



BEONIC LIMITED

CODE OF CONDUCT

INTRODUCTION

The BEO Code of Conduct (the Code) governs the conduct of Beonic Limited (BEO), its subsidiaries and associated entities (the BEO Group) and its Directors, officers, employees (full time, part time, and casual) and key contractors/consultants (BEO representatives) and all other people when they represent the BEO Group.

This Code deals with:

- General Principles
- Statement of Compliance
- Compliance with Laws and Regulations
- Harassment
- Political Contributions
- Unacceptable Payments
- Giving or Receiving Gifts
- Protection of BEO Assets
- Proper Accounting
- Dealing with Auditors
- Unauthorised Public Statements
- Conflict of Interest
- Use of Inside Information
- Reporting Breaches of the Code

GENERAL PRINCIPLES

Compliance with Laws and Ethical Standards

BEO representatives and all other people when they directly or indirectly represent the BEO Group must comply, at all times, with all laws governing its Australian and international operations including the:

- Corporations Act; and
- ASX Listing Rules.

and the ethical and governance principles of the:

- ASX Corporate Governance Council Principles and Recommendations; and

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- Australian Standard on Whistleblower Protection Programs for Entities (AS 8004---2003) (Australian Standard).

BEO representatives and all other people when they directly or indirectly represent the BEO Group must conduct the BEO Group's operations in keeping with high legal, moral and ethical standards.

Compliance with the Code – BEO Representatives

Any BEO Representatives who deals with agents, contractors or consultants who represent the BEO Group must make them aware of this Code and that BEO expects them to conduct their business in accordance with this Code.

Performance of Duties by BEO Representatives

All BEO Representatives must conduct the business of the BEO Group with ethics and integrity. This obligation applies to dealings with shareholders, customers, suppliers, competitors, governments, regulators, other BEO Representatives and all other stakeholders.

BEO Representatives must, at all times, act:

- ethically, honestly, responsibly and diligently;
- in full compliance with the letter and spirit of the law and this Code; and
- in the best interest of the BEO Group.

Breach of the Code

Any breach of applicable laws, prevailing business ethics or any aspect of this Code will result in disciplinary action. Such disciplinary action may include (depending on the severity of the breach) reprimand, formal warning, demotion or termination of employment.

Similar disciplinary action will be taken against any supervisor or manager who directly approves (and/or condones) such breach or has knowledge of the breach and does not immediately take appropriate remedial action.

Breach of applicable laws or regulations may also result in prosecution by appropriate authorities. BEO will **not** pay, directly or indirectly, any penalties imposed on a BEO Representative as a result of a breach of law or regulation. BEO will also **not** pay the legal costs of a BEO Representative convicted of breaching such law or regulation.

Reporting Breaches of the Code

All BEO Representatives must report immediately any circumstances which may involve deviation from this Code to an appropriate General Manager, Executive Director, Company Secretary, Chief Financial Officer or the Chairman.

Any BEO Representatives concerned about possible repercussions are advised that reports can be made confidentially.

Interpretation of this Code

Any questions relating to the interpretation or enforcement of this Code should be forwarded to the Company Secretary.

STATEMENT OF COMPLIANCE

The Board will include reference to compliance with this Code in the BEO Annual Report.

COMPLIANCE WITH LAWS AND REGULATIONS

BEO Operations – Compliance with Laws

The operations of the BEO Group **must, at all times** be conducted in compliance with all laws and regulations applicable in Australia **and** in the jurisdiction in which operations and activities are being undertaken.

Observing the Letter and Spirit of the Law

Compliance with the law means observing the letter and spirit of the law as well as managing the business of the BEO Group so that the BEO Group and BEO Representatives are recognised as “good corporate citizens” at all times.

Interpretation of Laws

It is recognised that, in some cases, there may be uncertainty about which laws and regulations are applicable and there may be difficulties in interpretation. In such circumstances, to ensure compliance with laws and regulations, BEO Representatives, with the prior approval of the Chairman, must seek advice from BEO’s legal representative.

HARASSMENT

BEO believes harassment and bullying are inappropriate workplace behaviour and will not be tolerated. This comprises any behaviour that intimidates, offends, degrades, insults or humiliates an employee, possibly in front of co-workers, clients or customers and which includes physical or psychological behaviour.

BEO endeavours to ensure that no member of its personnel will engage in unwelcome or uninvited conduct that targets a person because of a personal characteristic, or focuses on a personal characteristic such as race, gender, disability, sexuality or age and which causes another to feel offended, embarrassed, humiliated or intimidated where a reasonable person would, in the circumstances, anticipate that the person would feel that way.

POLITICAL CONTRIBUTIONS

Board Approval of Political Contributions

Political contributions (to any government official, political party, political party official, election committee or political candidate) must not be made directly or indirectly on behalf of the BEO Group without the prior approval of the Board.

UNACCEPTABLE PAYMENTS

Prohibited Payments

Bribes, kickbacks, inducements or similar payments must not be made to or for the benefit of any government official (of any country), customer, supplier or any other party in connection with obtaining orders or favourable treatment or for any other purpose.

This prohibition extends not only to direct payments but also to indirect payments made in any form through distributors, representatives, consultants, agents or other third parties.

The Company is fully entitled to enter into commercial arrangements whereby legitimate success fees are paid to third parties for the introduction of commercial transactions, which if successful are of benefit to the Company.

BEO Representatives’ Responsibilities

BEO Representatives must not seek or accept any type of compensation, fee, commission or gratuity from a third party in connection with the operations of the BEO Group.

GIVING OR RECEIVING GIFTS

Circumstances where Receiving a Gift is Prohibited

BEO Representatives must not give, seek or accept in connection with the operation of the BEO Group any gift, entertainment or other personal favour or assistance which goes beyond common courtesies associated with accepted general commercial practice.

This is to ensure that the offer or acceptance of a gift cannot create an obligation or be construed or used by others to allege favouritism, discrimination, collusion or similarly unacceptable practices by the BEO Group.

For avoidance of doubt, any gift received by a BEO Representative (or series of gifts from the one party) which might, as a matter of judgement, be considered to go beyond common courtesies associated with accepted general commercial practice, must be reported to the Company Secretary with full details of the background of the gift.

PROTECTION OF BEO ASSETS

Assets used for BEO Purpose

BEO Group assets and resources should be primarily used for the purposes of the BEO Group and in accordance with BEO Group Policies. Reasonable use for other purposes with appropriate authorisations may be permitted.

BEO Representatives' Responsibilities

BEO Representatives are responsible for taking all prudent steps to ensure the protection of BEO Group assets and resources. In particular, BEO Representatives should take care to minimise the possibility of theft of BEO Group property by any person.

PROPER ACCOUNTING

Accounting Records

BEO Representatives must ensure that all BEO Group accounting records accurately and fairly reflect, in reasonable detail, the underlying transactions and all BEO Group assets, liabilities and any disposal of BEO Group assets.

Maintenance of Accounting Records

Accounting records must be maintained in accordance with the accounting standards set by the Corporations Act, ASX Listing Rules and Financial and Accounting Policies issued by BEO.

DEALING WITH AUDITORS

Co-operation with Internal and External Auditors

BEO Representatives must fully co-operate with the external auditors of BEO.

BEO Representatives' Responsibilities

BEO Representatives must not make a false or misleading statement to the external auditors of BEO and must not conceal any relevant information from the external auditors of BEO.

UNAUTHORISED PUBLIC STATEMENTS

Unauthorised Statements

BEO Representatives must not, without authority, directly or indirectly state that they are representing the BEO Group or its public position in respect of any matter.

Unauthorised Activity

BEO Representatives must not directly or indirectly engage in any activity which could by association cause the BEO Group public embarrassment or other damage.

CONFLICT OF INTEREST

Use of Position for Personal Benefit

BEO Representatives must not use their position for personal benefit independent from the business of the BEO Group or to benefit any other business or person.

Taking Advantage of Property

BEO Representatives must not take advantage of any property or information belonging to the BEO Group, or opportunities arising from those, for personal benefit independent from the business of the BEO Group or to benefit any other business or person.

Interest in Competitor or Supplier

No BEO Representative, or any family member or companion over which the BEO Representative has influence, may directly or indirectly have an equity interest in, or have a significant beneficial connection with, any business or individual which competes with or is a supplier to the BEO Group without the prior written consent of the Board.

Outside Business Activity

BEO Representatives must not engage directly or indirectly in any outside business activity involving commercial contact with, or work for the benefit of, BEO Group commercial customers, suppliers or competitors without the prior written consent of the Chairman or his nominee.

Listed Entity Exception

Ownership of shares in a listed entity which deals with or competes with the BEO Group is not a violation of this Code provided the BEO Representative does not directly or indirectly own more than 1% of the shares in the listed entity.

Notification of Conflicts of Interest

If a BEO Representative has, or becomes aware of, an interest or conflict they must, as soon as practicable, provide to the Chairman information relating to the interest or conflict, including the nature and extent of the interest or conflict.

USE OF INSIDE INFORMATION

Non--Disclosure of Confidential Information

BEO Representatives must not disclose confidential BEO Group information to any third party without the prior consent of the Chief Executive Officer or if required by law (following advice from BEO's legal representative).

Confidential BEO Documents

BEO Representatives must maintain the confidentiality of all BEO Group documents and must not disclose any information contained within the documents to any third party without the prior consent of the Chief Executive Officer or if required by law (following advice from BEO's legal representative).

BEO Representatives must not use BEO Group information for the purpose of directly or indirectly obtaining personal gain.

BEO Representatives Share Trading

The Corporations Act of Australia, and the laws of other countries in which the BEO Group operates, contain provisions which prohibit a person in possession of material, non--public information relating to a company from dealing in any way with shares, options or other securities or derivatives (including any structured

financial product, swap, futures contract, contract for difference, spread bet, warrant or depositary receipt) issued by that company or issued or created over the company's securities by third parties (securities). The BEO Share Trading Policy sets guidelines designed to protect the BEO Group and BEO Representatives from intentionally or unintentionally breaching these laws.

This policy is incorporated into the Company's Corporate Governance Statement. BEO Representatives must abide by the **BEO Share Trading Policy** and associated procedures.

REPORTING BREACHES OF THE CODE

Obligation to report unethical or unlawful behaviour

All BEO Representatives **must** report immediately any circumstances which may involve deviation from this Code to an appropriate General Manager, Executive Director, Company Secretary, Chief Financial Officer or the Chairman.

Confidentiality

Any BEO representative who has concerns about conduct within the BEO Group which appears to them to be illegal, unethical or otherwise improper, may feel apprehensive about raising their concern because of the fear of possible adverse repercussions to them, particularly where their immediate or a senior manager is involved in the alleged conduct.

BEO will:

- encourage Representatives to report their concerns, preferably openly but, if necessary, anonymously;
- ensure that a Representative reporting their concerns is afforded confidentiality (unless the Representative indicates otherwise);
- ensure that the matter raised is properly investigated with a view to establishing the truth and correcting any wrongdoing;
- ensure that the matter is investigated in a timely manner;
- ensure that the Representative is advised of the outcome of the investigation and any action taken (unless anonymous); and
- ensure that the Representative is not in any way victimised or adversely affected because of their action (provided that there is a basis for their concern).

If a person does not wish to report any relevant conduct to a nominated BEO Representative for any reason or if the matter relates to the head of the organisation, the report can be made to an independent third party, appointed by this committee (which until further notice will be the Company's Auditors) who will investigate breaches of the code while maintaining anonymity and confidentiality.

Reportable Matters

Illegal, unethical or otherwise improper conduct includes:

- criminal offence;
- failure to comply with any legal obligation;
- failure to comply with any other obligation of BEO as a company listed on the Australian Securities Exchange;
- unfair or unethical dealing with a customer of BEO;
- breach of internal policies;
- corrupt conduct;
- risk to the health or safety of any person;
- unethical conduct;
- any other matter raised in this policy; or

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- any deliberate concealment relating to the above.

REVIEW

Changes to this Code

The Code of Conduct and Ethics will be reviewed regularly by management as part of the Company's Corporate Governance review. The Board will regularly assess this Code of Conduct to ensure continuing adequacy and appropriateness.