



**XTEK LIMITED
BOARD OF DIRECTORS
CORPORATE GOVERNANCE POLICY**

**CODE OF CONDUCT
FOR
DIRECTORS, SENIOR EXECUTIVES
& EMPLOYEES**

1. Introduction

- 1.1 XTEK Limited (**Company**) is a listed public company on the Australian Securities Exchange (ASX).
- 1.2 Overall responsibility for the code of conduct policy rests with the Board.

2. Policy

- 2.1 The Board of Directors have deemed that the following Code of Conduct policy shall apply to:
 - (a) the Directors of the Company;
 - (b) the Senior Executive of the Company;
 - (c) all Managers and Supervisors of the Company; and
 - (d) any other employee of the Company who has the opportunity to materially influence the integrity, strategy and operation of the business and financial performance of the Company.
- 2.2 In this Code of Conduct, **Senior Executive** includes the Chief Executive Officer, Chief Financial Officer and the Company Secretary.

3 Purpose

- 3.1 As well as the legal and equitable duties owed by Director, Senior Executives and employees, the purpose of this Code of Conduct is to:
 - (a) articulate the high standards of honest integrity, ethical and law-abiding behaviour expected of Directors and Senior Executives;
 - (b) encourage the observance of those standards to protect and promote the interests of shareholders and other stakeholders (including employees, customers, suppliers and creditors);
 - (c) guide Directors and Senior Executives as to the practices thought necessary to maintain confidence in the Company's integrity; and
 - (d) set out the responsibility and accountability of Director and Senior Executives to report and investigate any reported violations of this code of conduct or unethical or unlawful behaviour.

4 Honesty and integrity

- 4.1 The Company expects Directors, Senior Executives and employees to:
 - (a) observe the highest standards of honesty, integrity and ethical and law-abiding behaviour when:
 - (i) performing their duties; and

- (ii) dealing with any officer, employee, shareholder, customer, supplier, auditor, lawyer and other adviser of the Company; and
- (b) foster a culture of honesty, integrity and ethical and law-abiding behaviour among other officers and employees.

5 Conflicts of interest or duty

5.1 Each Director, Senior Executive and employee must be aware of potential conflicts between (directly or indirectly):

- (a) on the one hand:
 - (i) the interests of the Company; or
 - (ii) their duties to the Company; and
- (b) on the other hand:
 - (i) their personal or external business interests; or
 - (ii) their duties to any third party.

5.2 Each Director, Senior Executive and employee must avoid placing himself or herself in a position that may lead to:

- (a) an actual or a potential conflict of interest or duty; or
- (b) a reasonable perception of an actual or potential conflict of interest or duty.

5.3 Each Director, Senior Executive or employee must:

- (a) fully and frankly inform the board of any personal or external business interest that may lead to:
 - (i) an actual or potential conflict of interest or duty; or
 - (ii) a reasonable perception of an actual or a potential conflict of interest or duty; and
- (b) obtain and follow independent legal advice to avoid or resolve any actual, potential or perceived conflict of interest or duty.

5.4 Each Director must:

- (a) leave the room when the board considers any matter in which the Director has or may have a conflict of interest or duty; and
- (b) comply with the *Corporations Act 2001 (Cth)* and the Company's constitution in relation to the disclosing material personal interests and restrictions on voting by Directors.

- 5.5 Each Non-Executive Director must inform the Chairperson of the Board of:
- (a) any existing directorship or other office held by the Director in another entity, and
 - (b) any proposed appointment as a Director or Senior Executive of another entity before accepting the appointment.

6 Corporate opportunities

- 6.1 Directors, Senior Executives or employees must not improperly use their position, property or information acquired through their position for personal gain or gain of an associate or to compete with or harm the Company.
- 6.2 Directors, Senior Executives or employees may not use the words used for company product names or any other business name or trademark used by the Company for a personal or external business transaction.
- 6.3 Each Director, Senior Executive or employee must keep their personal or external business dealings separate from the Company's business dealings.
- 6.4 Directors, Senior Executives or employees must only use goods, services and facilities received from the Company in accordance with the terms on which they are given.
- 6.5 Directors, Senior Executives or employees must not accept any improper gift from the Company's existing or potential customers or suppliers.

7 Confidentiality

- 7.1 Any information acquired by a Director, Senior Executive or employee while performing their duties is confidential information of the Company and must be kept confidential. A Director must not disclose the information to a third party except where that disclosure is:
- (a) authorised by the Board; or
 - (b) required by law or a regulatory body (including a relevant stock exchange).
- 7.2 The existence and details of any board and management information, discussions, and decisions that are not publicly known and have not been approved by the board for public release, are confidential information of the Company and subject to paragraph 7.1.
- 7.3 Each Director's, Senior Executive's and employee's obligations of confidentiality continue after he or she leaves the Company.

8 Fair dealing

- 8.1 The Company expects each Director, Senior Executive and employee to:
- (a) deal fairly with any officer, employee, shareholder, customer, supplier, competitor, auditor, lawyer or other adviser of the Company; and
 - (b) encourage other employees and officers to do the same.
- 8.2 Directors Senior Executives or employees not take unfair advantage of any officer, employee, customer, supplier, competitor, auditor, lawyer or other adviser of the through illegal conduct, manipulation, undue influence, concealment, abuse of confidential information, misrepresentation of material facts, or any other unfair-dealing practice.

9 Protection and proper use of assets

- 9.1 The Company expects each Director, Senior Executive or employee to use all reasonable endeavours to protect any Company asset and to ensure its efficient use.
- 9.2 Directors, Senior Executives or employees may only use a Company asset (for example, a product, vehicle, computer or money) for legitimate business purposes or other purposes approved by the Board.
- 9.3 Each Director, Senior Executive or employee must immediately report any suspected fraud or theft of a Company asset for investigation.

10 Compliance with laws, regulations, policies and procedures

- 10.1 Each Director, Senior Executive or employee must:
- (a) comply with the letter and spirit of any applicable law, rule or regulation;
 - (b) comply with the protocols, policies and procedures of the Company, including this code of conduct; and
 - (c) encourage other officers and employees to do the same.

11 Reporting of unlawful and unethical behaviour

- 11.1 The Company expects each Director, Senior Executive or employee to:
- (a) report promptly and in good faith any actual or suspected violation by an officer or employee of the standards, requirements or expectations set out in this code of conduct; and
 - (b) encourage other officers or employees to do the same.

11.2 Directors and Senior Executives may use their own judgment in deciding to whom to report any violation or behaviour referred to in paragraph 11.1, however:

- (a) Directors are encouraged to report to the Chairperson of the Board or another Director;
- (b) Senior Executives are encouraged to report to their immediate supervisor, the Chief Executive Officer or the Chairperson of the Board; and
- (c) Other employees and officers are encouraged to report to their immediate supervisor or to the chief Executive Officer.

11.3 If an employee or officer reports, in good faith, any violation or behaviour referred to in paragraph 11.2, each Director and Senior Executive must ensure:

- (a) the reporting person's position is protected;
- (b) the reporting person's identity is only disclosed with their consent, except where disclosure is required by law; and
- (c) no disciplinary, discriminatory or other adverse action is taken or tolerated against the reporting person for reporting the violation.

11.4 Directors or Senior Executives who receive a report of any violation or behaviour referred to in paragraph 11.2 must ensure:

- (a) the alleged violation or behaviour is thoroughly investigated;
- (b) rules of natural justice are observed in the investigation; and
- (c) appropriate disciplinary action is taken if the allegation is substantiated.

12. Approved and adopted

12.1 This policy was approved and adopted by the Board on 28 September 2009.

Date: 28 September 2009

Signed:



Uwe Boettcher
Chairman of the Board of Directors
XTEK Limited