



K2FLY LIMITED

ACN 125 345 502

CODE OF CONDUCT – Board, Directors and Officers of the Company

Reviewed and updated on 27 September 2019

Registered Office

Level 1, Grand Central, 26 Railway Road
Subiaco WA 6008
T +61 8 6333 1833 • E info@k2fly.com
www.k2fly.com

1. **CODE OF CONDUCT**

This code of conduct aims to encourage the appropriate standards of conduct and behaviour of the directors and officers (collectively called Officers) of the Company.

Officers are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

GENERAL PRINCIPLES

1. Officers of the Company must act honestly, in good faith and in the best interests of the Company as a whole.
2. Officers have a duty to use due care and diligence in fulfilling the functions of their position and exercising the powers attached to their engagement.
3. Officers must recognise that their primary responsibility is to the Company's shareholders as a whole.
4. Officers must not take advantage of their position for personal gain, or the gain of their associates.
5. Directors have an obligation to be independent in their judgements.
6. Confidential information received by Officers in the course of the exercise of their duties remains the property of the Company. Confidential information can only be released or used with specific permission from the Company.
7. Officers have an obligation, to comply with the spirit as well as the letter, of the law and with the principles of this code.

The Company views breaches of this code as serious misconduct. Officers or any employees who have become aware of any breaches of this code must report the matter immediately to their line manager, Company Secretary or Chair of the Company. The line manager or Company Secretary has the responsibility to report the breach to the appropriate senior management and to advise the relevant employee of the outcome and actions implemented.

Any Officer or employee who in good faith, reports a breach or a suspected breach will not be subject to any retaliation or recrimination for making that report.

Officers who breach the policies outlined in the code may be subject to disciplinary action, including in the case of serious breaches dismissal or removal from office.

DIRECTORS

The following additional comments apply to directors of the Company and aim to ensure directors have a clear understanding of the Company's expectations of their conduct.

Fiduciary duties

All directors have a fiduciary relationship with the shareholders of the Company. A director occupies a unique position of trust with shareholders, which makes it unlawful for directors to improperly use their position to gain advantage for themselves.

Duties of directors

Each director must endeavour to ensure that the Company is properly managed so as to protect and enhance the interests of all shareholders. To this end, directors need to devote sufficient time and effort to understand the Company's operations.

Directors should ensure that shareholders and the ASX are informed of all material matters which require disclosure and avoid or fully disclose conflicts of interest.

Conflict of interest

At all times a director must be able to act in the interests of the Company. Where the interests of associates, the personal interest of a director or a director's family may conflict with those of the Company, then the director must immediately disclose such conflict and either:

- (a) eliminate the conflict, or
- (b) abstain from participation in any discussion or decision-making process in relation to the subject matter of the conflict.

Executive directors must always be alert to the potential for a conflict of interest between their roles as executive managers and their fiduciary duty as directors.

Insider trading

Information concerning the activities or proposed activities of the Company, which is not public, and which could materially affect the Company's share price must not be used for any purpose other than valid Company requirements.

Managing Director (or Chief Executive Officer) and CFO

It is the responsibility of both the Managing Director (or the Chief Executive Officer) and CFO (if appointed) to provide written assurances to the Board that in all material respects:

- (a) the financial reports submitted to the Board represent a true and fair view of the Company's financial condition and operational results; and
- (b) the Company's risk management and internal compliance and control system is operating efficiently and effectively.

STAKEHOLDERS

The Board recognises that the primary stakeholders in the Company are its shareholders. Other legitimate stakeholders in the Company include employees, customers and the general community.

The Company's primary objective is to create shareholder wealth through capital growth and dividends by the continued development of its business and the provision of innovative solutions within the relevant and related industry. This is achieved by:

- (a) keeping the market informed of its corporate strategy and business development progress;
- (b) keeping the market informed of its partnerships that are in place and the strategy for actively developing and exploiting these key commercial arrangements;
- (c) actively progressing its corporate strategy through the award of material new client contracts and contract extensions; and
- (d) seeking new opportunities in the industry with software that complements the existing business of the Company and allows the Company to expand on its existing business and enhance its software offering.

The Company is committed to conducting all its operations in a manner which:

- (a) protects the health and safety of all employees, contractors and community members;
- (b) recognises, values and rewards the individual contribution of each employee;
- (c) maintains good relationships with suppliers and the local community; and
- (d) is honest, lawful and moral.

All Officers are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Compliance with both the letter and spirit of all laws, rules and regulations applicable to our business is critical to our reputation and continued success. Officers must avoid even the appearance of impropriety. When in doubt, Officers should check with a fellow officer or director of the Company or seek advice from the Company's legal counsel. All Officers must respect and obey the laws of the cities, provinces, states and countries in which the Company currently operates and in which it has an obligation to report in the future.

SAFETY AND HEALTH

All Officers are responsible for maintaining a safe workplace by following safe and healthy work practices, as well as adhering to all Federal, State or local Health and Safety laws and regulations. The Company is committed to keeping its workplace free from hazards. Officers must report any accidents, injuries, unsafe equipment, practices or conditions immediately to the Chief Executive Officer, or person in Senior Management. If at any time an Officer feels that there is a safety risk, the Officer has a right to stop work and report the safety risk.

All Officers are required to respect the health, safety and environment of other employees and the community in which they work. Threats or acts of violence or physical intimidations are strictly prohibited.

DISCRIMINATION AND HARASSMENT

The Company values diversity and is committed to providing a work environment that allows everyone to pursue their careers free from discrimination, harassment and abuse. The development and maintenance of a positive working environment is essential and treating all colleagues with respect and dignity is mandatory. Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Examples include but are not limited to; derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. Every person has the right to work in an environment free from any form of harassment or bullying. Officers are expected to speak out when another person's conduct makes them uncomfortable, and to report harassment to the Chief Executive Officer, Chair or another Director if it occurs.

Equal Opportunity

The Company is an equal opportunity employer and shall not discriminate against any person based on the person's race, colour, ethnicity, age, religion, creed, gender, marital status, family status, pregnancy, sexual orientation, physical disability, mental disability or any other prohibited ground of discrimination defined by the legislative jurisdiction in which the Company operates. The foregoing requirement does not apply with respect to an Officer selection process based upon a bona fide occupational requirement.

- The Company also has the following policies which provide additional details on the standard of conduct required of all Officers and employees of the Company: Workplace Policy and Discrimination Policy;
- Work Health and Safety Policy;
- Anti-Bribery and Corruption Policy;
- Data Privacy Policy;
- IT Systems and Usage Policy;
- Environmental Policy; and

- Employee Code of Conduct Policy.

This policy is reviewed **annually**.