

1. CODE OF CONDUCT

- 1.1 There is a need for a code of conduct by which all Fletcher Building group employees must abide so as to avoid misunderstanding, ensure fair treatment, and provide for a productive, safe and pleasant working environment.

2. ETHICS

- 2.1 No employee shall, in the course of his/her duties, do anything or make any omission that is likely to discredit that employee or Fletcher Building. Each employee must observe and maintain the highest level of professional behaviour and act in a manner consistent with the good reputation of the company and refrain from any conduct that might bring discredit to the company.

3. CONFLICT OF INTEREST

- 3.1 The first business allegiance of all employees is to Fletcher Building. Employees must remain free of interests or relationships that are, or may be, or could be harmful or detrimental to the company's best interests. This includes relationships or transactions that could be misconstrued by others as a conflict of interest.
- 3.2 Employees are considered to have a conflict of interest if they engage in any activity that:
- (a) adversely prejudices their ability to carry out responsibilities towards the company;
 - (b) puts them in competition with the company; or
 - (c) benefits others who are in competition with the company.
- 3.3 An employee, who is unsure whether a situation is, or may become, a conflict of interest should discuss the circumstances with his or her manager, who will advise him or her of the company's position.
- 3.4 An employee must obtain the prior approval of their manager before pursuing an activity that is, or risks, a conflict of interest.

4. INSIDER TRADING

- 4.1 The New Zealand Financial Markets Conduct Act 2013 specifically addresses the matter of persons trading in a company's securities based on confidential information.

Other countries have similar legislation. It is possible an employee will at some time be in possession of "material information", that is information which is yet to be made public regarding Fletcher Building or another publicly listed company and, if it were generally available to the market, would have a material effect on the price of the relevant company's listed securities. The use of this material information for personal gain, either through buying or selling shares, or by passing it on to third parties, leaves the person liable to reimburse the party to the transaction, and to pecuniary penalties.

- 4.2 To assist employees to understand their obligations when in possession of "material information" the company has, in addition to the procedures required by statutes, prepared a strict internal model code which must be observed at all times. If there is any doubt as to an individual's obligations as to how and when they can trade in shares, they must contact the Fletcher Building company secretary.

- 4.3 Executives and others perceived as having inside information will be required to have the prior approval of the Fletcher Building company secretary before any transaction is undertaken.

5. DISCLOSURE OF INVESTMENTS

- 5.1 Employees who wish to engage in any form of investment which is likely at some stage to impinge upon company time or activity are required to advise, and get the approval of, their reporting manager before doing so to ensure that it will not adversely prejudice or risk prejudicing their situation with the company.

6. HOLDING OFFICE IN ANOTHER COMPANY

- 6.1 Before accepting any position of office in any public or private company (e.g. secretary, director, etc.) outside Fletcher Building, an employee must have the formal approval of Fletcher Building. New employees must declare such interests prior to signing the Fletcher Building employment agreement. The initial approach for approval should be to the reporting manager who will take the matter up with the appropriate Fletcher Building executive. In the case of the chief executive officer the appropriate person will be the chairman.

7. ELECTION OR HOLDING PUBLIC OFFICE

- 7.1 The holding of public office (e.g. as a local authority member) is an activity which could prejudice an employee's ability to carry out responsibilities to the company in terms of time commitment or potential conflict of interest between the company and that public authority.
- 7.2 Prior to nomination for a public office employees must seek approval from their reporting manager, who will take the matter up with the appropriate Fletcher Building executive, to ensure that it will not adversely prejudice the company.

8. INTELLECTUAL PROPERTY

- 8.1 If employees, during the performance of their duties, make any invention or make or develop any improvement, know-how, copyright work or design relating to the company's business, then such intellectual property rights belong to the company. The employees will be expected to do everything reasonably within their power to transfer such rights to the company, at the company's expense.

9. MISCONDUCT

- 9.1 Behaviour or performance which constitutes misconduct, and for which employees may receive warnings in accordance with the procedure below, includes, but is not limited to:
- (a) incompetent performance;
 - (b) inadequate or unsatisfactory performance where the employee has failed to achieve results or exercise the skills that the company could reasonably expect, but excluding factors clearly beyond the employee's control;
 - (c) unacceptable levels of absenteeism or poor timekeeping; and
 - (d) conduct which is unsatisfactory and not befitting of an employee of the company.
- 9.2 On the first breach a verbal warning will be given. This will be recorded, and will stand for a specified period. A further breach will attract a written warning which outlines the consequences, including liability for employment to be terminated in the event of a repeat of this or any other breach. If there are any further breaches of conduct, employment may be terminated.

10. SERIOUS MISCONDUCT

10.1 Behaviour which constitutes a serious breach of the company's code of conduct and as such may result in immediate termination of employment without notice and compensation includes, but is not limited to:

- (a) wilfully acting in excess of a delegated authority;
- (b) failure to observe health and safety requirements and rules, or failure to make proper use of safety equipment or protective clothing provided for the purpose;
- (c) misuse or abuse of company equipment and resources;
- (d) deliberately or knowingly ignoring company policies and procedures;
- (e) theft or unauthorised removal or possession of the company's property, or that of a third party dealing with the company;
- (f) misappropriation of company funds, or funds of a third party dealing with the company;
- (g) assaulting or threatening violence to another staff member or a person dealing with the company;
- (h) deliberate and significant acts of disobedience or disorderly conduct;
- (i) being in breach of the company's non-harassment policy;
- (j) conflict of interest; and
- (k) unauthorised or inappropriate use of the company's computer equipment, including accessing information from the internet not deemed to be appropriate to the requirements of the role.