

ETHICAL CONDUCT POLICY

PURPOSE

The purpose of the Ethical Conduct Policy (Policy) is to set the ethical standards expected of directors, staff and anyone acting on behalf of Abano Healthcare Group and its subsidiaries and provide a practical set of guiding principles.

These standards recognise Abano Group's commitment to engaging in sound practices, respecting others and accepting responsibility for our behaviour. Employees are expected to be familiar with the Ethical Conduct Code and the behaviour it prescribes; and to do their best to apply this behaviour in all circumstances.

Each employee or representative of Abano Group shall avoid those situations which do, or which appear to, present a conflict between his or her personal interest and the best interests of Abano Group.

Failure by employees to follow the standards provided in this Code may lead to disciplinary action being taken, which in serious cases, could lead to termination of employment.

DEFINITIONS

Abano refers to Abano Healthcare Group Limited, also referred to as **the Company**

Abano Group refers to Abano Healthcare Group Limited and all its subsidiaries

Board and Directors are the Board and Directors of Abano, unless specifically referred to as board and directors of a subsidiary business owned by Abano

Ethics Officer: The CFO of Abano Healthcare Group Limited holds the role of Ethics Officer

Staff is defined as all Directors, employees, contractors and service providers of Abano Group

Subsidiary businesses are included in the Abano Group definition unless specifically referred to as a subsidiary business

OBJECTIVES

- To provide a clear framework to enable staff to make decisions and undertake their day to day responsibilities in an ethical manner that is consistent with Abano Group's values, business goals and legal and policy obligations
- To provide guidance of ethical conduct, using examples of more common business ethics issues.

POLICY OVERVIEW

This Policy is in accordance with New Zealand laws and complements other Abano governance policies and codes. In particular, the Board believes this Policy is in line with Principle 1 (Code of Ethics) set out in the FMA Corporate Governance Handbook December 2014; and with the NZX Corporate Governance Best Practice Code section 1 (Code of Ethics).

It is not possible to set forth all applications of the Ethical Conduct Policy that might arise but this Policy provides guidance concerning the more common business ethics issues. Specifically addressed are:

- Standards of Personal Behaviour
- Conflicts of Interest and Political Donations
- Gifts, Entertainment
- Bribery
- Use of corporate Assets, Property and Information
- Fair Business Practices
- Fair Employment Practices
- Securities Trading
- Contract Compliance
- Delegated Authority

This Policy covers the following areas:

- Policy Guidance
- Reporting Violations
- Disciplinary Measures
- Compliance Monitoring and Reporting
- Responsibilities

POLICY GUIDANCE

Standards of Personal Behaviour

Staff and Board members of Abano Group shall conduct their business lives in compliance with the letter and the spirit of applicable laws and regulations. Each employee, contractor or representative of the Abano Group is expected to:

- work within the law
- observe the highest level of professional behaviour
- act honestly with high standards of personal and professional integrity
- act in a manner that does not bring the Abano Group's reputation into disrepute
- undertake duties in a manner that ensures the employee or contractor's safety and the safety of others
- show respect for fellow employees, contractors, customers and members of the public
- deal with customers, shareholders, clients, suppliers, competitors and other stakeholders fairly, honestly and with high standards of personal integrity
- Will not enter into transactions or make promises on behalf of Abano Group that Abano Group does not intend to honour.
- To the best of their ability, Directors will use reasonable endeavours to ensure that the Company's records and documents, including financial reports, are true, correct and conform to the Company's reporting standards and internal controls.

Conflicts of Interest

Staff, directors and representatives of Abano Group are expected to avoid actual and potential conflicts of interest. The Company expects its people to act in the interests of Abano Group at all times and not engage in any activity which could conflict with the Abano Group's interests.

A conflict of interest arises in any situation in which a staff member has a personal interest (including through a relative) that influences or could appear to influence the employee's judgement or action in conducting Abano Group business. It can be any direct or indirect interest, investment or association which interferes with a staff member's ability to use independent judgement in performing his/her duties to Abano Group. The facts of each case will determine whether there is an actual or potential conflict.

Where possible, Directors should avoid conflicts of interest. When a conflict arises, the Director should declare the conflict and, in accordance with Section 1.12 of the Constitution, that director is not counted in the quorum and shall not vote on the matter. Each Director will fully disclose all relationships they have with Abano and relevant private or other business interests to the Board, in order that the Board may assess the Director's independence.

Directors shall not support a political party or organisation other than in a personal capacity, without the prior consent of Abano. Abano's policy is that political donations will not be made.

Any related party transactions are reviewed and approved at Board level, and if necessary, entered into the interests register.

Schedule 1 outlines examples of the most common types of conflicts of interest including: Business Interests, Indirect Interests and Relationships, Use of Information, Corporate Opportunities, Employment of Related Individuals.

Gifts, Entertainment & Other Payments

Enduring business relationships are best based on sound business principles. They are not enhanced by giving or receiving substantial or excessive gifts, entertainment or favours. Directors and employees shall not solicit or accept gifts, favours or loans, either directly or indirectly, from those with whom we do business.

Entertainment is an accepted business custom when conducted within proper limits. Participation in business-related functions, including the giving and receiving of meals on occasion, is a normal and permissible business practice. These and other forms of business-related entertainment, is permissible if the value and frequency of such entertainment is reasonable and appropriate and otherwise meets the criteria for gift-giving in Schedule 1.

Moderation and appearances are key. When in doubt, staff should consult with their manager or Abano's Ethics Officer as to whether they accept/provide gifts and entertainment. In summary, nothing should be solicited or accepted which would impair or appear to impair you from acting in the best interests of the Abano Group.

Koha is a gift or contribution given on appropriate occasions made in the context of a Maori (or another culture's) custom. Koha may only be given if it is culturally appropriate and there is no expectation that the recipient provides something in return.

Any gift or koha given or received by staff to the value of \$200 or more is required to be disclosed to the Ethics Officer and recorded in the Gift Register.

More details on the giving and receiving of gifts and entertainment are included in Schedule 1.

Bribery

The Abano Group does not, under any circumstances, tolerate or condone the payment or receipt by staff or a representative of the Abano Group of any sum of money in the nature of an undisclosed commission, kickback, or bribe in connection with obtaining or retaining business, a contract, or an award.

The use of Abano Group funds, property or anything else of value (including providing free services) for any purpose which would be in violation of this Policy is prohibited.

Use of Corporate Assets, Property and Information

Staff should use their best endeavours to protect the Abano Group's assets (including its systems, information, intellectual property and networks) from loss, damage, misuse, waste and theft.

Staff must only use the Abano Group's assets for legitimate business purposes authorised by Abano and not for personal gain or interest.

Staff are permitted to use computers and other devices such as ipads and mobile phones for limited and reasonable personal use. Users must abide by the conduct described in Abano's Internet Email and Computer Use Policy. In particular, users must not send (or cause to be sent), upload, download, use, retrieve, or access any email or material on any of Abano Group's computer network that: is obscene, offensive or inappropriate; causes (or could cause) insult, offence, intimidation or humiliation; may be defamatory or could adversely impact the image or reputation of Abano and its businesses; is illegal, unlawful or inappropriate; affects the performance of, or causes damage to any Abano Group computer system in any way; gives the impression of or is representing, giving opinions or making statements on behalf of Abano Group without the express authority of Abano Group.

Staff must protect the privacy of the Abano Group's confidential business information, including confidential information entrusted to Abano Group by customers, work colleagues, suppliers and stakeholders, except where disclosure is permitted or required by law.

Any patent, design, copyright or other form of intellectual property or proprietary interest developed by anyone working for Abano Group in the course of their duties is the property of Abano.

Fair Business Practices

It is the policy of the Abano Group to comply fully with the fair business laws of all countries in which we do business. The Abano Group is committed to the public policy goals embodied in these laws including those relating to the protection and promotion of competition and free enterprise.

The requirements of competition laws fall into two main categories:

- Collective behaviour resulting from relationships between competitors such as Relationships with Competitors, Price Fixing, Territorial Allocation and Customer Allocation
- Unilateral behaviour involving misuse of market power.

Situations which raise these or any fair business practice concerns must be discussed immediately with Abano's Ethics Officer.

Further detail on the ethical conduct of staff in regards to Fair Business Practices is outlined in Schedule 1.

Fair Employment Practices

The Abano Group is an equal opportunity employer. Our commitment to providing equal opportunity to all is a primary consideration in the successful operation of our business. Through fair and equal treatment of all people, the Abano Group will continue to protect the interests of our people, our customers and our shareholders.

We are committed to maintaining a diverse work environment that permits every employee to be free from sexual, racial and any other form of harassment by any co-worker, supervisor or other person. All employees must be allowed to work in an environment free from sexual or racial overtones and intimidation.

The Abano Group will act affirmatively in accordance with the Human Rights Act 1992. This Policy is in line with Abano's Diversity Policy.

Securities Trading

Staff must adhere to the procedures set out in Abano's Share Trading Policy for Share Trading by Directors and Employees. This is available to staff from their Manager or Supervisor. This policy (and the law) prohibits staff from trading or encouraging others to trade in any listed securities of Abano Healthcare Group Limited or its subsidiaries if they possess material information. Nor can staff pass on that material information to allow others to benefit from trading in Abano shares.

Restricted Persons, including Directors, must comply with the additional restrictions on share trading for Restricted Persons, as outlined in the Share Trading Policy. In particular, Restricted Persons will not trade shares if they are in possession of material confidential information, are required to seek consent for any share trades involving Abano securities, and following trading must comply with disclosure obligations under the Financial Markets Conduct Act 1993.

Contract Compliance

Abano Group's staff, agents, consultants and subcontractors must compete for, negotiate and perform Abano Group's contracts in a fair and ethical manner and in strict accordance with applicable laws and regulations and the terms of the applicable contract.

Abano Group is committed to developing, producing and furnishing products and services that meet or exceed the requirements of our customers at a fair price. This can only be accomplished through good faith negotiations and adherence to all contractual obligations.

When issues of contract interpretation, compliance or enforcement arise, it is the duty of responsible management to promptly resolve such issues, involving the Ethics Officer and more senior members of management as appropriate.

Delegated Authority

Staff must only act within the Delegated Authority framework of Abano, which is set out in Abano's Delegated Authority Policy. If staff are unsure as their authority, they should ask their manager.

Compliance with Laws and Policies

Staff must comply with all applicable legislations, regulations, local authority by-laws, rules (including the NZX Listing Rules) and regulations of any countries in which Abano operates.

Reporting Violations

Employees are encouraged to report any violations of this Policy, or any illegal or unethical conduct generally, to either their manager or the Ethics Officer, who shall determine and promptly ensure commencement of, an appropriate course of action.

Directors will report any illegal or unethical behaviour, of which they become aware, to the Chairman of the Board.

Through its Whistle Blower Policy, Abano recognises the protection afforded staff under the Protected Disclosures Act 2000 in New Zealand and the Corporations Act 2001 in Australia, and will support employees who, acting in good faith, report any serious wrongdoing. Abano will, wherever possible and practicable, make every effort to maintain the confidentiality of the reporting staff member.

The Board will fully support staff who make a disclosure under Abano's Whistle Blowing Policy, and will, to the best of their endeavours, seek to protect the identity of the staff member making the disclosure.

Disciplinary Measures

Violation of any provision of this Policy will be considered sufficient grounds for disciplinary action, including termination of employment and may also be grounds for legal action against such staff, including, but not limited to seeking reimbursement for the Abano Group of any funds or amounts for which the Abano Group may become liable. In addition in some cases (including in relation to Competition Law) staff may expose themselves to personal liability to competitors and/or regulatory authorities as a result of breaches of this Policy.

MONITORING AND REPORTING COMPLIANCE

The Ethics Officer, along with the senior leadership team, is responsible for encouraging and monitoring compliance with the Code of Ethics and will report to the Risk Assurance and Audit Committee on an annual basis or as needed.

The Board is responsible for encouraging and overseeing adherence to Abano's Ethical Conduct Policy, across the organisation.

RESPONSIBILITIES

All of Abano's subsidiary business managers shall be responsible for the enforcement of, and compliance with, this Policy within their specific areas of supervisory responsibility, including necessary distribution and communication to ensure employees' knowledge and compliance.

Employing managers are responsible for ensuring that new employees receive and understand this policy at the time they are hired.

Abano's Chief Financial Officer is responsible for managing disclosure in relation to this Policy via the Gift Register, the Interests Register and in the Company's Annual Report.

Questions regarding clarification of any provision of this Policy should be directed to the Ethics Officer.

The Ethics Officer is responsible for responding to alleged breaches of the Code of Ethics and directing investigations, training or disciplinary actions as required.

SCHEDULE 1: EXAMPLES OF CONFLICTS OF INTEREST

Business Interests

- any consulting or employment relationship with, or acting as a director, officer, partner, agent or representative of, a competitor, supplier, or customer of the Abano Group without specific written approval from the Company.
- any ownership interest in any competitor, supplier or customer of the Abano Group (an employee may own less than 5% of the capital of such other business entity so long as the employee's duties do not involve control over material transactions between the Abano Group and that organisation).

Indirect Interests and Relationships

- making or influencing a decision relating to the Abano Group engaging in business with a relative or associate of the staff member, or an organisation in which the relative or associate either has an ownership interest or a senior management position;
- deriving an indirect benefit from an Abano Group transaction involving a relative or associate;
- failing to disclose to the appropriate Abano Group officer any situation in which a relative or associate of the staff member either has an interest in any Abano Group transaction or has an ownership interest in, or a senior management position with a competitor, supplier or customer.

Information Usage

- using or disclosing, whether or not for personal benefit or for the benefit of others (including relatives), confidential information (includes all information not in the public domain) concerning any aspect of Abano Group business acquired as a result of the staff's employment relationship;
- disclosing such information to any person or entity except as required in the performance of Abano Group duties or as expressly authorised by Abano Group. Staff can be held liable to the Abano Group for any benefit gained from improper use of such information or any damages sustained by the company as a result of improper disclosure of such information. (Refer also to the Policy and Procedure for Share Trading by Directors and Employees).

Corporate Opportunities

- appropriating or diverting to any other person or entity a business or financial opportunity which the staff member becomes aware of or develops as a result of information or expertise derived in the course of employment and which the employee knows, or reasonably could anticipate, the Abano Group would have an interest in pursuing.
- any situation, activity, interest or relationship which may involve a conflict of interest must be reported immediately in writing to your manager or the Ethics Officer.

Employment of Related Individuals

- Conflicts of interest may arise when two staff members are related or in a relationship. Accordingly, the Abano Group discourages any employment or promotion decision which may cause such a conflict to arise. Nevertheless, where management believe that such employment is in the best interest of the Abano Group employment of two related staff members or staff members who are in a relationship can occur as long as it has been approved by the subsidiary Board and such approval has been formally documented.

Gifts and Entertainment

Giving Gifts and Entertainment

Staff shall not offer or make gifts or extend favours, either directly or indirectly, to those with whom we do business. Advertising novelties, promotional items of nominal value, or modest gifts which are in accord with generally accepted and customary business practices may be provided if:

- they are in compliance with the policies and standards of conduct of the organisation employing the recipient;
- they are given only occasionally;
- they are unsolicited by the recipient;
- they do not give even the appearance of unduly influencing or obligating the recipient or of providing an improper advantage to the Abano Group; and
- their subsequent disclosure would not be embarrassing to the Abano Group or to any of the parties involved.

Accepting Gifts and Entertainment

Advertising novelties, promotional items of nominal value, or modest gifts which are in accord with generally accepted and customary business practices may be received subject to the same criteria for gift giving identified above.

Fair Business Practices

Collective Action - Relationships with Competitors

An agreement (express or implied), an arrangement, or "general understanding" between competitors to fix prices or bids, to allocate customers or territories, reduce the competitiveness of a third party or restrict access by others to goods or services breaches competition laws.

Price Fixing

It is a violation of the law and this Policy to enter into any understanding or agreement with a competitor or engage in any discussions with a competitor concerning prices and price related information, including:

- price levels
- pricing methods or policies
- the fact that a price increase will or will not occur and its timing
- bids (including the company's intent to bid or not bid a particular contract)
- profits or profit margins.

Company prices and bids are to be arrived at independently within the Abano Group and without consultation of any kind with a competitor. Failure to comply with this rule can expose the Abano Group and the individuals involved to significant fines and other penalties.

Territorial Allocation

It is a violation of the law and this Policy to agree to divide or allocate territories with a competitor. This means, for example, that the Abano Group cannot agree that one side of town will be serviced by the Abano Group and the other side of town be serviced by a competitor. The geographic territory in which the Abano Group will provide service must be determined solely by Abano Group personnel without any discussion or agreement with competitors. The same rule applies to the "sharing" of work over time - for instance agreeing not to tender in relation to one tender round in return for a "turn" next time round.

Customer Allocation

It is a violation of the law and this Policy to agree to divide or allocate customers with a competitor. This means, for example, that the Abano Group cannot agree to refrain from taking or soliciting customers. Communications between the Abano Group and competitors regarding the selection, retention or solicitation of customers must be strictly avoided. In saying this it is also a breach of the law to seek to induce customers of a competitor to breach their contracts by terminating a fixed term contract early.

Appearances

It is a violation of this Policy to even discuss the above subjects with a competitor even though such conversations may fall far short of an "understanding" or agreement. Such discussions may create an appearance of impropriety. To avoid the legal risks associated with dealings between competitors, it is Abano Group policy to eliminate contact with competitors whenever possible (except for legitimate purposes) and to ensure that Abano Group staff:

- Confine their discussions to the appropriate and necessary topics relevant to the purpose of the meeting. If during such a meeting a topic prohibited by this Policy arises, Abano Group staff must immediately object to the discussion, leave, and report the matter to their supervisor and the Ethics Officer.
- Do not discuss bids or bid specifications with a competitor except in open pre-bid meetings conducted by a representative of the prospective customer.

Where the Abano Group has affiliated itself with competitors through lawful joint venture agreements, or valid subcontract agreements, ensuring that the limited scope of such arrangements are clearly defined and understood by Abano Group staff and that business not within the defined scope of such an arrangement is not discussed with the competitor.

Unilateral Action – Taking Advantage of Market Power

Competition laws generally prohibit a company with a substantial degree of market power from taking advantage of, or using, that power to restrict entry by competitors into a market, prevent or deter competitors from taking any action or eliminating competitors from any market. It is therefore Abano Group policy:

- Not to engage in predatory or below cost pricing
- Not to target or "blitz" the customers of any particular competitor with the objective of driving the competitor out of business
- Not ever to use exaggerated "power" language which erroneously suggests "dominance" or "control" of a marketplace.

Other Fair Business Laws

To be New Zealand's leading medical and healthcare provider, we must continue our commitment to integrity in the marketplace. It is contrary to Abano Group policy to engage in any unfair or dishonest conduct including any of the following practices:

1. Misrepresenting any material fact with intent to deceive. Be truthful and accurate in all representations made on behalf of the Abano Group. For example, never misstate to a customer the reason for, or amount of, a price increase.
2. Making defamatory statements such as false statements regarding the business solvency, lack of competency, or lack of integrity of others.

3. Disparaging another company's products or services by making false statements concerning the quality of their products or services.
4. Interfering with contracts by wrongfully inducing a customer to breach a contract with one of our competitors. Do not "coach" or provide advice to a potential customer concerning the provisions of the customer's contract with another provider.
5. Misappropriating trade secrets or knowingly misusing a competitor's confidential information.
6. Not entering into transactions or promises on behalf of the Abano Group that the Abano Group does not intend to honour.
7. Otherwise competing unfairly in the marketplace. "Unfairness" has a broad definition ranging from any of the practices described above to improperly raiding key employees or ignoring valid non-compete obligations. To avoid even the appearance of unfairness, all business strategies should be guided by sound ethical values.

Review and Approval

Reviewed and approved	Board Approval	29 February 2016
Next Review		March 2018