

Directors' Code of Conduct

1 Introduction

The objective of the Code of Conduct is to provide mandatory guidelines to be followed to facilitate the achievement of the highest possible standards of conduct when representing Villa World Limited (VLW). The Policy seeks to foster and maintain shareholder and market confidence in VLW's integrity.

This policy applies to each director of VLW.

Any contraventions of this policy will be noted by the Company Secretary and reported to the Chair.

Nothing in this policy shall authorise any person to act in contravention of the Corporations Act or ASX Listing Rules or any other legislation that may be applicable. Directors are at all times expected to comply with the law.

2 Obligation

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

At all times, notwithstanding any matters outlined in this Code of Conduct, Directors must act in the best interest of shareholders.

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

3 Duties

Directors must, at all times, act in the best interest of VLW in exercising their powers and discharging their duties. In doing so, directors have a duty to:

- a) act honestly and in good faith;
- b) use their powers of office for a proper purpose and not for personal advantage or for the benefit of another party; and
- c) use due care and diligence.

Every director has a fiduciary duty to VLW to which they are appointed. This fiduciary duty means that directors must act with fidelity and trust as the Board has been appointed to manage the affairs of VLW on behalf of the shareholders, and is accountable not only to shareholders, but to other third parties including creditors, regulators and the community.

The Corporations Act requires directors to act honestly and with a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties. To undertake the role of a director without taking steps to acquire and maintain a reasonable level of competence is likely to be considered negligent. Consequently, all Board members are required to take appropriate action to enable directors to be kept fully informed of matters relevant to their position as a director.

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:

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- a) make a reasonable effort to become and remain familiar with the affairs of VLW;
- b) attend all Board meetings and Board functions unless there are valid reasons for non-attendance; and
- 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 VLW, without placing undue reliance on other directors to fulfill these duties.

5 Confidentiality

Directors must observe confidentiality regarding all Board matters.

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

All information received by a director in the course of fulfilling Board duties shall be confidential and shall remain the property of VLW. It is improper for a director to disclose confidential information, or allow it to be disclosed, to any other person unless that disclosure has been authorised by VLW 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 Chair, except in cases where disclosure:

- a) has been authorised by VLW;
- b) is required by law; or
- c) 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.

In addition, the Corporations Act prohibits directors 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 VLW.

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

6 Cooperation

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 Chair of the Board and other Board members. 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.

7 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 VLW and their own personal or commercial interests. Every director must be aware of both actual and potential conflicts of interest. If a conflict arises, 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.

The Corporations Act provides that a director of a public company, who has a material personal interest in a matter, must not vote on the matter and outlines circumstances whereby the director must not be present at the meeting whilst the matter is discussed. A material personal interest can be a direct or indirect benefit (whether pecuniary or otherwise) to the director, which is sufficiently substantial.

Directors are required to disclose conflicts of interest, potential or actual, to the full Board immediately.

8 Conduct

A director should not engage in conduct likely to bring discredit upon VLW.

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

9 Complaints

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

From time to time, employees, shareholders or other persons who have a complaint about a VLW matter may approach Board members. All matters raised should be communicated to the Chair in a timely manner.

10 Outside activities

Directors must disclose all positions held as an officer of any ASX listed company.

Directors must disclose all other interests, positions, associations and relationships that may cause doubts about their independence or that may give rise to a conflict of interest, for example interests, positions, associations and relationships with:

- a) a supplier or provider of material professional services or goods to the Company; or
 - b) another company or business that is a material competitor of the Company.
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