

Code of Conduct

1. Purpose

- 1.1 This code outlines how VDM Group Limited (“VDM”) expects directors and employees (collectively the “Employees”) of VDM and its controlled entities (“VDM Group”) to behave and conduct business in the workplace on a range of issues.
- 1.2 VDM Group is committed to the highest level of integrity and ethical standards in all business practices. Employees must conduct themselves in a manner consistent with current community and corporate standards and in compliance with all legislation.
- 1.3 The objective of the code is to:
 - a) Provide a benchmark for professional behaviour throughout VDM Group.
 - b) Support VDM Group’s business reputation and corporate image within the community.
 - c) Make Employees aware of the consequences if they breach the code.

2. Statements of Commitment

2.1 Commitment to employees

- a) Employees are the most important resource of VDM Group. The collective skills, energy and commitment of the Employees is the key driver of VDM Group’s business activities.
- b) VDM Group is committed to providing a workplace that respects the rights of all Employees.
- c) VDM Group will endeavour to maintain a workplace that is healthy and safe, fair and honest and free of harassment, hostility and offensive behaviour.
- d) VDM Group will endeavour to keep Employees informed on VDM Group’s activities.
- e) The views of Employees will be respected and participation will be encouraged.

2.2 Commitment to clients

- a) VDM Group will endeavour to enhance relationships with clients and seek to develop lasting and fruitful partnering with clients.
- b) VDM Group seeks to generate business based on a reputation of honesty, integrity and fairness, as well as innovative and superior services based on competitive fees.
- c) VDM Group aims to be respected by its clients and to be regarded as the client’s preferred supplier of services.

2.3 Commitment to shareholders

- a) VDM seeks to keep its shareholders and prospective investors fully informed by communicating financial results and activities on a regular basis.
- b) VDM Group will protect its property and assets and safeguard them from loss, theft and unauthorised use.
- c) VDM Group will maintain records which are accurate in their representation of business events and will be used appropriately and stored securely.
- d) VDM Group will restrict the use of information to be used to benefit Employees or anyone who interacts with Employees, either financially or otherwise.

2.4 Commitment to governments

- a) VDM Group will endeavour to comply with all applicable laws and regulations in any country in which it conducts its business.
- b) VDM Group will respect all regulations and expectations of bodies such as the Australian Taxation Office and state and territory taxation authorities, ASIC, ASX, ACCC and similar bodies.

2.5 Commitment to communities

- a) VDM Group will endeavour to minimise the impact of its operations on surrounding communities.
- b) VDM Group will encourage Employees to support industry and community safety, health and environmental initiatives that pertain to its business.
- c) VDM Group will respect the environment and comply with the relevant environmental laws in the countries in which it operates.

3. The Code

3.1 Compliance with and respect for the law

- a) VDM Group and Employees must respect the law and act accordingly by observing and respecting the relevant laws, customs and business methods in the environment in which VDM Group operates.
- b) If an Employee has concerns or queries about specific legal issues connected with VDM Group then they should, where appropriate, discuss those issues with their manager or the company secretary of VDM in the first instance. Where necessary, legal advice should be sought before any decision is made in relation to the issue.

3.2 Fair dealing

- a) VDM Group aims to maintain the highest standard of ethical behaviour in business dealings and to behave with integrity in all its dealings with customers, clients, shareholders, government, Employees, suppliers and the community.
- b) Employees are expected to perform their duties in a professional manner and act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of VDM Group. This should involve as a minimum:
 - i. Acting within applicable laws, particularly those that deal with matters covered by this code, including equal opportunity and antidiscrimination laws.
 - ii. Acting with courtesy.
 - iii. Acting with fairness and respect in supervision.
 - iv. Encouraging cooperation.
 - v. Fostering an environment where rational debate is encouraged, with a view to achieving shared goals.
 - vi. Avoiding behaviour that might reasonably be perceived as bullying or intimidation.
 - vii. Understanding and responding to the needs of VDM Group's broader stakeholders including the community at large.

3.3 Equal opportunity and anti-discrimination

- a) VDM Group will not permit discrimination, intimidation or harassment of or by Employees on the basis of race, gender, marital status, national origin or religious beliefs or on the basis of any other personal characteristics protected by law.
- b) Discrimination is not permitted at any level of VDM Group or in any part of the employment relationship. This includes areas such as recruitment, promotion, training opportunities, salary, benefits and terminations.
- c) VDM Group will treat all Employees according to their skills, qualifications, competencies and potential.
- d) VDM Group will promptly investigate all allegations of harassment, bullying, victimisation or dissemination and will take appropriate corrective action. All harassment complaints will be treated seriously, sympathetically, quickly and privately. Retaliation against individuals for raising claims of harassment or discrimination will not be tolerated.

3.4 Occupational health and safety

- a) VDM Group is committed to maintaining a healthy and safe working environment for its Employees.
- b) All appropriate laws and internal regulations (including occupational health and safety laws) must be fully complied with.
- c) VDM Group will take into account the impact of health and safety issues when making business decisions and must ensure that business decisions do not compromise the commitment to avoiding injury to people.

3.5 Disclosure of VDM information

- a) VDM has a formal market disclosure policy under the Corporations Act and ASX Listing Rules to keep the market fully informed of information which may have a material effect on the price or value of VDM's securities and to correct any material mistake or misinformation in the market.
- b) VDM requires Employees to understand the requirements of the policy and to act in accordance with the policy.

3.6 Securities dealing

- a) VDM has a formal securities dealing policy that is available under the "Corporate Governance" section of the website. The policy may place additional restrictions on certain Employees over and above the basic legal requirement discussed below.
- b) Laws against insider trading make it illegal to deal in securities of a company while in possession of material information about VDM Group which has not become public.
- c) If Employees become in possession of information concerning VDM Group that is not generally available and which a reasonable person would expect to have a material effect on the price of VDM's securities, it is unlawful for them to buy, sell or otherwise deal in VDM's securities. It is also unlawful in those circumstances to encourage someone else to deal in VDM's securities or to pass the information to someone who may use the information to buy or sell VDM's securities.

- d) A person does not need to be an Employee to be guilty of insider trading. The prohibition extends to dealings by Employees through nominees, agents or associates, such as family members, family trust and family companies.
- e) It does not matter how or where the person obtains the information. It does not have to be obtained from VDM Group to constitute inside information. There are very serious penalties, including possible imprisonment, for violation of these laws.

3.7 Conflicts of interest

- a) All business transactions must be conducted solely in the best interests of VDM Group.
- b) Employees must avoid situations where their personal interests could conflict with the interests of VDM Group.
- c) A conflict of interest exists where loyalties are divided. A person can have a potential conflict of interest if, in the course of their employment or engagement with VDM Group, any decision they make could provide for an improper gain or benefit to themselves or an associate. A conflict of interest may be defined as an issue that may occur when personal interests, the interests of an associate or relative or a duty or obligation to some other person or entity, conflict with a person's duty or responsibility to VDM Group.
- d) Employees must notify their manager, the chief executive officer or company secretary of VDM if the individual suspects that there is a conflict of interest or a potential conflict of interest.

3.8 Gifts, prizes and entertainment

- a) Giving and receiving gifts or hospitality are part of normal business practice. There can, however, be sensitivities associated with this giving or receiving, such as when the size of the offering is beyond being acceptable.
- b) Gifts, prizes and entertainment must be free of any suggestions of bribery or secret commissions and must not compromise VDM Group or its business associates.
- c) Gifts, prizes or entertainment should not be accepted or received if there is any possibility that they might:
 - i. Indicate any bias or prejudice towards a person or company.
 - ii. Compromise judgement.
 - iii. Possibly represent a conflict of interest.
- d) Employees are prohibited in soliciting benefits such as gifts, prizes and hospitality.
- e) The difference between appropriate and inappropriate gifts is not always easy to determine. The following questions may help in assessing the motivation of the giver and the receiver and whether offering or acceptance is appropriate.
 - i. Does the gift transgress any law or regulation?
 - ii. Why is the gift being offered or why am I offering it?
 - iii. Could the recipient feel pressure to reciprocate or grant favours as a result of the gift?
 - iv. Could acceptance/offering adversely affect the way the Employee performs?
- f) VDM Group expects its Employees to exercise reasonable judgement and discretion in accepting any gratuity or gift offered in connection with employment with VDM Group.

3.9 Improper use or theft of property or assets

- a) Employees have a responsibility to protect any VDM Group property and assets that are under their control and must be safeguarded from loss, theft and unauthorised use.

- b) VDM Group property and assets include cash, securities, business plans, third-party information, intellectual property (computer programs, software, models and other times) confidential information, office equipment and supplies.
- c) VDM Group assets may not be used for personal purposes without prior VDM Group approval. VDM Group property and documents should not be removed from official premises without a good and proper reason. If removed, they must be stored in a secure manner and the appropriate manager must be informed.
- d) Employees leaving VDM Group must return all VDM Group property in their possession.
- e) Employees are encouraged to use common sense and observe standards of good taste regarding content and language when creating documents that may be retained by VDM Group or a third party.
- f) Employees should not use VDM Group's electronic communications systems to access or post material that is pornographic, obscene, sexually related and profane or which is otherwise offensive or violates VDM Group policies or any laws or regulations.
- g) Employee use of VDM Group's electronic communication systems for non-business purposes must be occasional, not interfere with the Employee's professional responsibilities, not diminish productivity and not violate this code or any of VDM Group's policies.
- h) Any messages transmitted by email are treated as business messages and constitute property of VDM Group.
- i) All VDM Group books, records and accounts must accurately reflect the precise nature of transactions recorded. Employees must comply with prescribed accounting and business procedures and controls at all times.

3.9 Confidential/private information

- a) Unless previously published, VDM Group's records, reports, processes, plans and methods are proprietary and confidential. Employees should not reveal information concerning such matters without proper authorisation.
- b) VDM Group's records include personal information. Personal information is information or an opinion about an individual whose identity is apparent or can be ascertained from the information or opinion. During the course of its activities, VDM Group may collect, hold or use personal information about suppliers of goods and services, customers, contractors and prospective and current Employees.
- c) Any personal information should be managed in a professional and ethical manner and is not to be used for any other purpose or disclosed outside VDM Group without the permission of the individual concerned, unless authorised by law.

3.10 Outside employment

- a) Employees may not receive payment for services from any competitor, customer, supplier or anyone associated with VDM Group without approval from the chief executive officer of VDM.
- b) Any outside activity must be identified as completely separate from VDM Group, undertaken outside work hours and not in any way impinge on the Employee's work commitments. It must not represent an actual or potential conflict of interest or the perception of conflicting interests.

4. Compliance with the Code

- 4.1 The code is a public document and as a result, adherence to the code is fundamental to VDM Group's reputation in the business community.
- 4.2 The Board of VDM has endorsed this Code of Conduct.
- 4.3 Any Employee who is aware of any breaches of this code must report the matter to the chief executive officer or company secretary of VDM.
- 4.4 Strict compliance with this Code of Conduct is a condition of employment. Breaches of the Code of Conduct shall be subject to disciplinary action which may include termination of employment.