

ALLIED BRANDS LIMITED

DIRECTORS' CODE OF ETHICS

1. Objective

The objective of the Directors' Code of Ethics for Allied Brands Limited is to give the Directors of the Company and the Group mandatory directions to be followed in performing their duties, so that they will achieve the highest possible standards in the discharge of their obligations, and will have a clear understanding of best practice in corporate governance.

2. Obligation

A Director has an obligation, at all times, to comply with the spirit and the principles of this Code of Ethics as well as the law.

Taking a position on the Board of Directors imposes important legal and ethical responsibilities on a Board member. These responsibilities are regulated by this Code of Ethics for Directors of the Group, which all Directors are required to agree to be bound by.

The adherence by each Director to the requirements of the Directors' Code of Ethics is critical to the effective operation of the Company's Board. Consequently, a person should not take a position on the Board of the Company if they have any doubt about their ability to fulfill their obligation to comply with the requirements of the Directors' Code of Ethics.

3. Duties

Directors have a duty to:

- (a) act in good faith in the best interests of the Company and for a proper purpose;*
- (b) act in the interests of all shareholders and to avoid any potential conflict of interest;*
- (c) exercise a reasonable degree of care and diligence;*
- (d) not make improper use of information; and*
- (e) not make improper use of their position.*

Breaches of these duties at common law and under the Corporations Act may expose Directors to potential liability in damages, fines and disqualification.

A Director, in the exercise of his or her powers, and in the discharge of his or her duties, must exercise the degree of care and diligence that a reasonable person would exercise if they were a Director of the Company in the Company's circumstance and occupied the office held by and had the same responsibilities within the Company as the Director.

Every Director has a fiduciary duty to the Company. This fiduciary duty means the Directors must act with fidelity and trust as the Board has been appointed to manage the affairs of the Company on behalf of the shareholders, and is accountable not only to shareholders, but to other third parties including creditors, regulators and the community.

To undertake the role of a Director without taking steps to acquire and maintain a reasonable level of competence is also likely to be considered negligent. Consequently, all Board members are required to attend at least one educational seminar a year to enable Directors to be kept fully informed of matters relevant to their position as a Director of the Company. The Company maintains a Directors and Officers Liability Insurance Policy. Directors are to ensure that they are fully aware of the terms of this insurance.

4. Decisions

A Director must be independent in judgment and actions and must take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.

In order to satisfy this directive, all Board members must:

- (a) make a reasonable effort to become and remain familiar with the affairs of the Group;
- (b) attend all Board meetings and Board functions unless there are valid reasons for non-attendance;
- (c) commit the necessary time and energy to Board matters to ensure that they are contributing their best endeavours in the performance of their duties for the benefit of the Group, without placing undue reliance on other Directors to fulfill these duties.

Directors should only rely on advice relating to Company affairs that is given or prepared by:

- (i) an employee whom the Director believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- (ii) a professional adviser or expert in relation to matters that the Director believes on reasonable grounds to be within the person's professional or expert competence;
- (iii) another Director or officer in relation to matters within the Director's or officer's authority; or
- (iv) a committee of Directors (on which the director did not serve) in relation to matters within the committee's authority, and should only rely on such information or advice if:
 - (v) the Director's reliance was made in good faith and after making an independent assessment of the information and advice, having regard to the Director's knowledge of the company and the complexity of the structure and operations of the company; and
 - (vi) the reasonableness of the reliance arose in proceedings brought to determine whether the Director performed his or her duties under the Corporations Act or the common law.

Each member of the Board has the right to seek independent professional advice at the Company's expense. However, prior approval from the Chairman is required before seeking such advice. This approval may not be unreasonably withheld and all other Directors shall be advised of it as soon as practically possible by the Chairman.

5. Confidentiality

Directors will observe confidentiality regarding all Board matters and all confidential information received by a Director in the course of the exercise of their duties.

A Director must not make improper use of information acquired as a Director.

While most of the Board's deliberations are open discussions of non-controversial matters that do not involve confidential or sensitive information, inevitably other issues arise from time to time in which there is information, which must be regarded as confidential or sensitive. Examples of confidential and/or sensitive information would include matters dealing with:

- (a) Staff salaries and performance;
- (b) Relations between staff, shareholders and management; and
- (c) Finance.

All information received by a Director in the course of fulfilling Board duties shall be confidential and shall remain the property of the Company. It is improper for a Director to disclose information, or allow it to be disclosed, to any other person unless that disclosure has been authorised by the Company or is required to be disclosed by law.

Similarly, all discussions and resolutions of the Board shall be confidential and it is improper to disclose, or allow to be disclosed, the content and/or substance of those discussions and resolutions to persons who are not current Board members or the Chairman, except in cases where disclosure:

- (i) Has been authorised by the Company;
- (ii) Is required by law; or
- (iii) It is indicated expressly or impliedly in the minutes of a Board meeting at which a resolution is passed, that it is intended that disclosure of a resolution shall be made to third parties.

6. Improper use of information

In addition, Directors are prohibited from making improper use of information acquired by virtue of their position as a Director to gain, directly or indirectly, a personal advantage or an advantage for any other person or to cause detriment to the Group.

If any Board member has any doubts about their obligations in relation to disclosure of Board matters, they should consult with the Chairman of the Board prior to making any disclosures.

7. Co-operation

Directors must observe solidarity with the resolutions of the Board and co-operate in their implementation.

Board members are part of a team, which requires them to work co-operatively with the Chairman of the Board, other Board members and with the Chief Operating Officer. Consequently, Directors must observe solidarity regarding the resolutions of the Board.

Directors must not speak against a resolution of the Board to any person other than fellow Directors. Directors must also support Board resolutions by providing assistance and co-operation in their implementation.

8. Personal interests and conflict

A Director must not take improper advantage of the position of Director.

Directors must not allow their personal interest, or the interest of any associated person, to influence or prejudice their conduct or decisions as Directors.

Directors have a duty to avoid conflicts of interest between the best interests of the Group and their own personal or commercial interests.

Every Director must be aware of both actual and potential conflicts of interest. If a conflict arises, the common law requires that a Director with a conflict of interest should refrain from voting, entering into any discussion or even being present during relevant Board discussions. A Director who has a material personal interest in a matter, must not be present at a meeting while the matter is being considered nor vote on the matter. A material personal interest can be a direct or indirect benefit (pecuniary or otherwise) to the Director which is sufficiently substantial.

9. Conduct

A Director should not engage in conduct likely to bring discredit upon the Company and/or the Group.

Directors shall make themselves aware of and observe the Standing Orders (if any) adopted by the Board from time to time for the conduct of Board and committee meetings

Directors shall, at all times, comply with the spirit as well as the letter of the law and with the principles of this Code of Ethics.

Directors should conduct themselves at all times in a sober, polite, lawful and restrained manner in carrying out their duties, at Board and committee meetings, at Company functions and meetings and where otherwise dealing with matters concerning the Group, its staff, management, third parties and the community.

10. Performance

Directors must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders to the Company.

An independent expert appointed by the Board shall conduct a biennial review of the effectiveness of the Board's performance.

The Board is accountable not only to shareholders, but to other third parties, including creditors, regulators and the community. However, it is not practical for any of these interest groups to undertake regular appraisals of Board performance. Nor would such appraisal be appropriate as a particular interest group could have difficulty being impartial or objective.

The Board must satisfy itself that it is performing to maximum efficiency so that all Directors can be assured that there has been no exposure of Board members to any legal liability (eg for negligence). To do this, a regular process of assessment and evaluation should be

undertaken. This process should examine the performance of individual Directors, the performance of the Board as a Group and whether the Board is truly performing the role needed by the Company. This process should be undertaken by an independent expert appointed by the Board to ensure that it is carried out in an impersonal and objective manner. All Directors must be committed to and involved in the process if it is to be effective.

11. Complaints

Directors must abide by the complaints procedure determined by the Board.

The Board is concerned with the development and implementation of the strategies and policies determined by it for the Company. The administration of the Company then puts the Board's strategies and policies into action.

From time to time, Board members may be approached by shareholders, staff or other persons who have a complaint about a Company matter. The Board has determined a procedure for Directors to follow in responding to such an approach. Directors should make themselves aware of this procedure and follow it if approached by a person with a complaint.