

Code of Conduct

CODE OF CONDUCT

Scott Corporation Limited's standards for conducting its business are as follows.

The people who work for Scott Corporation are its most valuable asset. Motivated, professional and committed employees are vital to the fulfilment of Scott Corporation's strategy and the achievement of its performance objectives.

Scott Corporation operates in a highly competitive market and depends on its people for its competitive advantage. It aims at a management style, which is open and responsive to employees and their ideas. We are all expected to treat our fellow employees with respect and dignity, valuing individual and cultural differences.

Scott Corporation's policy is to give equal opportunity for personal and professional growth to all employees, irrespective of gender, race, religion, national origin, age, physical or mental disability. This policy applied to all aspects of employment from recruitment to termination.

Scott Corporation prohibits all forms of sexual or other harassment of employees in the workplace. This means any demeaning, insulting, sexual, embarrassing or intimidating conduct or conversation directed at a fellow employee because of his or her sex, race, religion, age, colour, national origin or disability. It clearly includes, but is not limited to, sexual advances, inappropriate physical contact and sexually oriented gestures, statements, pictures, cartoons or jokes.

There will be no retaliation against any employee who complains about sexual harassment or other harassing conduct. A grievance procedure is available if you are the target of or a witness to such behaviour.

Scott Corporation respects employees' privacy and maintains only those personnel and medical records necessary for it to conduct its business and/or to meet its legal obligations. Access to and knowledge of the contents of such records is restricted to those who need such access or knowledge for legitimate business or legal purposes.

Scott Corporation will comply with all applicable laws governing the disclosure of personal information about employees. It is basic policy that every employee has the right to see his or her own personnel records. Scott Corporation may need, without prior notice, to gain access to desks, lockers and computer files, including email and voice mail in order to protect Scott Corporation and its employees.

While on Scott Corporation business or on Scott Corporation premises, employees shall not misuse or abuse alcohol, buy, sell or use illegal drugs, or use legal drugs to excess.

Subject to prevailing local law, Scott Corporation reserves the right to conduct pre-employment and work related drug and alcohol testing. It also reserves the right to inform law enforcement authorities when positive test results are confirmed and to take appropriate disciplinary action on the basis of such results. Employees who have any form of substance abuse problem are urged to acknowledge the problem, to seek assistance, and contact the Human Resources Manager.

To the extent permitted by law, records associated with substance abuse and the results of drug and alcohol tests will be kept confidential. Scott Corporation has a wide range of assets tangible and intangible which it has developed or acquired and which are essential to its business. We are all responsible for preventing the loss or theft of Scott Corporation funds and property, which includes money, land and buildings, plant and equipment, or unauthorised use of Scott Corporation time and records.

We must also protect Scott Corporation's less tangible assets such as customer lists, marketing plans and other proprietary information as well as its intellectual property. Intellectual property includes patents, trade secrets, know how, trademarks, service marks, copyrighted works, designs, rights to inventions and all other similar proprietary rights. The protection of technology

trade secrets, know-how and other intellectual property belonging to Scott Corporation is particularly important.

Some of Scott Corporation's intellectual property may not be formally protected by patent, trademark and copyright laws. Therefore without proper authorisation, you must not disclose to any third party and technology, trade secrets, know-how or other intellectual property including but not limited to computer programs, marketing and pricing data or any other proprietary information of Scott Corporation.

If for legitimate and authorised business reasons it is necessary to disclose confidential or proprietary information, a Confidentiality Agreement prepared by the Company Secretary must be put in place with the relevant third party, to ensure that the confidentiality of Scott Corporation's information is maintained.

We must safeguard all passwords and identification codes to prevent unauthorised access, use, modification, destruction or disclosure of Scott Corporation's computerised data.

Licensed or internally developed software shall not be reproduced (whether for personal or business use) unless such reproduction is permitted by the terms of the licence or is otherwise authorised.

We may not use Scott Corporation's assets for our own personal financial gain and Scott Corporation's funds or assets should not be used for any unlawful or improper purpose.

Scott Corporation prohibits the offer of bribes, kickbacks or any other form of payment (direct or indirect) to any government representative, labour union, customer or supplier in order to obtain a contract or other commercial benefit or in any way to influence a business transaction. Scott Corporation also prohibits any employee from accepting such payments from a third party. No employee may seek or accept any items of value that might reasonably be construed as an attempt to influence business transactions.

Offering or receiving hospitality, entertainment or token gifts in the normal course of business is permitted. Acceptable levels of gifts, gratuities, favours and entertainment, whether extended to or offered by employees must meet the following criteria:

- I. they must not be of such a level that they could be construed as intended to influence the judgement of the recipient so as to secure unfair preferential treatment.
- II. they must not be cash or cash equivalent and must be of limited value well within acceptable business practice;
- III. they are not illegal or improper; and
- IV. disclosure of them would not be embarrassing to Scott Corporation or to the recipient. If you are offered or you are asked for a gift or other inducement by an outsider as a condition of, e.g. placing an order with Scott Corporation, you must immediately report the circumstances to management. You may not borrow on a personal basis from any supplier to or customer of Scott Corporation or any person associated with either.

All Scott Corporation records and information must be kept confidential. They must also be kept accurately.

Such records and information may be disclosed internally only on a need to know basis and only for purposes of conducting Scott Corporation business. If there is a legitimate business reason to disclose any records or Scott Corporation information outside Scott Corporation, proper advance authorisation is required. Similarly, information acquired in the course of business from customers or suppliers may also be confidential and should be treated as such.

In particular you may not trade in the quoted shares or Scott Corporation using market sensitive information nor disclose it prior to the public announcement of that information by Scott Corporation. All trading in Scott Corporation shares by its employees must be within the Scott Corporation's Share Trading Code.

We must all avoid relationships or activities which create or are seen to create a conflict between our personal interest and the interests of Scott Corporation.

We are required to act in the best interests of Scott Corporation in all our business dealings and such dealings should never be - or appear to be - influenced by personal advantage or gain. For example:

Employees should not, directly or through others, own a significant interest in an outside concern which does business with Scott Corporation where he or she has authority to make decisions or recommendations that could have an influence on such business.

Employees should not accept directorship, employment or provide consulting services to any outside organisation which does business with or competes with Scott Corporation except with the written consent of Scott Corporation.

Employees may not, without Scott Corporation's written consent, engage in an outside business or activity incompatible with Scott Corporation's right to their full time and efficient service.

Employees shall not own either directly or indirectly any property including but not limited to real estate, shares or stock which would appear to be improper if disclosed outside Scott Corporation.

Employees shall not place themselves in any position where they are in competition with Scott Corporation or where they otherwise improperly profit, directly or indirectly, at Scott Corporation's expense.

In the event a situation arises which could be construed as a conflict of interest within the general intent of this Code, you should bring it to the immediate attention of a senior officer of Scott Corporation.

Scott Corporation is committed to conducting its business in accordance with all applicable Australian laws, whether federal, state or local. Scott Corporation and its employees are required to comply with such laws.

3.2.2 Competition

Scott Corporation is subject to trade practice and competition laws and is committed to abiding by these laws.

In general, they prohibit agreements or arrangements between or among competitors that may reduce or prevent competition. In particular, they prohibit agreements or understandings between competitors to fix or to control prices, to boycott specified suppliers or customers or any group of suppliers or customers, to allocate customers, products, territories or markets or to limit the production or supply of products. Particular care is needed to ensure that any activities with representatives of other companies or as a member of a trade association are not viewed as a violation of any trade practice law.

This area of law is complex. Hence all personnel involved in sales and related activities, and by all those that have contact with competitors, should review the implications of the law with the Company Secretary.

Scott Corporation has long regarded as a core value respect for the environment and concern for the safety and health of its employees and the public. Further, Scott Corporation is committed to supplying products which are safe when used as intended.

Scott Corporation is committed to achieving significant and major improvement in performance in every area of its business. Proper attention to health and safety is an indispensable part of this commitment.

We believe that injuries, occupational illness and damage to property resulting from poor practices can be prevented. We are determined to maintain safe working practices in all Scott Corporation's activities and to see that employees, customers and the general public are not harmed by our activities or our products.

Scott Corporation's policy is to comply with all applicable health, safety and environmental laws and regulations. Where there are none, or those that do exist are inadequate, Scott Corporation will abide by best industry standards. We all have a responsibility to ourselves, to our colleagues, to Scott Corporation and to our customers to work safely.

3.3.2 Implementation

This Code of Conduct applies to all Scott Corporation's employees. It confirms Scott Corporation's commitment to the high standards of corporate behaviour and the professional standards of conduct expected from all.

We should all read this Code of Conduct carefully and where appropriate use it as a reference document. No document can be totally comprehensive and we should all exercise discretion and our own common sense judgement to ensure that we do nothing which could harm Scott Corporation or its reputation.

As Scott Corporation considers compliance with this Code of Conduct so important, any failure to comply with any of its provisions may result in disciplinary action which may include a warning, suspension or termination. Disciplinary action may be imposed where an employee's conduct is clearly inconsistent with the values embraced by this Code even though the particular situation is not directly covered by the Code.

Each of us is responsible for reporting any known or suspected unethical business practice or violation of law or Scott Corporation policy to our immediate superior or, if more appropriate, to the Company Secretary. No employee will suffer retaliation in any form as a result of reporting in good faith a violation of this Code. A failure to bring violations of which an employee is aware to the attention of management is a violation of this Code.

If you are not satisfied with the other reporting options available or if you have a question about your conduct and the Code you may report to Scott Corporation's senior management directly by calling the Company Secretary.

Caller identity is treated confidentially to the extent permitted legally and any form of retaliation for good faith use of the option to call the Company Secretary is prohibited.

This document supplements Scott Corporation's specific policies and procedures.