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## CORPORATE CODE OF CONDUCT

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The Advanced Nanotechnology Limited Corporate Code of Conduct sets out the standards expected of the Directors and employees of the Company in the performance of their duties. The Corporate Code of Conduct applies to all of the operations and to all Directors and employees of Advanced Nanotechnology Limited (Advanced Nano or the Company) and its subsidiaries.

Advanced Nano's reputation for honesty and integrity is valuable to the Company and its shareholders, and therefore must be maintained and protected at all times. The Directors and employees of the Company will therefore conduct their business on behalf of the Company in accordance with the highest ethical standards and sound corporate governance.

### **BUSINESS RELATIONSHIPS**

All dealings with customers, suppliers and external parties shall be conducted in a professional and courteous manner.

Commitments to buy or sell on behalf of the Company must be made solely on sound commercial grounds having regard to quality, price and service and in accordance with Advanced Nano's authorisation procedures.

### **CONFLICTS OF INTEREST**

Advanced Nano expects its employees to avoid any circumstances where their personal, financial or other interest may be in conflict (either directly or indirectly) with their responsibilities to the Company.

Any such conflict should be reported to the employee's supervisor or manager. Similarly, any personal interests or obligations of employees which could create any suspicion that actions they take or decisions they make for the Company might be influenced by those personal interests should be reported.

Employees shall not solicit or accept any benefits from any party in connection with any service or business of the Company. Equally, it is against the policy of Advanced Nano to secure business by creating a conflict of interest on the part of an employee of an organisation dealing with the Company.

This policy does not preclude the exchange of ordinary hospitality between persons (such as meals in the normal conduct of business) or the acceptance of unsolicited, non-cash gifts of minimal value where it is clear that the donor is not attempting to influence the recipient.

### **QUALITY MANAGEMENT SYSTEM AND CONTINUOUS IMPROVEMENT**

Advanced Nano is dedicated to quality and continuous improvement in order to better service our customers and employees.

Advanced Nano expects its employees to be responsible for ensuring through established standards and measurements that our level of quality matches or exceeds our customers' expectations. Advanced Nano aims to achieve organisation excellence and quality awareness through process improvements, training and a well defined quality process.

Advanced Nano has developed and implemented a quality management system to demonstrate its ability to provide a consistent quality product. This quality system is in compliance with the international standard ISO 9001:2000.

## **EMPLOYEES**

All employees will be given every reasonable opportunity to fully develop their abilities to advance within the Company.

Gender, race, age, religion or sexual preference will not be factors in appraising individuals for employment, salary review or promotion.

Employee harassment of any kind (including sexual harassment) will not be tolerated. Sexual harassment includes any unwelcome sexual advances, requests for sexual favours or any other verbal or physical conduct of a sexual nature.

The use of any means (including electronic communication such as email or the Internet) to disseminate material which is sexually explicit, defamatory, racist or vulgar, is prohibited.

Wilful disregard of this policy will result in immediate dismissal.

## **USE OF COMPANY ASSETS**

Advanced Nano's assets (such as property, funds, facilities and equipment) are only to be used by employees for the Company's business purposes or interests.

Assets are not to be removed from Company premises without proper authorisation or compliance with relevant procedures.

## **COMPLIANCE WITH THE LAW**

Advanced Nano is committed to compliance with the law in all its operations and will endeavour to adopt a course of action which reinforces its reputation for integrity.

The Company has established a specific policy related to its compliance with the continuous disclosure obligations under the Australian Stock Exchange Limited's Listing Rules (the Advanced Nanotechnology Limited Continuous Disclosure Policy).

## **BUYING AND SELLING OF SHARES**

Advanced Nano has established a specific policy related to dealing in the Company's securities (the Advanced Nanotechnology Limited Securities Dealing Policy).

In general terms, an officer or employee must not buy or sell shares in the Company at any time when that officer or employee possesses information that is not generally available but, if it was, could reasonably be expected to have a material effect on the price or value of the Company's shares.

## **CONFIDENTIALITY AND PRIVACY**

Information which has not been publicly disclosed is confidential and shall not be divulged by any officer or employee of the Company without proper authorisation. Confidential information includes information about the Company, its suppliers, customers and employees as well as information obtained from others which the Company has an obligation to keep confidential.

The obligation of confidentiality continues even after employment has terminated, and is formally documented in each employee's contract of employment.

The Company has established a specific policy related to personal information collected by Advanced Nano (the Advanced Nanotechnology Limited Privacy Policy). This Privacy Policy outlines the general information handling practices you can expect from Advanced Nano.

## **FINANCIAL PRACTICES AND REPORTING**

The following items compliment the above Corporate Code of Conduct and are specifically applicable to those employees and officers who are involved in the accounting and finance areas of the Company, or who influence the financial performance of Advanced Nano.

It is the duty of these employees and officers to:

- Discharge their duties at the highest level of honesty and integrity having regard to their position.
- Exercise due diligence in the preparation of financial information and ensure that such information is accurate, timely and represents a true and fair view of the financial performance and position of Advanced Nano.
- Ensure the maintenance of a sound system of internal controls to safeguard the Company's assets and to minimise the business risk environment in which Advanced Nano operates.
- Ensure compliance with all laws, rules and regulations applicable to Advanced Nano from time to time (such as the Corporations Act 2001, ASX Listing Rules, applicable Accounting Standards, and ethical and technical requirements of any relevant regulatory or professional body).
- Respect the confidentiality of all confidential information acquired in the course of business and not make improper use of, or disclose, such information to third parties without specific authorisation or legal requirement.
- Maintain transparency in the delivery of financial information to both internal and external users.
- Observe the principles of independence, accuracy and integrity in dealings with the Board (and their committees), other employees and officers within the Company, external auditors and other relevant external parties.
- Disclose to the Board of Directors any actual or perceived conflicts of interest of a direct or indirect nature of which they become aware and which they believe could compromise in any way the reputation or performance of Advanced Nano.
- Inform the Board of any perceived contraventions of any laws, rules and regulations applicable to Advanced Nano from time to time.

## **POLITICAL CONTRIBUTIONS**

The Company does not contribute any funds or gifts of value to political parties without the prior approval of the Board.

## **COMPLIANCE WITH THE CODE**

Employees are required to report to their manager every known or suspected work-related event which involves questionable, dishonest or fraudulent activity.

All suspected breaches of the Corporate Code of Conduct will be investigated. Persons responsible for a breach of the Code will be subject to appropriate disciplinary action, which may include dismissal.

Any employee who has concerns regarding questionable accounting or auditing matters may make a complaint or a confidential anonymous submission to the Chairman of the Audit Committee.

## **CONCLUSION**

If any employee has any doubts or questions about any aspect of this Code, he or she should seek clarification from their manager or the Chief Executive Officer.

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