

AUSTRALASIAN PROMOTIONAL PRODUCTS ASSOCIATION (APPA) CODE OF CONDUCT

The purpose of this Code of Conduct is to encourage productive, ethical, and mutually beneficial commercial relationships across the supply chain for the benefit of the industry and end-users.

This Code of Conduct details the responsibilities and required conduct for all Members, subject to any requirements of the Constitution.

Any breach of this Code of Conduct may lead to a Member being warned, censured, suspended, or expelled from the Company in accordance with this Code of Conduct and the Constitution.

INTRODUCTION

Each Member shall be familiar with and is expected to comply with, the Constitution, the Code of Conduct and all charters, policies and codes approved by the Board pursuant to its power under clause 63 of the Constitution.

Each Member shall be responsible for ensuring that Personnel comply with the Constitution, the Code of Conduct and all charters, policies and codes approved by the Board pursuant thereto. A Member shall be held responsible for the actions of its Personnel.

Notwithstanding anything else set out in this Code of Conduct, the Board retains the right to amend this Code of Conduct, any schedule or annexure hereto or any other policy approved by it, in its sole discretion and without requirement to give reason.

If a Member is in doubt as to whether an activity or situation is in breach of the Constitution or Code of Conduct, after having made their own due enquiries, they may contact the Company at info@appa.com.au for further information.

CONDUCT RULE 1 FAIR BUSINESS DEALINGS

Members shall conduct their activities with the highest standards of professionalism, ethics, and integrity in all their dealings with the Board, clients, Personnel, and with their fellow Members and prospective Members.

Members and their Personnel will not engage in anti-competitive or corrupt behaviour. The Company supports co-operative, professional dealings between Members and encourages Members to conduct business with each other.

Examples of the standard of behaviour expected of Members and their Personnel include:

- (a) Compliance with all laws and regulations of the country and state in which they operate, including the states into which they sell goods;
- (b) Members shall at all times conduct themselves with honesty and integrity and shall not engage in any activity or conduct that might reflect detrimentally or compromise the legitimate interests or objectives of the Company;
- (c) Members must respect the confidentiality and observe the privacy of information about the Company, other Members, other Members' customers, and other Members' Personnel. The security and proper use of information is required;
- (d) Members shall maintain the highest level of professional conduct in their interactions with each other and in representing themselves as Members of the Company to the public;
- (e) Members shall not do anything that in any way denigrates or harms the Company's public image; and
- (f) Members shall act in accordance with the Constitution, the Code of Conduct and any other policies approved by the Board.

CONDUCT RULE 2 RECOGNITION OF FELLOW MEMBERS AND PROMOTION OF BUSINESS ACTIVITIES

2.1 SUPPLIER/ DECORATOR MEMBERS

Supplier Members and Decorator Members shall:

- (a) recognise the role of Distributors in the industry, acknowledge the service they provide and support them in the marketing of their products and services to end users;
- (b) provide clear and transparent selling and pricing policies to Distributors and uphold those policies;
- (c) undertake their best endeavours to ensure the safety and quality of their products / decoration and that they are fit for purpose;
- (d) commit to resolving product safety or quality issues in a fair, reasonable, and timely manner; and
- (e) have internal procedures in place to ensure proper stock quantities, sizing, and colours are provided.

Decorators are encouraged to educate Distributors and/or Suppliers on their specialised area of decoration and make them aware of limitations of products as they arise.

2.2 DISTRIBUTOR MEMBERS

Distributor Members shall:

- (a) recognise the role of Suppliers and Decorators in the industry and acknowledge the service they provide and support them through the marketing of their products and

services;

- (b) respect the design, intellectual property, exclusive agent contracts, reasonable trading terms, and reasonable policies of Suppliers and Decorators;
- (c) check stock received from Suppliers before decoration to avoid irreversible work on any damaged stock;
- (d) respect the art work requirements and time lines of both Suppliers and Decorators and make every effort to supply clear instructions for production;
- (e) accept the individual terms and conditions of the Supplier or Decorator when placing an order with them – and read all terms and conditions thoroughly; and
- (f) gain a good level of knowledge in the areas of decoration and the products they choose to promote.

CONDUCT RULE 3 HONEST REPRESENTATIONS

Members will make honest representations including, but not limited to, statements about their company, Personnel, products, and capabilities.

31. PRODUCT SAFETY

Members will comply with all applicable laws and regulations regarding safety of products sold and will meet applicable recognised voluntary industry standards for products and processes.

32. QUALITY OF PRODUCT AND SERVICES PROVIDED

Goods and services provided by Members will be of an acceptable standard, taking into consideration the price, the relevant market for the goods, the quantity of the goods, and any other factors the Company determines relevant and in compliance with all commercial and consumer laws. Members will conduct the necessary quality control to ensure the products or services are as per advertised specifications and pre-production samples provided.

33. RESPECT OF INTELLECTUAL PROPERTY RIGHTS OF OTHER MEMBERS

Members shall respect the Intellectual Property Rights of others (including fellow Members).

Members will not attempt to pass themselves off as a third party by any means or attempt to trade upon the goodwill of established businesses. This includes (but is not limited to) the use of domain names and websites deceptively similar to those of third parties or others in the industry.

34. DATABASE THEFT, SALE, OR MANIPULATION

Members and their Personnel will not steal, sell, copy, or manipulate databases from other Members, competitors, employers, clients, or the Company.

35. USE OF THE COMPANY'S LOGO AND MARKS

The use of the Company's logo must be confined to Company activities, or the statement of a Member's name and business address on a card, letterhead, website, emails, and published articles (so long as the Member does not represent that the Company and the Member are the same entity, or in a joint venture, partnership or similar). The logo may only be used while a Member is a financial Member. Any information, statistics, reports, or editorial reproduced from the Company must be credited to the Company and permission sought from the Company *before* reproduction occurs. At all times the logo should be reproduced in accordance with any guidelines for use specified by the Company. All Members must remove the Company logo immediately from all materials in the event that they cease to be a Member, for any reason whatsoever, or that they become non-financial Members.

36. PROMOTION OF APPA'S NAME, IDENTITY, IMAGES OR INFORMATION

Members will not publicly express, publish, distribute or disseminate adverse information (including pictures and diagrams) about the Company without the Company's prior express written consent.

CONDUCT RULE 4 COMMITMENT TO TRAINING AND STAFF DEVELOPMENT

Members have a responsibility to continue the acquisition of professional skills in the industry (including all Personnel) and to encourage the development of these skills in those who are desirous of entry into, or continuing in the profession of promotional product marketing.

CONDUCT RULE 5 PROMOTION AND DEVELOPMENT OF THE INDUSTRY

Members shall be committed to the growth and development of the industry and will actively support, promote, and enhance Company policies, membership programs, and the various activities of the Company.

Members shall help to improve the body of knowledge of the profession by exchanging information and experience with fellow Members and by applying their special skills and training for the benefit of others.

CONDUCT RULE 6 INSURANCE AND LIABILITY COVERAGE

Members are required to carry the correct level of insurance for stock and general liability which comes with the production and supply of products relevant to their business circumstances and their responsibilities throughout the supply chain.

CONDUCT RULE 7 RESPECTING PERSONNEL

Members will not directly or indirectly use any form of forced labour, including indentured, prison, bonded, or slave labour and will not use or allow the use of physical or verbal harassment or abuse to discipline Personnel.

Members will not directly or indirectly use child labour and will comply with all minimum age provisions of applicable laws and regulations.

Members will respect the rights of Personnel to associate or organise without fear of reprisal or interference. If Personnel are represented by an organisation recognised under law, Members will respect the right to bargain collectively.

Members will not discriminate in hiring and employment practices on the basis of age, nationality, race, religion, social, sexual or ethnic orientation, gender, or disability. Members will comply with all applicable laws, including but not limited to employment laws, equal opportunity laws, work health and safety laws, awards, employment agreements, wage, work hours, hiring, benefits, and overtime laws and regulations.

Members will provide a safe, healthy, and secure workplace. Members will abide by all applicable laws and regulations for safety and health. Proper sanitation, lighting, ventilation, and fire safety protection will be provided.

CONDUCT RULE 8 PROTECTING THE ENVIRONMENT

Members will abide by all applicable environmental laws and regulations. Members will not knowingly misrepresent products as environmentally friendly to their clients and are expected to secure required legal documentation if representing products with specific features, qualities, or performance.

CONDUCT RULE 9 RESPECT FOR FELLOW MEMBERS

Members are expected to act with integrity and professionalism including, but not limited to, avoiding sharing malicious or harmful information about a fellow Member, and respecting the rules of entry to tradeshows and Company events.

CONDUCT RULE 10 COMMITMENT TO ADDRESSING COMPLAINTS

10.1 DISPUTES BETWEEN MEMBERS

A Member who has a complaint against another Member should first raise the matter with the other Member.

A Member who receives a complaint from another Member will acknowledge receipt of the complaint within seven (7) days and act in good faith to resolve the issue. Both parties will attempt to resolve the dispute within fourteen (14) days of becoming aware of it, pursuant to clause 18.3 of the Constitution.

Where a Member is not able to raise a complaint directly, or a resolution is not achieved within a reasonable period, the Member may lodge a Dispute Resolution Request with the Company in accordance with the Dispute Resolution Procedure (Schedule 1), subject to clause 18.2 of the Constitution.

A breach by a Member of the rules set out in the Dispute Resolution Procedure shall be considered a breach of this Code of Conduct.

A Member may also report any allegation of a breach of the Constitution or the Code of Conduct, such breach not forming a Dispute, to the CEO or to the Board, to be considered pursuant to clause 19 of the Constitution.

It is a condition of Membership that each Member agrees to abide by the Dispute Resolution Procedure. While the decision of the Mediator is not binding as between Members, a decision of The Board to take action under clause 19 of the Constitution against a Member, based upon the Mediator's recommendations, is binding.

DEFINITIONS AND INTERPRETATION

The interpretation provisions of the Constitution also apply to this Code of Conduct.

In this Code of Conduct, any reference to a term which has been defined in the Constitution has the same meaning. Otherwise, the following terms have the following meanings:

CEO means the chief executive officer of the Company, if any.

DECORATOR means a trader that has the sole trade of decorating promotional products that are supplied to it.

DISPUTE RESOLUTION REQUEST means a notice to the Company, in the form prescribed by the Company from time to time, by the Complainant setting out the basis of the Complainant's dispute with a Member.

COMPLAINANT means a Member or who lodges a Dispute Resolution Request, in respect of the conduct of a Member.

DISPUTE means the disputed issues as outlined in the Dispute Resolution Request and response;

DISPUTE RESOLUTION PROCEDURE means the dispute resolution procedure set out in Schedule 1 of this Code of Conduct, as amended by the Board from time to time in its sole discretion;

DISTRIBUTOR means a trader that purchases promotional products and/or product decorating services from other suppliers and sells them to end users.

INTELLECTUAL PROPERTY RIGHTS mean patents, copyright, registered designs, trade marks, know-how, whether registered or unregistered, and any application for registration of any of the preceding rights.

MEDIATOR means the mediator appointed by the Company pursuant to the Dispute Resolution Procedure.

PARTY means either the Complainant or the Member against whom the complaint is made as the context requires, and **PARTIES** is a reference to both.

PERSONNEL means the employees, contractors, agents, directors, officers, members and staff of a Member.

SETTLEMENT AGREEMENT means any agreement reached between the Parties as a result of the Dispute Resolution Procedure.

SUPPLIER means means an agent, importer or manufacturer that sells promotional products and/or product decorating services to end users and/or Distributors.

DISPUTE RESOLUTION PROCEDURE

This Dispute Resolution Procedure applies to any dispute between Members of the Company. It comes into force with the lodgement of a Dispute Resolution Request, subject to clause 18.2 of the Constitution.

For the avoidance of doubt, this Dispute Resolution Procedure is separate to the procedure in clause 19 of the Constitution. This Dispute Resolution Procedure is used to resolve disputes between members, whereas the procedure in clause 19 is used when the Board is considering disciplining a member.

The procedure in clause 19 of the Constitution may be used following this Dispute Resolution Procedure, as set out in clause 8 of this Dispute Resolution Procedure. The procedure in clause 19 of the Constitution and this Dispute Resolution Procedure cannot both be in operation simultaneously for the same Dispute.

The Board may determine, at any time throughout the operation of this Dispute Resolution Procedure for a particular Dispute, to instigate the procedure in clause 19 of the Constitution regarding the Dispute. If this occurs, the operation of the Dispute Resolution Procedure will be immediately halted for that Dispute for so long as the procedure in clause 19 is on foot.

Once a Dispute has been lodged, any of the steps in this Dispute Resolution Procedure may be bypassed by the mutual agreement of the Parties and the Company.

1. LODGEMENT OF REQUEST

The Complainant completes and lodges a Dispute Resolution Request with the Company within ninety (90) days of a Dispute arising and must, at a minimum, set out the following:

- (a) The name and contact details of the Complainant;
- (b) The name and contact details of the Member who is the other party to the Dispute;
- (c) If the complaint relates to an alleged breach of the Constitution or Code of Conduct, particulars of the relevant clause that is alleged to have been breached;
- (d) The nature of the Dispute, when it arose, and any material facts upon which the Complainant relies.

The Board has the discretion to extend the time set out in item 1, in its sole discretion.

The Board may, if it is of the opinion that the complaint needs to be dealt with pursuant to clause 19 of the Constitution, instigate the procedure set out in clause 19 of the Constitution upon receiving a Dispute Resolution Request.

2. CONFIRMATION OF REQUEST

The Board will confirm receipt of the Dispute Resolution Request and seek any clarifying information required within ten (10) Business Days of lodgment.

3. ADVISING MEMBER

Once all information has been supplied, the Company will contact the other Member named in the Dispute Resolution Request within five (5) Business Days to:

- (a) advise that the Dispute Resolution Request has been received; and
- (b) seek a response to be received, by completing the respondent section of the Dispute Resolution Request, within ten (10) Business Days.

Information supplied by the Complainant will be supplied to the other Member named in the Dispute Resolution Request so that they can respond. The response provided by the respondent will also be provided to the Complainant.

4. ARRANGEMENT OF MEETING

The Board will then contact the Parties to arrange a meeting (in person or by telephone) to discuss and attempt to resolve the Dispute. This is an informal meeting, with a member of the Board acting as the facilitator. The meeting is required to take place within ten (10) Business Days of having contacted both Parties.

5. APPOINTMENT OF MEDIATOR

If resolution is not achieved at that meeting, the Board will appoint a Mediator with costs to be shared between the Parties.

The Mediator:

- (a) is independent and impartial, and shall not behave in any way which displays favouritism to a Party;
- (b) will not, and is not permitted to, give legal advice;
- (c) is engaged to assist the Parties to negotiate between themselves a mutually acceptable resolution of the Dispute by doing at least the following:
 - (i) helping the parties identify and define the issues in dispute;
 - (ii) implementing a procedure which is aimed at achieving resolution of the Dispute quickly, fairly, and cost-effectively; and
 - (iii) acting as the facilitator of direct negotiations between the parties; **and**
- (d) may do any of the following to resolve the Dispute:
 - (i) recommend solutions to the dispute; however, these are non-binding on the Parties;
 - (ii) convene such meetings, whether by teleconference or in person, between the Parties as the Mediator considers appropriate, at the time and place determined by the Mediator, in consultation with the Parties, for the purpose of resolving the Dispute;
 - (iii) communicate and discuss the Dispute privately with any of the Parties or their representatives or advisers for the purpose of assisting the Dispute Resolution Procedure;
 - (iv) terminate the Dispute Resolution Procedure, by notice to each of the Parties, if the Mediator forms the opinion that further conduct of the process will not be productive in achieving a resolution of the Dispute;
 - (v) if the Dispute Resolution Procedure results in settlement of the Dispute, work with the Parties to ensure the terms of settlement are formalised in a written Settlement Agreement. If the Dispute Resolution Procedure does not result in settlement, the Mediator may attempt to summarise for the Parties any settlement that has been made in his/her opinion.

6. PARTY AGREEMENT

The Parties, by participating in the Dispute Resolution Procedure, agree to:

- (a) refrain from pursuing legal proceedings regarding the Dispute until the Dispute Resolution Procedure is complete;
- (b) seek a mutually agreeable resolution that is timely, fair, and cost-effective;
- (c) the confidentiality requirements outlined in this Dispute Resolution Procedure;
- (d) exclude legal representation in the Dispute Resolution Procedure;
- (e) attend all meetings in person or, where the Party is a corporation or business entity, by a person with full and unfettered authority to resolve the Dispute on behalf of the Party;
- (f) ensure that all persons necessary to resolve the Dispute are present at each meeting, including individuals privy to information integral to the resolution of the Dispute;

- (g) equally share the costs of the Mediator and Dispute Resolution Procedure;
- (h) the Dispute Resolution Procedure being governed by the law of Tasmania;
- (i) neither the Mediator nor the Company being liable to any Party for or in respect of any act or omission in the discharge or purported discharge of their respective functions under this process; and
- (j) bear responsibility for generating possible solutions to the Dispute and for making decisions as to the acceptability of any potential solution.

7. UNRESOLVED DISPUTE

If resolution is not achieved through this process in thirty (30) days from the time when the Mediator is appointed, or if the Mediator forms the opinion that the Dispute cannot be resolved through the Dispute Resolution Procedure,, the Dispute will be declared unresolved and all Parties notified accordingly. At this point the Parties will have the option to seek other remedies, to which the Company will not be a party.

8. PRESENTATION TO BOARD

All Disputes, whether resolved or unresolved, along with alleged breaches of the Code of Conduct and/or Constitution, will be initially presented to the CEO (or to the Board, if there is no CEO). The CEO (if any) will then present to the Board with a recommended action.

In any circumstance where the CEO recommends, or the Board resolves, that the actions of a Member in the Dispute have breached the Code of Conduct or the Constitution, the Board shall then follow the process set out in clause 19 of the Constitution.

For the avoidance of doubt, the determination or recommendation of a Mediator pursuant to the Dispute Resolution Procedure has no effect on whether the Board can find that there has been a breach of the Constitution or the Code of Conduct.

NB: Any alleged breach of the Code of Conduct or the Constitution is a matter between the Company and the Member.

9. CONFIDENTIALITY

- a. The Mediator, the Parties and any advisers, employees, representatives, or other third parties present at/involved in the Dispute Resolution Procedure at the request of a Party shall:
 - (i) except as provided in this Dispute Resolution Procedure, keep all information disclosed during the Dispute Resolution Procedure confidential;
 - (ii) not use any information disclosed during the Dispute Resolution Procedure for any purpose other than the Dispute Resolution Procedure; and
 - (iii) if requested by the Mediator, sign a confidentiality agreement.

The obligation of confidentiality under this clause 9 of the Dispute Resolution Procedure shall apply except:

- (iv) if disclosure is compelled by law, provided the Party required to disclose the confidential information notifies the other Party in writing as soon as possible of the obligation to disclose and provides the other Party with all reasonable assistance necessary to take action to prevent the disclosure by law;
- (v) to the extent necessary to give effect to the Settlement Agreement, or to enforce any agreement to settle or resolve the whole or any part of the Dispute; or
- (vi) where disclosure is only of the occurrence of the Dispute Resolution Procedure (and not any communication during the Dispute Resolution Procedure), and the occurrence of the Dispute Resolution Procedure is relevant to subsequent arbitral, adjudicative or judicial proceedings relating to the Dispute.