



## **Progen's Code of Business Conduct**

Adopted 24 May 2005, revised 30 May 2008.

### **1. Introduction**

As a fundamental part of Progen's corporate mission and values, we are committed to the highest standards of behaviour at Progen. These high standards are important to Progen's success and represent how we operate as a business. These standards, which we call the Progen Code of Business Conduct (PCBC), apply to our officers and employees, as well as to our directors in their activities on behalf of Progen.

The PCBC has been adopted by Progen's Board of Directors.

The PCBC is intended to focus the Board and each Non-Executive Director (including Alternates), Officer and Employee, including the Company's Chief Executive Officer, Director and Chief Financial Officer (or equivalents) ("Covered Persons"), on areas of ethical risk, provide guidance to help Covered Persons recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and help foster a culture of honesty and accountability. The Code is part of the Company's commitment to integrity and its compliance with applicable legal standards. This Code is intended to promote full, fair, accurate, timely and understandable disclosure in public reports and communications and to promote compliance with all applicable laws, rules and regulations.

While covering a wide range of business practices and procedures, these standards cannot and do not cover every issue that may arise, or every situation where ethical decisions must be made, but rather set forth key guiding principles and Company policies. Covered Persons are encouraged to bring questions about particular circumstances that may involve this Code to the attention of the Chairman, who may consult with the Company's Chief Executive Officer, Company Secretary and outside legal counsel as appropriate.

All of our Covered Persons must conduct themselves according to the language and spirit of the PCBC and seek to avoid even the appearance of improper behavior. Even well-intentioned actions that violate the law or this Code may result in negative consequences for the Company and for the individuals involved.

### **2. Business Ethics**

Progen's business is to be conducted with honesty and integrity and in accordance with the exercise of good judgment and with Progen's various policies and procedures. Progen and its representatives will act with honesty and integrity, will deal fairly with our customers, suppliers, collaborators and employees, and will avoid taking unfair advantage through manipulation, abuse of privileged information, or misrepresentation of material facts.

### **3. Conflicts of Interest**

Covered Persons have an obligation to act in the best interest of Progen. They all should endeavor to avoid situations that present a potential or actual conflict between their interest and the interest of the Company. A “conflict of interest” occurs when a person’s private interest interferes in any way, or even appears to interfere, with the interest of the Company, including its subsidiaries and affiliates. A conflict of interest can arise when a Covered Person or a Covered Person’s family member takes an action or has an interest that may make it difficult for that Covered Person to perform his or her work objectively and effectively. Conflicts of interest may also arise when a Covered Person (or his or her family member) receives improper personal benefits as a result of the Covered Person’s position in the Company.

The following are examples of situations which may constitute a conflict of interest. Situations such as these should be brought to the attention of the Chairman for review and clearance before any action is taken:

- Competing with the Company for the purchase or sale of property, services or other interests.
- Having an interest in a transaction involving the Company, a customer or supplier (not including routine investments in publicly traded companies).
- Receiving a loan or guarantee of an obligation as a result of your position with the Company.
- Engaging in any conduct or activities that disrupt or impair the Company’s existing or potential commercial relationships.
- Accepting compensation, in any form, for services performed for the Company from any source other than the Company.
- Either a Covered Person or a member of a Covered Person’s family receiving benefits, gifts or entertainment from persons or entities who deal with the Company where a benefit, gift or entertainment is intended to influence the Covered Person’s actions as a member of the Board or as an officer or employee of the Company, or where acceptance could create the appearance of a conflict of interest.

Situations involving a conflict of interest may not always be obvious or easy to resolve. Conflicts of interests involving the Covered Persons, or questions concerning potential conflicts, shall be brought to the Chairman, who will consult with the Company’s Chief Executive Officer and/or the Company Secretary and legal counsel as appropriate.

### **4. Corporate Opportunities**

Covered Persons owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Covered Persons are prohibited from taking for themselves business opportunities that are discovered through the use of corporate property, information or position. No Covered Person may use corporate property, information or position for personal gain. A Covered Person should not compete with Progen, directly or indirectly. Competing with the Company may involve engaging in the same line of business as the Company, or any situation where the Covered Person takes away from the Company opportunities for sales or purchases of products, services or interests.

### **5. Protection of Confidential Information and Assets**

Covered Persons should maintain the confidentiality of information entrusted to them by the Company, its customers, consumers or suppliers, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company, its customers, consumers or suppliers, if disclosed.

Confidential information of others must not be used for Progen's benefit, unless the other person or company gives their permission first. The Company's assets are to be protected to ensure their efficient use for legitimate business purposes.

## **6. Fair Dealing**

Each Covered Person should endeavor to deal fairly with customers, consumers, suppliers, competitors, employees, the public and one another at all times and in accordance with ethical business practices. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. No bribes, kickbacks or other corrupt payments in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favorable action. Occasional business gifts of modest value to and entertainment of non-government employees in connection with business discussions or the development of business relationships are generally deemed appropriate in the conduct of Company business. However, no gift or entertainment should be offered or extended if it is illegal, known to be in violation of the rules of the recipient's organization or would likely result in a feeling or expectation of personal obligation on the part of the recipient. In addition, no gifts or business entertainment of any kind may be given to any government employee without the approval of the Chairman, who will consult with legal counsel as appropriate.

## **7. Compliance with Laws, Rules and Regulations**

The Company is strongly committed to conducting our business affairs with honesty and integrity and in full compliance with all applicable laws, rules and regulations. No Covered Person shall commit an illegal or unethical act, or instruct others to do so, for any reason when conducting business for the Company. Each Covered Person shall act in good faith with due care to assure the full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the corporate regulators in the jurisdictions within which it operates and in all other public communications made by the Company. The Company is committed to making and keeping books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets and has established the following guidelines:

- no Covered Person may make any false or misleading entry in the Company's books and records
- no Covered Person may create or aid in the creation of any undisclosed or unrecorded fund or asset for any purpose
- no Covered Person may approve or make any payment with the agreement or understanding that any part of such payment is to be used for any purpose other than described by the documents supporting the payment
- no Covered Person may use the Company's funds or assets for any unlawful purpose

- no director or employee may directly or indirectly take any action to coerce, manipulate, mislead or fraudulently induce the Company's independent public auditors for the purpose of rendering the financial statements of the Company misleading

## **8. Trading on Inside Information**

Using non-public, Company information to trade in securities, or providing a family member, friend or any other person with a "tip", is illegal. All such non-public information should be considered inside information and should never be used for personal gain. Covered Persons are required to familiarize themselves and comply with the Company's policy against insider trading.

## **9. Other Legal Standards**

There are many legal and ethical standards that apply to those who act for the Company. Among these are:

- The Company respects and is diligent in protecting the privacy of employees and our customers and consumers.
- In any dealings with the government honesty is required of anyone acting for the Company. In the event of a governmental inquiry, all records relevant to the inquiry must be preserved.
- The Company is also fully committed to compliance with all antitrust and competition laws, and will not engage in any improper communications or agreements with competitors.

## **10. Employment Behaviour**

Progen is an equal opportunity employer, committed to the hiring, employment and development of people, regardless of race, color, religion, age, gender, sexual orientation, national origin, disability or veteran status. Harassing behavior is not tolerated and we foster an environment which is nondiscriminatory and in which people are evaluated and rewarded on their accomplishments and not on their race, color, religion, age, gender, sexual orientation, national origin, disability, veteran status or the like.

## **11. Compliance with This Code and Reporting of Any Illegal or Unethical Behavior**

Every Covered Person is expected to comply with all of the provisions of the PCBC. The PCBC will be strictly enforced and violations will be dealt with promptly. Covered Persons should promptly communicate any suspected violations of this Code to the Chairman. Any concerns relating to the Chairman should be communicated to the Chairman of the Audit Committee. Violations will be investigated by or at the direction of the Chairman, the Audit Committee or the Board of Directors as appropriate. Directors should promote ethical behavior and an environment in which the Company encourages employees to talk to supervisors, managers or other appropriate personnel about illegal and unethical behavior and, when in doubt, about the best course of action in a particular situation. The Company will not tolerate any kind of retaliation for questions, reports or complaints regarding misconduct that were made in good faith.

## **12. Waivers and Amendments**

Any waiver of any provision of this PCBC may only be granted by the Board of Directors.  
Amendments to this Code must be approved by the Board of Directors.

**END**