance

3.1 Responsibilities of Directors

Directors will acquaint themselves with obligations imposed on them and the Company by the Corporations Act. They will also familiarise themselves with other documents prepared by the Company to meet corporate governance requirements.

The more important legal obligations are summarised below:

- (a) Directors will act honestly, and exercise reasonable care and diligence at all times in the performance of their functions;
- (b) Directors or former Directors will not make improper use of information acquired by virtue of his or her position;
- (c) Directors will not make improper use of his or her position to gain a direct or indirect advantage for themselves or any other person; and
- (d) Directors have a fiduciary duty to the Company and a duty to act with loyalty and in good faith.

3.2 Responsibilities of Staff Members

- (a) Staff Members undertake to observe and comply with all applicable laws and regulations at all times. Staff Members should also encourage other employees to do the same.
- (b) Staff Members are not excused from their obligation to comply with applicable laws and regulations on the basis of ignorance. Breach or non-compliance carries potentially serious consequences for both Staff Members and the Company. Staff Members should not take any action which they know or should reasonably know violates any applicable law or regulation. If Staff Members are unclear about any law or regulation relating to their work, they should raise the matter with their manager or supervisor who may seek legal advice if necessary.
- (c) All operating rules should be followed. The correct Company forms, which have been prepared with legal requirements in mind, should also be used.

4. Conflicts of interest

4.1 Engage in activities or hold or trade assets

Staff Members should not engage in activities or hold or trade assets that involve, or could appear to involve, a conflict between their personal interests and the interests of the Company (i.e. conflicts of interest). Such circumstances could compromise or appear to compromise the Staff Member's ability to make impartial business decisions. If a Staff Member is uncertain as to whether a conflict of interest exists, he or she should discuss this matter with his or her manager or supervisor as soon as possible.

4.2 **Accepting position as director of external company**

Staff Members must obtain the consent of the Managing Director through the Secretary before accepting a position on the board of an external company or organisation. The Staff Member, who has received such approval, will advise the Secretary promptly of any changes to relevant interests such as directorships, partnerships and holdings in securities. The Secretary will inform all Board members and the regulatory authorities if required. Directors will normally be advised at the next meeting, but more urgently if appropriate to the circumstances. Relevant Interests are confirmed annually in writing to the Secretary prior to inclusion in the Directors' Report.

4.3 **Approve or administer contracts**

In general, a Staff Member is precluded from approving or administering business arrangements such as contracts between the Company and a member of the Staff Member's immediate family or with a company, firm, or individual employing a member of the Staff Member's immediate family in activities under the Staff Member's administration. Should the Board decide that a Staff Member (who is also a Director) may properly supply goods or services on commercially acceptable terms to the Company, details will be provided in the annual Directors' Report and Notes to the Financial Statements.

4.4 **Acquiring business interests or participating in any business activity**

Staff Members must avoid acquiring any business interests or participating in any business activity outside the Company which would tend to:

- (a) create a conflict of interest, that is, an obligation, interest or distraction which would interfere with the independent exercise of judgement in the Company's best interest; or
- (b) create an excessive demand upon the Staff Member's time and attention or create any distraction during working hours.

4.5 **Use of personnel, facilities, equipment or supplies**

A Staff Member may not use Company personnel, facilities, equipment or supplies for personal benefit contrary to the Company's policies and procedures.

4.6 **Company Reputation**

- (a) Staff Members must not participate in any activity that would be likely to negatively impact on the Company's reputation.
- (b) Staff Members must not make official statements relating to the Company unless the Staff Member has obtained prior written approval from the Managing Director through the Secretary.

5. Confidentiality

5.1 Disclosure of information

- (a) It is Company policy to provide information honestly and openly to those who have a legitimate interest in its operations. In addition to formal reports to regulatory authorities and reports to the public and shareholders required by statute, the Company may provide extensive information on its activities by way of publications issued by bodies including news media and financial analysts, determined by senior management. Apart from concern for the privacy of Staff Members, the Company also operates in a competitive business environment. Consequently, it would be inappropriate for the Company to disclose information, which if published, might impair its own effectiveness and competitiveness.
- (b) Company documents such as circulars, manuals, records and internal communications materials, especially materials marked "Confidential", must never be shown to outsiders without proper authorisation. Care should be exercised in conversations about the Company with outsiders or with fellow Staff Members in public places.

5.2 Continuing obligation

Should a Staff Member leave the service of the Company, that Staff Member remains under an obligation to safeguard the privacy of fellow Staff Members and the confidentiality of the Company's affairs.

5.3 Communications with customers or other Staff Members

In conversations with customers or other Staff Members and when on the telephone, care must be taken to prevent outsiders from overhearing confidential or personal information.

5.4 Telephonic communications

Information should not be divulged over the telephone unless the identity of the caller and his or her right to receive the information are definitely established. Particular care should be taken in answering enquiries, and data given must be limited to that permitted by standard Company practice. Appropriate legal advice should be obtained where doubt exists.

5.5 Privacy rights

The same considerations apply to the privacy rights of Staff Members. Staff Members who, by reason of their position, may have knowledge of another Staff Member's private affairs must exercise similar care to avoid breaching these rights.

6. Work health and safety

- (a) All Staff Members must act in accordance with work health and safety legislation, regulations and policies and must use the security and safety equipment provided.
- (b) Specifically, all Staff Members are responsible for safety in their work area by:
 - (i) following the safety and security directives of management;
 - (ii) advising management of areas where there is a potential problem in safety and immediately reporting any breaches of safety legislation, regulations and policies; and
 - (iii) minimising risks in the workplace.
- (c) Staff Members are expected to comply with the Company's work health and safety policies at all times.

7. Reporting of unlawful or unethical behaviour

- (a) The Company encourages Staff Members to report in good faith any suspected or known unlawful or unethical behaviour.
- (b) Any Staff Member who is uncertain as to whether an act or omission constitutes unlawful or unethical behaviour or who wishes to make a report should contact the Secretary directly. The Secretary will then determine what action, if any, should be taken.
- (c) The Secretary will treat as confidential all such queries and reports except where action is to be taken, in which case the Secretary will seek to maintain the confidentiality of the Staff Member unless the circumstances demand otherwise.

8. Responsibilities to stakeholders

The standards of personal and professional behaviour applicable to Staff Members are as follows:

- (a) Staff Members must act honestly and observe high standards of personal integrity in the course of carrying out their duties;
- (b) Staff Members must not knowingly participate in any illegal or unethical arrangements, including without limitation offering any bribe, facilitation payment, secret commission or other unlawful or unethical payment;

- (c) Staff Members must have an understanding of the Company's business and the environment in which it operates, and stay informed of all relevant activities affecting the Company and the community in which it operates;
- (d) Staff Members will treat each other and parties who have interest in or dealings with the Company with professionalism, courtesy and respect. They will work cooperatively to achieve agreed goals, whilst accepting the obligation to supervise or be supervised in the discharge of their duties. Staff Members will deal fairly with all parties who have legitimate business with the Company;
- (e) Directors and Officers are obliged to exercise sound judgement in their decision-making processes and will not attempt to influence their colleagues improperly in relation to issues or matters where independent judgement is expected of the other person; and
- (f) Directors and Officers who may communicate publicly (through lectures or papers) on material related to the Company's affairs will in general convey views agreed by the Board. If further material is made public, it should be clearly identified as the view of the individual. Any views attributed publicly to the Board or the Company should be cleared in advance (preferably by the full Board), but at least by the Chair.

9. Fair dealing

9.1 Use position to seek personal gain

Staff Members must not use their position within the Company to seek personal gain from those doing business or seeking to do business with the Company, nor accept such gain if offered.

9.2 Engagement in activity that may be interpreted as seeking or receiving a bribe, secret commission or questionable payment

Staff Members must not engage in any act that could be interpreted as seeking or receiving a bribe, secret commission or other unlawful or unethical payments. Decisions made by Staff Members in the course of their work must be objective and based solely upon the best interests of the Company. They should never be influenced by any consideration of personal gain or gain to any personal associate (eg friend or relative). Except as noted below, Staff Members may neither seek nor accept gifts, payments, services, fees, pleasure or vacation trips or accommodation, or loan (except normal loans from regular lenders, on conventional terms) from any person, organisation or group that does business or is seeking to do business with the Company or any of its affiliates, or from a competitor of the Company or any of its affiliates.

9.3 Accepting gifts, services or entertainment

A Staff Member may not accept gifts, services or entertainment from individuals or companies doing or seeking to do business with the Company, unless the transaction meets all of the following requirements:

- (a) it is in keeping with good business ethics;
- (b) it is customary and proper under the circumstances and gives no appearance of impropriety;
- (c) it serves a valid business purpose;
- (d) it does not impose any sense of obligation on the recipient to the donor;
- (e) it does not result in any kind of special or favoured treatment of the donor;
- (f) it cannot be viewed as extravagant, excessive or too frequent considering all the circumstances;
- (g) it does not involve cash payments, gift certificates, credit arrangements of any kind or any item having a value of more than \$100;
- (h) it does not involve materials, services, repairs or improvements at no cost or at unreasonably low prices; and
- (i) there is no effort made to conceal the full facts by either the recipient or the donor.

10. Inside information and share trading

10.1 Inside information

- (a) Staff Members may come into possession of property or information (commonly referred to as “inside” information) which is not publicly available and which may have an impact on the price of the Company’s securities. Such information may have been obtained through the Company or its customers. Staff Members must neither disclose nor use such property or information for personal gain or for the advantage of friends or relatives. For example, trading in the Company’s securities or advising others to do so on the basis of such special knowledge may also result in a violation of insider trading laws and lead to criminal penalties.
- (b) Staff Members must exercise the highest degree of caution if they are aware of price-sensitive information. Inside information about the Company’s affairs or those of customers must not be used by Staff Members for their own gain or that of others. There are serious penalties including possible imprisonment for violation of these laws.
- (c) Staff Members must not use property or information acquired through the Company to cause harm to the Company or its business.
- (d) Staff Members are expected to comply with the Company’s Share Trading Policy at all times.

10.2 Share trading

- (a) Trading in the Company's securities by Staff Members must comply with the Company's Share Trading Policy and, accordingly, should only occur in circumstances where the market is considered to be fully informed of the Company's activities.
- (b) The Company's Share Trading Policy requires that Staff Members discuss their intention to trade in the Company's securities with the Chair prior to trading. Management and Staff Members are expected to act ethically and responsibly. All Board members are qualified professionals within their respective industries, and accordingly, are to conduct themselves in a professional and ethical manner in both their normal commercial activities and the discharge of their responsibilities as Directors.
- (c) The obligation to notify the Chair of an intention to trade operates at all times and applies to dealings in the Company's securities by family members and other associates of all Staff Members, in addition to the Staff Members themselves. Directors and employees must not buy or sell the Company's securities until approval has been given by the Chair. The ASX Listing Rules require a Director to notify the ASX within five business days after any dealing in the Company's securities that results in a change in the relevant interests of the Director in the Company's securities.

11. Administration

- (a) It is recognised that Staff Members may have questions concerning whether certain of their planned or actual activities constitute departures from the guidelines of this Code. Such questions should be referred in writing to the Chair through the Secretary.
- (b) It is also recognised that circumstances may arise where compliance with the Code may be achieved without strict adherence to the guidelines and where such strict adherence would be unreasonable or result in undue hardship for the Staff Member. In such circumstances, the pertinent facts of the case should be submitted in writing to the Chair through the Secretary.

12. Compliance

Breaches of this Code may lead to disciplinary action being taken against the relevant Staff Member including dismissal in serious cases.

13. Reporting

Every six months (or more regularly, if appropriate), the Secretary will report to the Board in respect of compliance issues relating to this Code. Material non-compliance with this Code will be reported to the full Board immediately.

14. Review

- (a) This Code will be reviewed regularly by the Board, having regard to the changing circumstances of the Company. Any changes to the Code will be notified to you in writing.
- (b) Updates and amendments to this Code will be the responsibility of the Secretary. All new management or other relevant Staff Members will be provided with a copy of this Code as part of their induction into the Company. Any updates or amendments as approved by the Board will be notified to appropriate Officers and Staff Members by the Secretary.

15. Variation

The Board may change this Code by resolution.

16. Disclosure of Code

This Code will be made available, and updated as required, on the Company's website (http://www.boyuan.com.au/corporate_governance/) in a clearly marked "Corporate Governance" section.