



# Code of Business Conduct and Ethics

January 2018

## Message from the CEO

Wellington's mission is to deliver solutions to solve our customers' refrigeration energy consumption and system control problems through the development of advanced motors, intelligent control solutions and 'Internet of Things' data services. Our personal service, reliable products, Smart solutions and relentless pursuit of excellence will ensure we lead the competition and build a world-class company.

The conduct of each and every Wellington employee influences the perception of our company by our many stakeholders (including customers, suppliers, other employees, shareholders and regulators) and affects our Company's reputation. It is important that we conduct ourselves in a way that reinforces our brand and demonstrates our honesty and integrity in all stakeholder relationships.

This Code of Business Conduct and Ethics sets out the core principles we follow in carrying out our business. We all share responsibility of observing this Code to help strengthen the values on which our company is built.

At Wellington, we not only do things right, but we also should strive to do the right things. All business activities should be able to stand up to any possible public scrutiny and further investigation if required. The guidelines in this Code are based upon generally accepted standards of ethical business conduct and applicable laws. The absence of a guideline covering a particular situation does not relieve any of us from the responsibility for acting ethically and within the law. As team members, we have an onus to report suspected and actual violations of this Code, company policy and the law

I encourage all employees to read through this Code and apply its principles every day in the work you do. Through the quality of work we do, the culture we have and the contribution we all make we can be all proud to be part of Wellington Drive Technologies.

Greg Allen  
Chief Executive Officer



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## Introduction and Key Responsibilities

### All Wellington Team Members

This Wellington Drive Code of Business Conduct and Ethics ("Code") is the framework of the business conduct and ethical behaviour we expect from every person working for and with Wellington Drive Technologies Limited and its subsidiaries (the "Company" or "Wellington") regardless of location.

Wellington's people are committed to being ethically and socially responsible, and our business decisions should reflect our values, acting within the laws of the countries in which we operate. The Code provides a guide to these general principles of conduct and ethics. It brings together all of our policy principles and provides a working guide for employees to **do the right thing** when making decisions in our daily activities to:

- Act safely, ethically and responsibly;
- Act in Wellington's best interests at all times;
- Protect the confidentiality of Wellington's business information;
- Comply at all times with the principles in this Code, the legal and regulatory obligations in your country and the spirit of the law;
- Hold their colleagues accountable for behaving ethically and following this Code;
- Not engage in any activity whether within or outside of the workplace that is likely to bring Wellington into disrepute;
- Deal honestly with Wellington's people, customers, shareholders, suppliers and other stakeholders;
- Ensure that they do not knowingly enter into transactions or make commitments on behalf of Wellington that the Company cannot or does not intend to fully honour;
- Undertake their duties with care and diligence;
- Ensure that any personal opinions Wellington people express are clearly identified as their own and are not represented to be the views of the Company;
- Value individual and cultural differences and treat people with respect;
- Use reasonable endeavours, to the best of their ability, to ensure that Wellington's records and documents, including financial reports, are true, correct and conform to Wellington's reporting standards and internal controls;
- Not accept or offer bribes or improper inducements; and
- Speak up if you see unsafe or unethical behaviours.

Wellington takes this Code seriously. It is the responsibility of all Wellington people globally to promptly bring suspected violations of this Code to the attention of the Company, for the benefit of all.

Whilst the Code does not cover every situation, if you have any questions or concerns about an ethical matter, or wish to discuss an individual situation, or are unsure of the appropriateness of any activity, please speak to your manager, Company Secretary, the CEO or the chairperson of the Board.

All directors and employees of Wellington worldwide must comply with this Code as it forms an integral part of your employment relationship with the Company. Compliance will ensure that



Wellington continues to maintain and grow its reputation as a respected company in all the countries in which it operates.

## Leaders

In addition to the aforementioned responsibilities, Wellington managers (referred to as leaders) have responsibility to:

- Be familiar with the Code and supporting procedures
- Demonstrate leadership by promoting and maintaining a climate in which honest, ethical and legal business conduct is the norm
- Ensure that violations of the Code are appropriately addressed
- Maintain a work environment that encourages open discussion and resolution of all ethical and conduct concerns without the fear of retaliation
- Maintain, without compromise, our ethical and other conduct standards in achieving goals and objectives, no matter how important the goal or objective may be
- Evaluate team members not only on the business objectives achieved, but also how they are achieved
- Recognize team members whose behaviour and actions demonstrate strong ethical decision making and adherence to conduct standards

We take responsibility for our actions as individuals, as team members, and as an organization. We work together and support one another.

## Team members with internal controls over financial reporting and disclosure control roles

In addition to the above responsibilities, team members who have roles regarding internal controls and financial reporting and disclosure controls have, as outlined in the section on Corporate Disclosure and Confidentiality of Information, the responsibility to make full, fair, accurate, timely and understandable disclosure in reports and documents that Wellington files with, or submits to, securities commissions and in other public communications made by Wellington.

## Members of the Wellington Board of Directors

Wellington Board members have the responsibility to notify the Chair of the Board of any potential or perceived conflict of interest or other Code issues which arise during the course of their Board service.

## Team Members and Board Members who represent Wellington as directors on the boards of other organizations

In addition to the above responsibilities, Wellington team members and Board members who represent Wellington on the boards of other organizations have the responsibility to notify the Chair of the Board of any potential perceived conflict of interest or other Code issues which arise during the course of their service on another organizations' board. In providing such notice, Board members and team members should exercise due care to ensure that they act in compliance with their fiduciary and other obligations to the other organization and, for example, do not disclose that organization's confidential information to Wellington, without prior written approval of that organization.

## Waivers

It is not intended that there be any waivers to this Code. In the unlikely event that a waiver is considered and granted for an executive leadership team, ("ELT") member, classified as the CEO or a direct report to the CEO, or a member of the Board, it must receive prior written approval by the



Board or its delegate. The delegate must be a Board member. In such circumstances, any waivers granted to an ELT member or member of the Board must be disclosed, subject to the Wellington Policy on Corporate Disclosure and Confidentiality of Information. In the unlikely event that a waiver is considered for team members other than an ELT member or a member of the Board, prior written approval must be received from the Board of Directors and Company lawyer and must be promptly reported to the Audit Committee of the Board.

## Health and Safety

Wellington is committed to maintaining a safe and healthy environment at all our workplaces around the world, and we put the health, safety and wellbeing of our employees, contractors and visitors first. We will operate our business so that we meet or exceed statutory health and safety requirements and relevant codes of practice, and we will establish additional standards where required and continually improve our systems. We believe that:

- No business objective will take priority over health and safety;
- All accidents are preventable;
- Whilst management and the Wellington Board of Directors have ultimate accountability, we all have responsibility for health and safety;

All personnel have responsibility to stop any task they believe is unsafe and to report health & safety incidents, whether or not directly affecting them.

We will not tolerate anyone being affected by alcohol or other drugs in the workplace or in a manner that puts employees or company assets at risk. The Company accepts that substance abuse has many causes and will endeavour to support any employee in need of help.

Employees must make themselves familiar with the company's drug and alcohol policy, available from the Company Secretary and also posted online

The above principles and policies have been incorporated in the Company's Health & Safety Policy, which is available to all employees.

## Proper use of Wellington Drive's Assets and Information

Wellington people have a duty to protect the Company's assets from loss, damage, misuse, waste and theft. Wellingtons assets include property, equipment, systems, information, know-how and, intellectual property.

Wellington people will:

- Only use Wellington's assets for lawful business purposes authorised by the Company honestly and responsibly;
- Only create, and only retain, information and communications that are required for business purposes or to meet legal obligations;
- Understand the financial management policies, processes and responsibilities relevant to their role
- Only committing to a contract (or incur expenses) when they are authorised to do so, within delegated limits;



- Make themselves familiar with the company's Delegated Authorities Manual, which describes the permissions available to employees in acquiring and disposing of assets and incurring expenses. The manual is available through the company secretary.
- Try to find the best value when spending Company money; and
- Never use Company resources to achieve personal gain;

## Confidentiality

We must protect the confidentiality of Wellington's business information, which includes confidential information entrusted to the Company by our customers, suppliers, and other stakeholders. Our people must not discuss the Company's confidential information with others, or use that information for their own benefit or the benefit of others, whether during their employment or afterwards. Confidential information includes all information and data not in the public domain that has come to a Wellington person's knowledge by virtue of working for the Company.

Your obligation to maintain confidentiality of the Confidential Information is a continuing obligation and extends even after your employment ceases with Wellington.

## Intellectual Property

Our intellectual property, trade secrets and know-how is a valuable Wellington asset. Intellectual property rights enable Wellington to be known and recognized in the market place and help differentiate our products and services from our competitors.

Intellectual property rights also protect the valuable intangible assets generated or acquired by Wellington. At Wellington we work together to protect our intellectual property just as we respect the proprietary rights of others.. Intellectual property rights include trademarks, copyrights, patents, industrial designs, confidential information, know-how and trade secrets.

Examples of materials involving intellectual property rights that we may come across in our work include, but are not limited to, branding, logos, creative suggestions and ideas, pictures, audio and video products, written materials and computer software. When we create intellectual property either individually or as part of a team, this property is owned by Wellington and we work to document the ownership of such Intellectual Property. Intellectual property can be many things such as marketing strategies, business plans and other items. If you are not certain about what constitutes Intellectual Property contact the CTO, CFO or the Company Lawyer.

We respect the proprietary rights and assets of others. These include both tangible properties and intangible assets such as those protected by intellectual property rights. Intellectual property rights include trademarks, copyrights, patents, industrial designs, confidential information, know-how and trade secrets. Examples of assets containing intellectual property rights that we may come across in our work include, but are not limited to, written materials, logos, creative suggestions, pictures, audio and video products and computer software. We respect licenses and conditions of use that apply to the intellectual property of others. Copyright materials are not copied in whole or in part, or used in violation of any law or agreement with vendors, licensors or any other party.

## Continuous Disclosure

Wellington is subject to information disclosure obligations, which are designed to ensure that the New Zealand Stock Exchange on which Wellington's shares are publicly traded are fully and effectively



informed about Wellington's business. Wellington's Group Market Disclosure Policy, which is available to all employees, contains comprehensive policies and procedures to ensure compliance with the information disclosure obligations and which are available to all employees.

## Use of Computerised Information Systems

The Company's computerised information systems (intranet, internet, phone and email systems) are critical to our jobs. Wellington invests in its systems providing access to a range of IT resources to connect and collaborate with others. These systems and resources, such as data storage and Wi-Fi, are intended to be used for business purposes only. As a user of these resources, Wellington people have access to valuable information, sensitive data and internal and external networks that must be protected and used responsibly. This includes only using software that we have legal right to access, keeping passwords safe and secure and taking precautions to protect security, integrity and confidentiality of the company's systems and information.

Wellington people will use our computerised systems in a responsible, ethical and legal manner. They are not to be used for objectionable, unethical or illegal activities.

Incidental and reasonable personal use of our resources (email, internet, social media) at work is acceptable as long as it: does not affect your (or others') job performance or productivity; and doesn't interfere with system performance or consume significant time or resources; and does not violate other Company policies.

Employees must take special care if posting any information about Wellington or Wellington employees or other stakeholders on the company or their personal websites, blogs, email or social media sites. In our personal electronic communications using either Wellington-provided devices or personal devices where we are identified as a Wellington team member, we should:

- Remember that these communications provide a permanent record
- Use common sense when offering personal opinions to avoid subjecting either Wellington or us to legal action.
- Not disclose information that is confidential to Wellington or provided in confidence to Wellington.
- Show respect towards other persons and organizations and avoid defamatory, discriminatory, harassing or sexual messages.
- Avoid offensive content of any kind, including pornography and materials promoting violence, discrimination or hatred.
- Not display the Wellington logo or brand images in personal communications without written permission from the CEO or Board of Directors.
- Not disclose personal information about ourselves that we do not want the public to be aware of, nor disclose personal information about others.

Employees are forbidden, unless by explicit permission from the CEO, CFO or Board of Directors to post company information or personal viewpoints about the Company on Company social media sites. Whilst the company cannot control postings on personal sites employees are reminded to adhere to this guidelines in this Code listed above in the event that they do.

Release of company confidential information on personal social media sites is covered by the confidentiality obligation of all employees



## Respectful Workplace / Diversity and Human Rights

We are committed to treating all current, potential and past team members, as well as all partners, suppliers, shareholders, and customers (and others stakeholders) in a non-discriminatory and harassment free manner. In addition, we are committed to maintaining a respectful work environment that supports the contribution, worth and human rights of all team members. Every team member has the right to a workplace that is free of unacceptable behaviours and has the obligation to treat others in the same manner. Unacceptable behaviours include bullying and discrimination and harassment based on race, national or ethnic origin, colour, religion, age, sex, gender identity, sexual orientation, marital status, family status, disability and conviction for which a pardon has been granted or in respect of which a record suspension has been ordered. Wellington “work environment” and “workplace” is not limited to Wellington’ business premises and is not limited to normal business hours. These terms also encompass any activities or events that happen outside of normal business hours or outside of Wellington business premises, but are linked to the Wellington workplace and the team member’s employment with Wellington.

Each of us is a valued member of the team. Harassment or discrimination of any kind is not tolerated. Though the spirit of the law is the same, the human rights legislation that Wellington companies are subject to may differ slightly, depending on which Wellington Company is involved and which jurisdiction it is operating in. For example, some of the grounds for discrimination and harassment may differ slightly. Any such behaviour that contravenes local or international Human Rights conventions can be unlawful, is destructive to the work environment and ultimately to work performance. Wellington will treat all complaints regarding discrimination, bullying and harassment seriously and will attend to and investigate complaints promptly, confidentially and impartially.

### Hiring process

Our people are critical to our business. Wellington is committed to attracting, developing and advancing the best person for the role. We ensure our selection processes for recruitment and employee development are unbiased and are based on merit. Wellington values diversity and has a workforce consisting of many individuals with diverse skills, values, backgrounds, ethnicity and experience. We attract and retain a diverse workforce and this diversity brings a range of ideals, skills and innovation to Wellington, which assists in achieving our objectives.

## Contributing to our Communities

We are committed to supporting the communities where our team members live and work. We allow team members to support our communities by volunteering and participating in charitable activities. While representing Wellington and contributing to our communities, we must adhere to the following:

- Adhere to the Wellington Code of Conduct values and uphold the standards in this Code to ensure we always represent Wellington in an ethical manner
- Ensure that these outside activities do not interfere with our job performance or create a conflict of interest
- Obtain proper approval through the CEO and CFO team before donating Wellington funds or making contributions in Wellington’s name
- Make it clear that the views expressed through our participation in community activities are our own personal views, not those of Wellington



## Outside employment and other non-Wellington activities

As team members, we are free to engage in outside business activities on our own time. However, these activities must not conflict, or have the potential to conflict, with Wellington's best interests or with our ability to perform our job for Wellington. As a general guideline, team members may not work for, or be engaged in business activities for, enterprises that are competitors or suppliers of Wellington. A conflict may also arise if, for example, we use assets such as our corporate phone or laptop, or tools paid for or developed by Wellington, when engaged in such outside business activities. If you are considering starting your own business or accepting a second job, you are required to advise the Company Secretary and CFO to ensure there is no conflict of interest. Working for an independent Wellington distributor and Wellington at the same time is a conflict of interest and is not permitted. It's not possible to list every potential conflict of interest situation. If you are not sure, contact the Company Secretary or CFO. It is also conflict of interest to have an outside interest that demands so much time and energy that it interferes with the team member's ability to complete their Wellington work. This could include any personal, community and charitable activities that require time and effort during normal working hours, except for situations where the individual is acting in a representative capacity at the request of Wellington with the explicit and written permission of the CEO and/or Board of Directors

## Environment & Sustainability

We believe there is a harmonious relationship between our company, our team and the health and prosperity of our communities and are committed to environmental stewardship and responsible corporate citizenship. We advance this commitment and responsibility through our balanced approach to business, delivering economic growth with products that amongst other attributes offer energy saving benefits and form a part of a focus on meeting our environmental and social responsibilities.

Wellington's values are demonstrated by our compliance with applicable environmental legal requirements, for example, ensuring RoHS (Restrictions Hazardous Substance Directive) compliance for our electronics products, and our actions to continually improve our environmental performance and build a sustainability culture.

Team members will be encouraged to consider economic, social and environmental factors in their day-to-day strategic planning, decision-making, product development and business operations.

Wellington believes in supporting the environment and the conservation of natural resources.

## Competitive Practices

We are fair in what we say about others' products and services and we are committed to lawful competition based upon the merits of our products and services and do not support any agreements or actions that restrict or impede fair competition in contravention of applicable law.

Competition (anti-trust) law is complex, and global in nature, and its application depends on the facts of a particular case. Team members with sales, marketing and pricing responsibilities, as well as senior leadership, function in areas that tend to involve risks for violating competition laws, particularly matters that include:

- Establishing terms and conditions as well as pricing and promotional strategies for Wellington products and services
- Developing advertising materials for Wellington products and services
- Negotiating, communicating or interacting with competitors



- handling or using data about competitors
- participating in trade associations that include competitors as participants, or
- selecting or negotiating with vendors. We are committed to comply with the law everywhere in the world that we operate.

Team members performing these functions should consult with the CFO and Company Lawyer to ensure they are appropriately educated and trained with respect to competition law, and that they receive appropriate advice and specific guidelines to address relevant competition law issues that are applicable to their situation. Team members are also required to report to CFO and Company Lawyer any contravention or suspected breach of competition law requirements. In addition, it is often essential to involve legal counsel early in the process of developing new commercial initiatives given the many uncertainties that can arise in the application of this area of law.

## Dealing with Governments or Government Departments

Wellington values its relationships with governments at all levels and often works with New Zealand and other country government departments to ensure it complies with local regulations and to advance its business interests. Team members dealing with governments or governmental organizations, either locally or internationally must be aware of legal, regulatory and policy requirements in such areas as lobbying, gifts and benefits, conflict of interest, bribery and corruption, hiring ex-government employees and procurement processes.

Wellington team members and board members actively and openly communicates with many levels of governments, expressing views that affect our business and our industry. Team members or consultants/contractors acting on behalf of Wellington will not engage in lobbying activity unless they are registered as lobbyists and authorized to do so by the Wellington Board of Directors.

Team members having contact with elected officials, their staff, and government employees (including those of Crown Corporations), Country Ambassadors and ambassadorial staff should consult with the CEO, CFO and Company Lawyer as required to ensure compliance with the appropriate lobbying regulations.

Team members should be aware of laws and regulations restricting or prohibiting government officials from accepting gifts or entertainment or from placing those officials in an actual or perceived conflict of interest with regard to their employer. Team members should be aware of restrictions placed by governments on their former employees from accepting employment or work, or advising or accepting appointment to a board of directors of entities with which they had significant official dealings for a specified period of time after leaving government employment.

## Political Activities

As private citizens, we are free to engage in political activities and support causes, candidates or political parties of our choice. Unless expressly approved by Wellington's Board of Directors, we will not, however, associate Wellington with our personal political activities. Wellington will not reimburse personal political donations in any form. As a responsible corporate citizen, Wellington may choose occasionally make contributions to a political party, campaign or candidate in New Zealand, as a means of supporting the democratic process, but only where legally permitted and not to secure favours or preferential treatment. All political contributions, whether direct, sponsorship or in-kind, must be made by explicit Board approval. No political contributions are permitted in countries other than New Zealand. An employees' personal political contributions and activities must be kept separate from Wellington.



## Involvement in a legal matter

If you are involved in a legal matter, whether of a civil, criminal or regulatory nature, that has the potential to affect your ability to perform your job or harm the reputation or interests of Wellington, you must immediately inform the Company Secretary CFO or CEO. If a team member comes across a suspected illegal activity or material (e.g. child pornography) in the course of their work, they should report it immediately to their manager whom will determine the appropriate course of action such as reporting to the appropriate authorities.

## Improper Influence on the Conduct of Audits

Directors and Team members, or any person acting under the direction of a Director or Team member, are prohibited from directly or indirectly taking any action to improperly influence, coerce, manipulate or mislead the Company's external or internal auditors or their representatives.

## Conflicts of Interest

A conflict of interest occurs when an individual's interests interfere, or appear to interfere, with Wellington's interests. The Company expects its people to act in Wellington's interests at all times, avoid conflicts of interest and to not:

- Engage in any other business or commercial activities which conflict with their ability to perform their responsibilities to Wellington;
- Be involved in any activity which puts the person in competition with Wellington or benefits anyone who is in competition with Wellington;
- Be directly or indirectly interested or concerned in any capacity including as a shareholder or as a director, employee or contractor with any other business that directly or indirectly competes with Wellington;
- Take any opportunity discovered through the use of Wellington property, information or position, for themselves;
- Use Wellington property (including Wellington's name, brands and intellectual property), information or position for personal gain; or
- Engage in any other activity that could conflict with Wellington's interests.

Examples include accepting positions of work with other organisations while still employed by Wellington, investment activities and acceptance of inappropriate gifts or favours. Before a conflict of interest arises employees should speak to their manager who will then discuss the matter with the appropriate Wellington executive and if necessary Board of Directors. Employees must have the prior approval of the Company to engage in an activity that could present a conflict of interest.

## Gifts and Benefits

Wellington's people must disclose to their manager all gifts or personal benefits of any value offered by or received from external parties to the Company and must not accept them if it could be perceived that such acceptance could compromise or influence any decision by the Company. Similarly, Wellington people must not give or offer any Gifts or personal benefits to third parties with whom the Company does business if it could be perceived that they are intended to influence decision-making



by the third party. In any event, any such offer must be within clear guidelines set by the Company or otherwise approved by the employee's manager.

A gift can be anything of value. It may include tangible items, but not limited to, items such as cash, jewellery and art. A benefit includes intangible items such as discounts, services, loans, favours, special privileges, preferential treatment, advantages, and rights that are not available to the general public. They include invitations to sports, cultural, charitable or social events, or access to discounts and loyalty programs. While their value may sometimes be difficult to quantify in dollars, they may be highly valued by the intended recipient and therefore used to take advantage or influence their behaviour. Accepting substantial gifts from contractors, suppliers, vendors, and other partners could be seen as "presumptively fraudulent" because of the potential to create undue influence. If ever unsure of an offering of a benefit or gift, please contact the CEO, CFO or Company Secretary.

It is important to remember that "anything of value" can also include things that benefit the recipient's family members or friends. Wellington team members shall not authorize, offer or accept, directly or indirectly, gifts, or benefits to or from any organization or person having business dealings with Wellington other than as described below. These guidelines apply at all times and do not change during traditional giving events or seasons.

It is not a conflict of interest to authorize, offer or accept hospitality or entertainment or to offer a discount for Wellington products and services, provided it is reasonable, and is within the limits of responsible and generally accepted business practices. However, team members should not authorize, offer or accept gifts or benefits that they believe are intended to influence, or appear to influence, a particular business decision. Gifts of cash or cash equivalent (such as a gift card) should not be authorized, offered or accepted, regardless of the amount.

Reasonable gifts and entertainment are courtesies intended to engender goodwill and positive working relationships among business partners. We do not, however, want to use improper means to obtain business or gain any special advantage in a business relationship or put ourselves in a situation where we feel a sense of obligation created by accepting a gift.

Wellington employees are able to accept normal business related items from suppliers and customers, such as meals and drinks and if offered (but not solicited) corporate related items such as customer branded t-shirts, business card holders, pens and pencils, in the normal course of developing business relationships. Employees must use their judgement in determining the appropriateness of such offers, as an example recognising the difference between a normal business dinner (with a cost in the hundreds of dollars per person) paid for by a supplier or customer and something that could appear to be unusual (like a dinner that would be at a higher end establishment in the thousands of dollars).

There may be circumstances in certain countries and cultures where not accepting a gift could result in an adverse reaction from the gift giver, and could be taken as affront and damage business relationships. A practical example here may be a Chinese supplier giving a Chinese New Year gift in the form of an office ornament. Employees are to use their judgement in these circumstances and should they decide to accept a gift in this circumstance they must report the acceptance of the gift and pass the gift over to the Office Senior Manager in their region or Company Secretary if in New Zealand, at the earliest opportunity

Employees are required to turn down such items if they feel uncomfortable accepting or believe the offer is intended to be more than normal business relationship development. Under no circumstances should an employee accept payment for major cost items such as hotels, flights, and extravagant gifts beyond corporate items. The basic rule for giving and receiving of gifts is "if in doubt, don't".



Gifts and benefits that are acceptable for Wellington team members to authorize, offer or accept in the normal course of business are typically less than \$500 New Zealand or the close equivalent in other currencies and include:

- Attendance at local sports or cultural events
- Business lunches or dinners
- Transportation to or from the customer's or supplier's place of business
- Hospitality suites at conferences or events
- Small seasonal holiday gifts

Team members should not authorize, offer or accept gifts or benefits that are intended to influence or may appear to influence business decisions. Business meals and entertainment provided by external parties must be unsolicited, infrequent with any particular business or person, in good taste, and undertaken for legitimate business reasons, including engendering goodwill and developing business relationships. If the provider of the meal or entertainment is not in attendance, it is considered a gift and can only be of nominal value.

If you are not sure whether a gift or benefit is acceptable, ask yourself:

- Would the gift be considered customary given the nature of your role with Wellington?
- If the gift or benefit was reported in the media or to the Wellington CEO, would the perception be neutral or positive?
- Would the gift complement or enhance a business relationship?
- For offers of hospitality or entertainment, is the person extending the offer attending with you?

If the answers to these questions are “yes,” and based on your good faith assessment, you may accept the gift.

If the answers to these questions are “no”, you should politely decline the gifts or entertainment. If that would be difficult or embarrassing to the provider, ask your manager or Executive Leadership team member for advice.

It is important to remember that while something less than \$500 would typically be considered an acceptable value for a gift or benefit, in certain circumstances it may be considered a bribe (and therefore not permitted) since a bribe does not have a specific minimum value. A bribe is any payment; gift or benefit intended to influence the judgment or conduct of a person in a position of power, authority or trust to try to obtain a business advantage. It also includes a payment, gift or other benefit that is intended to reward a person for a business advantage that has already been given. As mentioned above in the context of facilitation payments, bribe amounts can often be relatively small. The determining element is the exchange of personal benefit for business advantage.

Reasonable hospitality conferred with a view to engendering goodwill and without an expectation of a specific business advantage in return is not a bribe.

Team members should never use the giving of gifts, benefit or entertainment to place undue influence on Wellington business partners. It may be appropriate to attend third-party paid seminars, conferences or vendor-hosted events if there is a clear benefit to Wellington for attending and the attendance is approved in advance by the Company's Management. To avoid a real or perceived conflict of interest, team members should consider having Wellington fund incremental expenses (e.g. airfare and hotel).

### **Gifts and Benefits within the Supplier Management Teams**

Team members with supplier selection, negotiation, purchasing or contract management roles within Wellington are subject to more stringent professional purchasing requirements regarding gifts and benefits and maintaining appropriate relationships with suppliers and should therefore not accept any



gifts or benefits from suppliers or potential suppliers without the explicit and written permission of the CEO or CFO. Where the value of any gift or benefit is \$500 or greater, the CEO or CFO must also provide a reason for acceptance of the gift or benefit to the Board of Directors including a description of the gift or benefit, approximate value, the name of the party conferring the gift or benefit and the reason).

Team members with supplier selection, negotiation, purchasing or contract management roles are not limited to team members within the Procurement and Supply Chain Management team, but include team members in any area of Wellington that have the ability to either make or influence decisions around matters including:

- The selection of suppliers, including service providers such as law firms, accounting firms, IT professionals, consultants, and suppliers of any type of hardware, software, equipment or other tangible items;
- The negotiation of contract terms with one or more supplier(s);
- The volume of goods or services to be purchased or acquired from one or more supplier(s); or
- The ongoing management of the relationship with one or more supplier(s), including decisions whether to renew or terminate any such relationship.

## Dealing with Suppliers

We value our relationship with all suppliers (including contractors, distributors and consultants) and those acting on behalf of Wellington because they contribute to our overall success. We strive to ensure our business dealings with them are ethical and that they understand our expectations of them as outlined in our Supplier Quality Manual and Supplier Contractual Terms.

### Selecting Suppliers

- We strive to award business to suppliers who are in compliance with applicable laws in their business operations, including in their relationships with their employees, their communities and Wellingtons
- We strive to select our suppliers based upon objective and fair criteria including, but not necessarily limited to, business need, price, service, quality, reputation for ethical conduct and health, safety , employee practices and environmental business considerations.

### Adherence to applicable Wellington policies

- We expect the suppliers with whom we do business to demonstrate values and standards similar to those in the applicable Wellington policies.
- We strive to ensure that our suppliers are made aware of Wellington supplier policies that are applicable to the work for which they are being engaged.

### Supplier-funded incentive programs and rebate systems

- Supplier-funded incentive programs such as rebate systems, are often offered by suppliers seeking to sell their products and services. Any such programs must be approved in advance by the CFO or CEO and Head of Manufacturing.

## Insider Trading

Wellington is a publicly listed company. Our people must comply with insider trading laws. Using "inside information" (i.e. information which has not yet been made public about Wellington or Wellingtons business) for personal gain by buying or selling shares in Wellington, or by passing the



information on to third parties, or encouraging third parties to trade or hold shares in Wellington when you hold inside information, is illegal. To help you understand your obligations when you have "inside information" the Company has strict rules for staff trading in Wellington shares, which are available to all our people, that must be followed at all times. These rules, called "Rules for Staff Trading in Wellington Securities", set out an approval process that you must follow before you may trade in Wellington's shares. Please contact the Wellington Group Company Secretary for a copy of the Rules for Trading in Wellington Securities.

## Documentation and Financial Reporting

Complete and accurate recording and reporting of information is critical to protecting our reputation, credibility and meeting our legal obligations.

Wellington people will at all times exhibit and promote the highest standards of professional, honest and ethical conduct that:

- Ensures that business transactions are properly authorised and completely and accurately recorded in Wellington's books in accordance with Generally Accepted Accounting Principles and established Company policy;
- Encourages and rewards professional integrity in all aspects of the financial organisation;
- Ensures the retention or deletion of Wellington's records in accordance with established financial policies and applicable legal and regulatory requirements;
- Ensures that Wellington's auditor is not improperly influenced for the purpose of rendering financial statements materially misleading;
- Ensures all financial communications and reports are delivered in accordance with all legal and accounting requirements, and fairly and accurately state the results of Wellington;
- Promotes the continuing education of the finance organisation in all matters affecting the operation of the finance organisation and Wellington generally;
- Requires members of the financial organisation to inform senior management, or, in appropriate circumstances the Audit Committee, of deviations from policies and procedures governing the operation of Wellington's financial systems and reporting; and
- Reports and corrects in a prompt manner any detected deviations from accounting, legal or policy requirements.

## Fraud

We have a zero tolerance stance with regards to instances of confirmed fraud. Fraud can be simply defined as any intentional act, omission, deception, falsification or misrepresentation designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain. As team members we will not engage directly or indirectly in fraud, including account falsification, expense fraud, time fraud, or any other fraudulent practices or reporting. If you are approached by anyone who you feel is or may be suggesting engagement in fraudulent activities, or if you are aware of situations that may involve fraud, you must report the incident to the CEO, CFO or a board member.



## Compliance with the Law

We comply with all applicable laws of the countries where we conduct business. Team members should understand and comply with the laws that relate to their work. It is the responsibility of leaders to ensure that members of their team are aware of their responsibilities in this regard and to seek advice from the CFO and/or Company Lawyer or other resource as appropriate if they are unsure, especially for transactions that cross international borders or involve foreign laws.

Team members should be aware that many countries have laws that regulate the import and export of goods, services, software and technology for a variety of reasons, including national security and foreign policy. Wellington people will:

- Familiarise themselves with and abide by the laws, rules and regulations of the countries in which they are operating;
- Undertake training on legal obligations and policies as required by Wellington; and
- Comply with all statutory, stock exchange and internal disclosure requirements on a timely basis.

## Delegated Authority

The Wellington Board of Directors delegates the day-to-day responsibility for managing the business of the Company to the Chief Executive Officer. The Chief Executive Officer in turn delegates to other levels of management the authority to make operational and financial decisions within defined limits.

The rules that govern this system are called the Delegated Authority Framework.

Wellington people will:

- Ensure that they understand the Delegated Authority Framework that applies to their position in the Company;
- Only act within the Delegated Authority Framework and any authority that may be specifically given to them as a Delegated Authority holder; and
- Ask their manager if they are uncertain as to their Delegated Authority level of authority.

If you suspect that a breach of the Delegated Authority Framework rules or limits has occurred (or is about to occur), you should advise your manager and the Delegated Authority holder who should have correctly approved the transaction as soon as possible. You may also use the compliance escalation procedures discussed below under "Reporting Concerns".

## Personal Integrity

Individually and collectively, our personal integrity supports the honest use of company resources such as time, funds and property in dealings with co-workers and others. Business needs must take priority in the allocation of our time at work. Use of company resources is for business purposes only unless otherwise authorized by the appropriate leadership. While we respect the privacy and autonomy of our team members in their personal lives, their actions, both in the workplace and outside it, have the potential to negatively impact the reputation of our company.

### **Questions to Ask Yourself if faced with a difficult situation**

Use these questions to guide you to the best course of action when you are faced with a difficult decision. Gather information and then determine if the situation you face is an ethical issue. The questions below may help to clarify your situation and ethical action.



1. What is my immediate feeling about this?
2. Does this comply with our policies and procedures?
3. Is this legal?
4. Is this an expected part of my job?
5. How would others perceive this action?
6. Would I or Wellington be embarrassed if this situation were disclosed in the media?
7. Would I be putting Wellington or myself at unnecessary risk?
8. What impact would this have on my or the Company's reputation?
9. Is this taking revenue or customers away from Wellington or otherwise negatively impacting on Wellingtons' interests?
10. Does this affect my judgment to act in the best interests of Wellington?

We rely on all team members to use good judgment to guide behaviour and to ask questions in situations where the proper course of action may be unclear.

## Reporting Concerns and Potential Issues

If you become aware of a breach or threatened breach of this Code or any breach or threatened breach of a legal obligation or Wellington policy, you are responsible for reporting it to the Company. In the first instance, this should be to your manager. If this is not appropriate in the circumstances, you should report the breach to:

- Your manager's manager; or
- The Company Secretary; or
- The Chief Executive Officer; or
- The Chair of the Audit Committee or if unavailable the Board Chairperson

Wellington will stand behind any employee who, acting in good faith, reports a breach, serious problem or wrongdoing.

Employees are not required to follow normal organizational chain of authority in reporting any matters and may without prejudice and if they feel the need due to potential conflict or fear of reprisal, report issues directly to the CEO or Board member or as prescribed above.

Wellington will take all reasonable steps to keep the identity of the person making the report confidential and will only disclose such identity to others on a "need to know" basis.

## How Management and Directors will handle complaints and Inquiries

### Assessment of complaint

All complaints will be taken seriously and investigated in a timely manner. If substantiated, the complaint will be resolved through appropriate corrective action and/or discipline. If you make a complaint and choose to identify yourself, you will be notified when the review of your complaint is completed. Every effort will be made to maintain privacy and confidentiality for those who report or who are accused of a breach of this Code (although disclosure may be necessary in some cases to effectively conduct an investigation, take corrective action or support legal proceedings or otherwise as required by law).



It is expected that all reports to the Company will be made in good faith. Deliberately or recklessly making false complaints could result in disciplinary action

### **Protection for Reporting**

We support and encourage our team members to come forward in order for the CEO, Board and other subject matter experts to investigate and allow for a proactive response to potential areas of concern. Retaliation or retribution against a team member for contacting the Company or for assisting or participating in an investigation of a complaint violates our ethical principles and will not be tolerated. If you feel you have been retaliated against, you should contact the CEO or a board member immediately. Wellington will not tolerate retaliation against team members who report suspected misconduct or provide information as part of an investigation.

### **Opportunity to Respond**

If it has been found that a team member has breached or has likely breached this Code, the team member will be informed of the complaint in due course. He or she will be provided the opportunity to respond and, where appropriate, to contribute to the correction of the breach.

### **Reporting of Breaches**

Any breach of the Code will be reported to senior leadership with recommendations for action. Ethical issues reported to the a Board Member, Leadership team member or Board of Directors will be summarized quarterly and reported to the Board and the Audit Committee of the Board, together with results of investigations, recommendations and action. The Chief Financial Officer will report significant complaints regarding accounting, internal accounting controls or auditing matters directly to the Chair of the Audit Committee of the Board.

### **File Documentation**

Records of the report and investigation, including contents of meetings, interviews, results of investigations and other relevant material, will be maintained by the Company Secretary in a separate file, and managed in accordance with the Wellington Confidentiality Policy. Disclosure of information internally will be strictly limited to a need-to-know basis.

## **Breach of this Code of Conduct**

Our Code represents our commitment to do the right thing in all business and personal interactions relating to Wellington, including respecting the rights of others. As Wellington team members, you agree to uphold this commitment. If you don't, you could put yourself, your colleagues and Wellington at risk.

Failure to comply with this Code may amount to a serious breach of the terms of your employment with Wellington, which could lead to disciplinary action against you, including immediate termination of your employment and without notice or any compensation. Breaches of law may also result in civil or criminal penalties.

## **Further Information and Contacts**

This Code does not prescribe an exhaustive list of acceptable and non-acceptable behaviours, and is in addition to Company policies and terms of employment (some of which expand on the content of this Code), including those, which are specific to each employee's country. This Code is also to be read subject to the laws in the employee's country. This Code is subject to annual review by the Wellington Board of Directors.



If you have questions about this Code please contact the Wellington Group Company Secretary.

Approved by the Board : 26<sup>th</sup> January 2018

## Specific List of Accompanying Guidelines and Policies

Company Health and Safety Policy

Supplier Quality Policy

Group Market Disclosure Policy

Delegated Authorities Manual