

Code of Conduct

1. Purpose

- 1.1 Nick Scali Limited (“Nick Scali” or the “Company”) is committed to achieving high levels of integrity and ethical standards across all areas of the business. The Code of Conduct sets out the minimum standards by which all employees, directors and contractors (collectively referred to in this document as “Employees”) are expected to conduct themselves in compliance with all relevant legislation and a range of business matters.
- 1.2 The **purpose** of this Code of Conduct is to ensure all Employees, understand the ethical standards and behaviours that apply to all the activities of the business.
- 1.3 The **requirements** set out in this Code of Conduct are to ensure a high level of honesty, care, fair dealing, and integrity in the conduct of all business activities.
- 1.4 The Code of Conduct is essential to deliver maximum shareholder value, and to grow confidence in the business by investors and customers.
- 1.4 All Employees are expected to read and understand the following:
 - 1.4.1 the purpose of the Code of Conduct;
 - 1.4.2 the responsibilities of the Nick Scali Limited and all Employees;
 - 1.4.3 the compliance expectations of Employees;
 - 1.4.4 the procedures for reporting conduct which does not meet the standards and expectations of this Code of Conduct including:
 - a) the definition for actual or possible conflicts of interest and how to report where they believe a conflict of interest exists or may exist; and
 - b) the procedure for declaring and approving gifts, benefits or entertainment.
 - 1.4.5 the steps Nick Scali will take in investigating and addressing potential breaches of this Code of Conduct.

2. Compliance

- 2.1 All Employees are expected to comply with the spirit and letter of all applicable laws, rules and regulations that govern Nick Scali Limited. They are also expected to understand the laws and regulations relevant to their work so that business dealings are conducted legally, ethically and responsibly.

3. Responsibilities

3.1 Nick Scali Limited

- 3.1.1 The Company will act in an ethical and responsible manner at all times. This includes, but is not limited to, protecting customer confidential information, complying with relevant legislation and providing a safe work environment free from risks (as far as reasonably practicable) and unlawful behaviour.
- 3.1.2 The Company will also ensure that Employees or anyone who wishes to raise a concern under this Code of Conduct will be treated with respect and in confidence, with reasonable care taken to address their concerns in a timely manner.

3.2 Employees

Employees are expected at all times (whether during normal working hours and activities or at work-related events within or outside normal working hours) to:

- 3.2.1 act respectfully, honestly and with dignity towards customers, visitors, suppliers and other Employees;
- 3.2.2 act in good faith and in the best interests of the Company and not make disparaging or untruthful comments about Nick Scali;
- 3.2.3 attend work in good health and only be absent with a valid reason with lawful supporting documentation;
- 3.2.4 act with integrity and professionalism and make truthful statements, promises or commitments in all business dealings;
- 3.2.5 act with competence and in a safe manner with regard to themselves and others in the course of doing business and in the delivery of performance to expected standards in their role;
- 3.2.6 act in accordance to all Company policies, processes and procedures respective of terms and conditions of employment and any changes as amended from time to time;
- 3.2.7 use company systems and follow processes with honesty and integrity and not manipulate them for personal gain or use them fraudulently (e.g. time and attendance (currently TimeTarget), ordering and stock transfers);

- 3.2.8 consult Company policies and procedures or their line manager if uncertain what to do in a particular situation and act according to reasonable instructions in performing their duties;
- 3.2.9 act, in accordance with the Nick Scali Diversity and Inclusion Policy, without unlawful discrimination, harassment, victimization or bullying towards anyone with whom they interact in the course of doing business;
- 3.2.10 act with respect in protecting and safeguarding Company property and assets (both physical and intangible);
- 3.2.11 maintain the confidentiality of Company and customer information as required by Company policy and or relevant legislation;
- 3.2.12 only use, or permit the use of, Company property, information, intellectual property, resources or funds for authorised purposes;
- 3.2.13 prevent cyber security breaches by not sharing system login details and passwords with anyone and only access computer systems to which authority has been granted;
- 3.2.14 act in a manner so as not to cause a conflict with a personal, business or financial interest with their duties to the Company and not enter into any arrangement or participate in any activity that would conflict with the Company's best interests or would be likely to negatively impact the Company's reputation;
- 3.2.15 enter into agreements to incur liability for the Company only within documented authority parameters;
- 3.2.16 not take advantage of their position in the Company or the opportunities arising from it for personal gain, act in accordance with the Company Securities Trading Policy when dealing with Nick Scali Limited securities and, report potential breaches of this policy to the Chief Financial Officer;
- 3.2.17 uphold all laws and regulations that apply to their employment and the Company; and
- 3.2.18 act ethically and not deliberately participate in illegal activities.

4 Conflict of Interest

4.1 Definition

- 4.1.1 An employee may have a conflict of interest if, in the course of their employment or engagement with Nick Scali, they have an interest that has the potential to influence, or be perceived to influence, their obligation and/or duties relating to their employment with Nick Scali.
- 4.1.2 An interest is defined as any personal interests which have a direct association with the business of Nick Scali Limited or, the interests of an associate, or relative, or obligation to some other person or entity, that has a direct association with the business of Nick Scali Limited. Examples of such interests include (but are not limited to):
- a) personal relationships (including family relationships) with other Employees;
 - b) outside employment relationships with a supplier or competing business;
 - c) financial interests (and financial interests held by family members) in a business that is seeking to establish a business relationship with Nick Scali Limited.

4.2 Expectations

- 4.2.1 Employees must not to exploit their position with Nick Scali for personal gain or for the benefit of any personal interests.
- 4.2.3 Employees are not to act in ways which may create a perception that they may be exploiting their position with the Company for personal gain or for the benefit of any personal interests.
- 4.2.4 Employees have a duty to bring any business opportunities identified through the use of Company property, information or position to the attention of the Chief Executive Officer.

4.3 Reporting Conflict of Interest

- 4.3.1 Nick Scali acknowledges that conflicts of interest may exist. However, where possible, conflicts of interest are to be avoided, and any actual or potential conflicts are to be reported to the HR Manager or Chief Financial Officer.

5 Gifts, Benefits or Entertainment.

- 5.1 No employee is to make offers of, or receive, bribes or other improper payments.
- 5.2 Gifts, benefits and entertainment may only be accepted which are not in cash or equivalent, are of small value, would be able to be reciprocated and are appropriate to the business relationship. These do not require reporting under the Code of Conduct.
- 5.3 Where a gift, benefit or entertainment offered is of significant value it must be reported to the Chief Financial Officer for approval. Where the acceptance of a gift could have the effect of imposing pressure on the employee's judgement, be seen to result in a conflict of interest, or cause damage to business relationships of any kind, approval to accept a gift or benefit will not be authorised
- 5.4 Where uncertainty exists for an employee about the acceptance of gifts, benefits or entertainment in connection with their employment, the employee must consult their Line Manager, HR Manager or Chief Financial Officer.

6 Confidential Information

- 6.1 The Company was founded over 50 years ago and is one of Australia's largest retailers and importers of quality furniture. It currently has showrooms across Australia and New Zealand, and will continue to expand in existing and new markets Australia wide and across New Zealand. The Company has invested considerable time and resources in developing its business and Confidential Information.
- 6.2 By virtue of the position they will hold with the Company, Employees will gain access to the confidential information of the Company.
- 6.3 Confidential information includes, but is not limited to, information not in the public domain and regarding the Company's business, property or affairs, approved suppliers, approved materials, customers, operation, financial performance or finances, trade secrets, processes, plans, contracts, tenders, commercial arrangements, transactions, marketing arrangements, sales and marketing material and any other information that the Company identifies is confidential or is apparent is confidential.
- 6.4 The Confidential Information of the Company forms part of the goodwill of the Company. The following is expected from each employee:
 - 6.4.1 Employees will not at any time while the information remains confidential (either during their employment, or after employment ceases) without the prior written consent of the Company:
 - a) disclose the confidential information to any person, other than another employee of the Company
 - b) copy or reproduce any materials containing confidential information, other than in the course of the employment, or
 - c) use any confidential information other than in the course of the employment.
 - 6.4.2 Upon cessation of employment, the employee will immediately return to the Company any confidential information in their possession or control, including copies of confidential information, and all property and records of the Company.

7 Intellectual Property

- 7.1 Intellectual Property Rights includes copyrights, trademarks, designs, patents, trade, business or Company names, trade dress, get up or other proprietary rights, or any rights to registration of such rights existing in the world, whether created before, on or after the date of these terms and conditions.
- 7.2 Employees agree that the Company will own all Intellectual Property Rights arising out of the performance of their duties. As part of their contract of employment, the employee:
 - 7.2.1 irrevocably assigns to the Company, all Intellectual Property Rights acquired, arising from or which might arise in the future from their employment with the Company;
 - 7.2.2 agrees to notify the Company in writing of the development of any products, processes, services or techniques developed by the employee in the course of carrying out their duties, so that the Company can take the necessary steps to protect its Intellectual Property Rights; and
 - 7.2.3 waives any moral rights in relation to such Intellectual Property Rights.

8 Legal Proceedings and Enquiries from Statutory Authorities

- 8.1 Enquiries regarding legal proceedings (actual or potential) involving the Company, and enquiries from regulatory authorities (including, but not limited to, ASIC, Department of Fair Trading and government authorities) must immediately be referred to the Chief Financial Officer
- 8.2 Employees should not comment on or discuss such proceedings with other Employees of the Company, or outside parties, unless this is a necessary aspect of dealing with the proceedings.

9 Fraud

- 9.1 Fraud involves the use of deliberate misrepresentations, dishonest or deceitful conduct in order to obtain unjust personal advantage or to cause disadvantage to Nick Scali.
- 9.2 Fraud encompasses a range of illegal activities, including but not limited to:
 - a) unauthorised use of equipment;
 - b) theft of goods or cash; and
 - c) making a financial misstatement.
- 9.3 All forms of fraud are in direct breach of this Code of Conduct and the Anti-Bribery and Corruption Policy, are prohibited and may result in termination of employment.

10 Investor Relations and Dealing with Media/Analysts Enquiries

- 10.1 Enquiries regarding the current trading, market conditions or future prospects of the Company must immediately be referred to the Chief Financial Officer.
- 10.2 Other than those Employees who are authorized to do so, Employees must not comment on or discuss the current trading, market conditions or future prospects of Company with outside parties.

11 Reporting Behaviour Not Meeting Code of Conduct Expectations

- 11.1 Employees have an obligation under Clause 4.3 to report actual or potential breaches of this Code of Conduct to the HR Manager or the Chief Financial Officer.
- 11.2 Reporting can be made either directly by contacting the person in the role listed above via email or phone. Anonymous reports can be made under the Nick Scali Whistleblower Policy via email to: whistle@nickscali.com.au. Full details of the Whistle Blower Policy can be found on either the Nick Scali website or intranet.
- 11.3 All matters reported will be treated confidentially as far as practically reasonable (or as required by relevant legislation or business policies) and in a timely manner. The person handling the reported actual or potential breach will take reasonable care to ensure that any employee is not disadvantaged for making the report or voicing their concerns.

12 Investigating Breaches of the Code of Conduct

- 12.1 All actual or suspected breaches of this Code of Conduct will be fully investigated. The investigation will be coordinated by the HR Manager in conjunction with direction from the Chief Financial Officer where necessary. The nature and extent of the investigation process will be dependent on the breach and in instances where fraud is confirmed, the matter will be handed over to the relevant law enforcement organisation.
- 12.2 Where illegal activity is reported or a serious breach involving a senior Employee(s) occurs, the investigation process and any subsequent action will be handled by a relevant and fully qualified external third party to ensure impartiality.
- 12.3 Where it is established that a breach has occurred disciplinary action will be taken and in serious instances it may lead to the termination of employment.
- 12.4 The Chief Financial Officer is responsible for periodic reports to the Board on the operation and effectiveness of this Code of Conduct.