



Phoslock Environmental Technologies Limited – Ethics Charter

1. Introduction

Ethical conduct relates to standards of behaviour characterised not only by complying with the laws and regulations, but also by acting honestly and fairly.

2. Policy on Ethical Behaviour

- 2.1. The Company is committed to operating to the highest standards of ethical behaviour and honesty and with full regard for the safety and health of its employees, customers, the wider community and the environment.
- 2.2. The Company's policy is for the Directors and management to conduct themselves with the highest ethical standards. All Directors and employees will be expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

3. The Company's expectation

All Company employees are expected to comply with the policy and conduct their activities on behalf of the Company accordingly. The Company's management must promote the policy by personal example and ensure that it is communicated and understood by employees and third parties.

Key requirements are that all employees should:

- (a) comply with the letter and spirit of the laws affecting the Company's business;
- (b) comply with the Company's Code of Ethics;
- (c) act honestly and with integrity and strive to earn and maintain the respect and trust of fellow employees, customers, and the wider community;
- (d) use the Company's resources, including information systems, in an appropriate and responsible way;
- (e) work safely and with due regard for the safety and well-being of fellow employees, customers and all persons affected by the Company's operations or products;
- (f) avoid situations which involve or may involve a conflict between their personal interests and the interests of the Company; and
- (g) respect the environment and ensure that work activities are managed in an acceptable manner so as to give benefit to society.

4. Penalties

4.1. The Company has adopted policies which commit it to meeting its responsibilities in areas where ethical or legal issues arise. These are broadly characterised below:

(a) Conflict of interest

Employees should avoid any situation which involves or may involve an actual or perceived conflict between their personal interests and the interests of the Company. Any potential conflict must be disclosed to the relevant person, which may be the Employee's immediate supervisor or the Company Secretary.

(b) Trading in Company and other securities

The Board has approved guidelines for dealing in securities. Directors and employees must not, directly or indirectly, buy or sell the shares or other securities of the Company when in possession of unpublished price sensitive information that could materially affect the value of those securities.

Subject to this restriction, Directors and Employees may buy or sell the Company's securities; however, they must receive clearance from the Chairman or Company Secretary for any proposed dealing in the Company's shares to ensure that there is no unpublished price sensitive information of which they are unaware, but has been or is about to be released to the Australian Securities Exchange ('ASX').

5. Commercial relations

5.1. Competition policy

The Company and its employees, while competing vigorously in the marketplace, will comply with the competition/anti-trust laws of those countries in which the Company operates.

5.2. Environmental, Health and Safety (EH&S) Policy

The EH&S practices associated with the Company's Technology and Processes must be managed responsibly and ethically.

5.3. Privacy policy

The Company is committed to the protection of individual privacy. The Company and its employees must comply with the privacy or data protection laws of those countries in which the Company operates. The Company and its employees must observe the Company's privacy policy when collecting, using, disclosing and providing access to personal information.

5.4. Employees and employment standards

(a) Complying with the law

All employees and third parties who work for the Company must comply with the general laws relating to the workplace (such as occupational health, equal opportunity and harassment) as well as the laws and regulations that specifically relate to their work, including, in particular, the competition and privacy laws of each country in which the Company operates.

(b) Equity in employment and harassment

Recruitment, selection for specific jobs and career progression will be determined by personal merit, competency and the individual's potential to effectively perform the job. Employment decisions will take account of these criteria.

Unlawful discrimination and harassment are prohibited by the Company and will not be tolerated. Appropriate disciplinary sanctions will be taken if discrimination or harassment is found to have occurred.

(c) Safety and occupational health

The Company shall adopt strategies, policies and practices, the objective of which is to eliminate all incidents and circumstances relating to its operations and use of its technology which could lead to injury or illness amongst its employees, contractors, customers and the wider community.

(d) Business practices - gifts and favours

No Company employee will, for themselves or their immediate family, accept any gift or favour from anyone with whom the Company does business and which could be construed as being likely to influence improperly the business conduct of the employee or the Company. The employee may use discretion where the gift or favour is of a minor nature (for example: bottle of wine, business dinner, accompanying a client to a sporting or cultural event).

(e) Business practices - financial inducements

No Company employee will make or offer to make any illegal payment to achieve any business objective nor will they offer or accept a bribe, 'kickback' or secret commission. Bribery is not only against Company policy, it is also an act that attracts criminal prosecution and serious penalties in many countries in which Company operates.

No Company employee will, in any transaction, offer, promise or give any payment, gift, rebate or other exchange to or for the benefit of any third party as consideration for performing or refraining from performing the transaction.

(f) Dealing with fraud

The Company is committed to maintaining a secure working environment that protects people, Company assets and Company information from deliberate harm, damage or loss. In appropriate cases, and after proper investigation, the Company reserves the right to summarily dismiss employees found to be defrauding the Company, and, where appropriate seek financial recovery through civil proceedings.

6. The wider community

Safety, health and the environment

The Company is committed to managing its activities with concern for people and the environment and will conduct its business for the benefit of society and without compromising the quality of life of future generations.

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