

Code of Conduct

Introduction

Memphasys Limited (Memphasys or the Company) is committed to the highest standards of business conduct.

Notwithstanding this Code of Conduct, the ethical and responsible conduct of the affairs of the Company ultimately depend upon the understanding and judgment of its staff, having regard to their sense of honesty, fairness and decency.

Nevertheless, the purpose of this Code of Conduct is to provide a framework for decisions and actions and the Company's minimum standards of conduct and integrity to be observed by all staff members. The Code's focus is to ensure that all Directors, executives, and employees act with the utmost integrity and fair dealing, to act ethically, sustainably and responsibly in its business affairs, and to display and exercise a duty of care to all employees, clients and stakeholders in carrying out their duties and responsibilities, striving at all times to enhance the reputation and performance of the Company.

This code applies to anyone who works for the Company including all directors of the Board, senior executives and employees, joint venture partners as well as temporary and contract staff (including subcontractors).

1. Core values and behaviour

1.1 Core values and commitments

A company's values are the guiding principles and norms that define the type of organisation the Company aspires to be and what the Company requires from its directors, senior executives and employees to achieve that aspiration.

The Company's core values and commitments are:

- a) **Integrity** – We act honestly, fairly and with integrity in all our dealings, both internally and externally. We deal honestly and fairly with suppliers and customers. We commit to only dealing with business partners who demonstrate similar ethical and responsible business practices.
- b) **Respect** – We respect the human rights of all people, their ideas and cultures and our words and actions must reflect this respect, treating fellow directors, senior executives and employees with respect and not engage in bullying, harassment or discrimination
- c) **Safety** – We are committed to providing and maintaining a safe and non-discriminatory working environment to safeguard the health and safety of our employees, consultants, contractors, customers, suppliers and other persons who visit our workplace, or who we work with, as required by law.
- d) **Community Standards** – We act in a manner that aims to preserve and protect the Company's reputation consistent with reasonable expectations of our investors and the broader community in which we operate, acting ethically and responsibly and complying with all laws and regulations that apply to the entity and its operations.

- e) **Environment** – We are committed to act responsibly towards the environment and comply with legislation in respect of licenses held as part of the Company's operations.

1.2 Personal & Professional Behaviour

When carrying out your duties, you should:

- a) behave honestly and with integrity and report other employees who behave dishonestly;
- b) act in accordance with the Company's values;
- c) act ethically and responsibly;
- d) carry out your work with integrity and to a high standard and in particular, commit to the Company's policy of producing quality goods and services;
- e) operate within the law at all times;
- f) follow the policies of the Company; and
- g) act in an appropriate business-like manner when representing the Company in public forums.

2. Adherence to the Law

2.1 Responsibilities of directors

Directors will acquaint themselves with obligations imposed on them and the Company by the Corporations Act. They will also familiarise themselves with other documents prepared by Memphasys to meet corporate governance requirements.

Director's legal obligations are summarised below:

- (a) Directors will act honestly, and exercise reasonable care and diligence at all times in the performance of their functions;
- (b) a Director or former Director will not make improper use of information acquired by virtue of position;
- (c) a Director will not make improper use of position to gain a direct or indirect advantage for self or any other person; and
- (d) Directors have a fiduciary duty to the Company and a duty to act with loyalty and in good faith.

2.2 Responsibilities of staff

Staff members should at all times comply with or observe all applicable laws and regulations.

Staff members should not undertake any action which they know or should reasonably know violates any applicable law or regulation. Staff should understand and follow Company operating rules and use correct Company forms, which have been prepared with legal requirements in mind.

3. Responsibilities to stakeholders

The Company strives to be a good corporate citizen.

Accordingly, the standards of personal behaviour applicable to staff members are as follows:

- (a) they must have an understanding of the Company's business and the environment in which it operates, and stay informed of all relevant activities affecting the Company and the community in which it operates;
- (b) they will treat each other and parties who have interest in or dealings with the Company with professionalism, courtesy and respect. They will work cooperatively with fellow staff members towards agreed goals, whilst accepting the obligation to supervise or be supervised in the discharge of their duties. Staff members will deal fairly with all parties who have legitimate business with the Company;
- (c) Directors and Officers are obliged to exercise due judgement in their decision making process and will not attempt to improperly influence their colleagues in issues or matters where independent judgement is expected of the other person; and
- (d) Directors and Officers who may communicate publicly (through lectures or papers) on material related to the Company's affairs will in general convey views agreed by the Board. If material beyond this is made public, it should be clearly identified as the view of the individual. Any views attributed publicly to the Board or the Company should be cleared in advance - preferably with the full Board, but at least with the Chairman.

4. Ethical Standards

Memphasys is committed to fostering a climate of ethical behaviour and business practice. Key issues which staff members must consider when making any decision on the Company's behalf are:

- (a) Is it the right thing to do?
- (b) Is the decision or contemplated business conduct lawful?
- (c) Is it consistent with this Policy?
- (d) What will be the outcome for the Company, shareholders, colleagues and other

stakeholders?

- (e) Does a conflict of interest arise?
- (f) Is the decision one that would stand public examination and scrutiny?

The Company encourages staff to report in good faith suspected unlawful/unethical behaviour.

Any member of staff who is uncertain as to whether an act or omission constitutes unlawful or unethical behaviour or who wishes to make a report should contact the Chairman directly.

The Chairman will then determine what action, if any, should be taken.

The Chairman will treat as confidential all such queries and reports except where action is to be taken. In which case, the Chairman will seek to maintain the identity of the staff member confidential, unless the circumstances demand otherwise.

5. Conflicts of Interest

Potential for conflict of interest arises when it is likely that you could be influenced, or it could be perceived that you are influenced, by a personal interest when carrying out your duties. Conflicts of interest that lead to biased decision making may constitute corrupt conduct.

Staff members owe their primary business loyalty to the Company. They must not participate in any decision, by or on behalf of the Company, which may affect any private business in which they have an interest, unless they have disclosed the nature and extent of that interest to a relevant senior manager in the Company.

Staff members must obtain the consent of the Chairman before accepting a position on the board of an external company or organisation. The staff member, who has received such approval, will advise the Company Secretary promptly of any changes to relevant interests such as directorships, partnerships and holdings in securities.

The Company Secretary will inform all Board members and the regulatory authorities, if required. Directors will normally be advised at the next meeting, but more urgently if appropriate to the circumstances. Interests are confirmed annually in writing to the Company Secretary prior to inclusion in the Directors' Report.

A staff member may, generally, not approve or administer contracts or other business arrangements between the Company and a member of the staff member's immediate family or with a company, firm, or individual employing a member of the staff member's immediate family in activities under the staff member's administration. In the particular case where the Board may decide that a staff member (who is also a Director) may properly supply goods or services on commercially acceptable terms to the Company, details will be provided in the annual Directors' Report and Notes to the Financial Statements.

Staff members must avoid acquiring any business interests or participate in any business activity outside the Company which would tend to:

- (a) create an excessive demand upon the staff member's time and attention or create

any distraction during working hours; or

- (b) create a conflict of interest, that is, an obligation, interest or distraction which would interfere with the independent exercise of judgement in the Company's best interest.

A staff member must avoid:

- a) participating in decisions and activities which may conflict, or be perceived to conflict, with your duties and responsibilities to the Company;
- b) not take advantage of the property or information of the Company or its customers for personal gain or cause detriment to the Company or its customers,
- c) not take advantage of your position or the opportunities arising therefrom for personal gain; and
- d) 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 affect the Company's reputation.

Situations that may give rise to a conflict of interest include where you have:

- a) financial interests in a matter the Company deals with or you are aware that your friends or relatives have a financial interest in that matter;
- b) directorships/management of outside organisations;
- c) membership of boards of outside organisations;
- d) personal relationships with people the Company is dealing with which go beyond the level of a professional working relationship;
- e) secondary employment, business, commercial, or other activities outside of the workplace which impacts on your duty and obligations to the Company;
- f) access to information that can be used for personal gain; and
- g) offer of an inducement.

6. Fair Dealing

Staff members must not use their positions within the Company to seek personal gain from those doing business or seeking to do business with the Company nor accept such gain if offered.

Staff members must not engage in any act that could be interpreted as seeking or receiving a bribe, secret commission or questionable payment. Decisions made by staff members in the course of their work must be objective and based solely upon the best interest of the Company. They should never be influenced by any consideration of personal gain or gain to any personal associate (e.g. friend or relative). Except as noted below, staff members may neither seek nor accept gifts, payments, services, fees, pleasure or vacation trips or accommodation, or loan (except normal loans from regular lenders, on conventional terms) from any person, organisation or group that does business or is seeking to do business with the Company or any of its affiliates, or from a competitor of the Company or any of its affiliates.

A staff member may not accept gifts, services or entertainment from individuals or companies doing or seeking to do business with the Company, unless the transaction meets all of the following requirements:

- (a) is in keeping with good business ethics;
- (b) is customary and proper under the circumstances and gives no appearance of impropriety;
- (c) serves a valid business purpose;
- (d) does not impose any sense of obligation on the recipient to the donor;
- (e) does not result in any kind of special or favoured treatment of the donor;
- (f) cannot be viewed as extravagant, excessive or too frequent considering all the circumstances;
- (g) does not involve cash payments, gift certificates, credit arrangements of any kind or any item having a value of more than \$100.00;
- (h) does not involve materials, services, repairs or improvements at no cost or at unreasonably low prices; and
- (i) there is no effort made to conceal the full facts by either the recipient or the donor.

7. Anti-Bribery & Corruption

Australia has strict laws against bribery and corruption. The anti-bribery laws of some countries including Australia, the United States and United Kingdom can apply to actions carried out in other countries (i.e. wide-reaching extra-territorial effect). You must comply with and uphold all laws against bribery, corruption and related conduct applying to the Company in all the jurisdictions where the Company operates.

Corrupt conduct involves the dishonest or partial use of power or position which results in one person/group being advantaged over another. Corruption can take many forms including, but not limited to:

- a) official misconduct;
- b) bribery and blackmail;
- c) unauthorised use of confidential information;
- d) fraud; and
- e) theft.

Accordingly, the Company has a strict policy not to offer or receive secret commissions or bribes to further its business interests.

Memphasys is committed to adopting effective systems to counter bribery and related improper

conduct and to monitor and enforce these systems.

This includes:

- a) being aware of and acknowledging the serious criminal and civil penalties that may be incurred and the reputational damage that may be done if the organisation is involved in bribery or corruption;
- b) prohibiting the giving of bribes or other improper payments or benefits to public officials;
- c) prohibiting the payment of secret commissions to those acting in an agency or fiduciary capacity.
- d) include appropriate controls around political donations and offering or accepting gifts, entertainment or hospitality.
- e) provide training of managers and employees likely to be exposed to bribery or corruption about how to recognise and deal with it.
- f) report breaches of the policy to the appropriate person or body within the organisation (the board should be informed of any material incidents of bribery or corruption, as they may be indicative of issues with the culture of the organisation)

The Company may issue further guidance regarding what is acceptable in the normal course, what you can do with senior manager or Board approval and what is prohibited.

Corrupt conduct will not be tolerated by the Company. Disciplinary action up to and including dismissal will be taken in the event of any employee participating in corrupt conduct as outlined under the Anti-bribery and Corruption Policy, which is available on the Company's website. It provides guidance so that you understand the policy and process to report a breach.

8. Discrimination, bullying, harassment and vilification

Employees must not harass, discriminate, or support others who harass and discriminate against colleagues or members of the public on the grounds of sex, pregnancy, marital status, age, race (including their colour, nationality, descent, ethnic or religious background), physical or intellectual impairment, homosexuality or transgender.

Such harassment or discrimination may constitute an offence under legislation. Managers should understand and apply the principles of Equal Employment Opportunity.

It is company policy that any intimate personal relationship between persons working at Memphasys should be disclosed to management.

The Company is committed to ensuring a diverse work environment in which everyone is treated fairly and with respect and where everyone feels responsible for the reputation and performance of the Company

Informal and Formal Internal Complaints Procedure

Whether a complainant has chosen either an informal or formal resolution, the following procedures apply to ensure an appropriate resolution.

Complaints Process

When a complaint is received, the sexual harassment contact will:

- obtain and record a full, step-by-step account of the incident/s
- ensure Memphasys' process for handling the complaint is understood
- ascertain the complainant's preferred outcome, e.g. an apology, the behaviour to cease, a change in working arrangements
- agree on the next step: informal resolution or formal investigation
- keep a confidential record of all details of this discussion and subsequent steps in the process.

Informal Resolution

Where a complainant has chosen informal resolution, following an informal process the sexual harassment contact will:

- inform the alleged harasser of the complaint and provide an opportunity to respond
- ensure both parties understand their rights and responsibilities under the organisation's policy
- if possible, mediate an outcome that is satisfactory for the complainant
- ensure that confidentiality is maintained
- follow-up to ensure the behaviour does not re-occur formal investigation

Formal Resolution

If a formal investigation is requested by the complainant, or if an informal resolution fails, the sexual harassment contact will:

- afford natural justice to all involved
- interview all directly concerned, separately
- interview witnesses, separately
- keep records of the interviews and investigation
- ensure confidentiality and minimise disclosure
- make a determination as to whether there is sufficient evidence that a reasonable person could conclude, on the balance of probabilities (i.e. it's more likely than not), that an incident/incidents of sexual harassment as defined by the legislation has occurred
- in such a case, determine appropriate action, which may include a change of duties for the harasser, change to working arrangements or, where the incidents were frequent and/or severe, dismissal
- where it cannot be determined by the required test, that an incident/incidents of sexual harassment as defined by the legislation has occurred, may still take action to ensure the proper functioning of the workplace; but these actions should not prejudice any party
- continue to closely monitor the situation and provide retraining where required
- check to ensure the action meets the needs of the complainant and organisation.

Outcomes as they affect the complainant will be discussed with the complainant to ensure that needs are met, where appropriate.

9. Whistleblower protection

You are encouraged to report any actual or suspected unethical behaviour including excess waste or breach of the Company's codes and policies to your manager or the company secretary or any other contact nominated by the Company. Matters raised will be investigated.

The Company is committed to ensuring that you can raise concerns in good faith without being disadvantaged in any way to the extent that the law permits.

The Company's Whistleblower Policy is available on the Company's website. It provides guidance so that you understand the policy and process to report a breach.

10. Health & Safety

The Company is committed to ensuring the health and safety of its employees, consultants, contractors and visitors to its workplace and any other persons who the Company works with, as required by law.

It is the responsibility of all employees to act in accordance with occupational health and safety legislation, regulations and policies applicable to their respective organisations and to use security and safety equipment provided.

Specifically all employees are responsible for safety in their work area by:

- following the safety and security directives of management;
- advising management of areas where there is potential problem in safety and reporting suspicious occurrences; and
- minimising risks in the workplace.

The Company will not tolerate the use of illegal drugs or improperly used prescription medicine, or alcohol (except for moderate consumption at social events) when performing work for the Company or conducting business on the Company's behalf. The possession, use, sale or offering or distribution of illegal drugs or other controlled substances is forbidden.

11. Confidentiality

It is a policy of the Company to provide information honestly and openly to those who have a legitimate interest in its operations. In addition to formal reports to regulatory authorities and reports to the public and shareholders required by statute, the Company may provide extensive information on its activities by way of a variety of publications and through continuing working relations with news media, financial analysts and others. The extent, timing and form of such public disclosure are matters for senior management. Apart from concern for the privacy of staff members, the Company also operates in a competitive business environment. Consequently, it would be inappropriate for the Company to disclose information, which if published, might impair its own effectiveness and competitiveness.

Accordingly, Company documents such as circulars, manuals, records and internal communications materials, especially materials marked 'Confidential', must never be shown to outsiders without proper authorisation. Care should be exercised in conversations about the Company with outsiders or with fellow staff members in public places.

The obligation of staff members to safeguard the privacy of fellow members of staff, to protect the confidentiality of the Company's own affairs, and to protect the Company's proprietary interests continues with equal force if the staff member leaves the service of the Company.

In conversations with customers or other staff members and when on the telephone, care

must be taken to prevent outsiders from overhearing confidential personal information.

Information should not be divulged over the telephone unless the identity of the caller and his or her right to receive the information are definitely established. Particular care should also be taken in answering enquiries and data given must be limited to that permitted by standard Company practice. Appropriate legal advice should be obtained where doubt exists.

The same considerations apply to the privacy rights of members of staff and similar care to avoid breaching these rights must be exercised by those staff members who, by reason of their position, may have knowledge of another staff member's private affairs.

12. Inside information and Share Trading

Inside information about the Company's affairs or those of customers shall not be used by staff members for their own gain or that of others.

Staff members are often in possession of information (commonly referred to as 'inside' information) which is not publicly known and which may have an impact on the price of the Company's securities or impact decisions to trade in the Company's securities. Staff must not disclose such information nor use such information for personal gain or for the advantage of others, such as friends or relatives.

Trading in the Company's securities or advising others to do so on the basis of such special knowledge may also result in violation of insider trading laws and lead to criminal penalties.

Staff members are required to comply with the Company's Securities Trading Policy at all times.

13. Administration

It is recognised that staff members may have questions concerning whether certain of their planned or actual activities constitute departures from the guidelines of this Code. Such questions should be referred in writing to the Chairman.

14. Breach of the Code of Conduct

The highest standards of corporate conduct are critical to the Company's success and reputation. The values and policies in this code are not exhaustive. This code is designed to focus you on particular values identified by the Company as central to its integrity.

Compliance with this code will be monitored and any known or suspected breaches of this code will be investigated.

Employees should note that breaches of sections of this Code of Conduct may be punishable under legislation and may lead to disciplinary action including termination of employment.

15. Promotion and Publication

The Company and its management will promote this code across the organisation and provide training on the topics it covers to ensure all employees understand their obligations under the code.

The Company strives for full, fair and accurate disclosure of financial and other information on a timely basis as outlined under the Continuous Disclosure Policy.

A copy of this code is available on the Company's website and distributed to all directors, employees and other persons as relevant. A summary of this code will be published in the annual corporate governance statement.

A copy of this Code of Conduct is available at www.memphasys.com

The Code of Conduct was adopted by the Board in July 2015

The Code of Conduct was reviewed and updated in:

April 2016,

February 2018,

June 2020