

Gifts, Entertainment, Hospitality, Sponsorship & Donations Policy

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1. Introduction and Purpose

The Gifts, Entertainment, Hospitality, Sponsorship & Donations Policy (“the Policy”) applies to Memphasys Limited and its subsidiaries and joint ventures, collectively known as “the Company”.

The Company is committed to conducting business ethically, and honestly with high standards of corporate governance, these values apply to the receipt or provision of gifts, hospitality, entertainment, sponsorship and donations.

2. Scope

The purpose of this Policy is to set out the Company’s guidelines and obligations for the receipt and provision of gifts, entertainment, hospitality, sponsorship and donations for employees and stakeholders dealing with the Company.

This Policy is designed to help employees, consultants, contractors, agents, management and Directors understand what is unacceptable conduct and the standard of conduct that is required to protect the individual and the reputation of the Company.

3. Application

This Policy applies to all Directors, senior management, line management, employees (permanent, casual, temporary and contract), consultants, suppliers, agents and contractors for the Company.

4. Obligations

4.1 *Gifts, Entertainment, Hospitality requirements*

The Company notes as part of employment and business relationships there may be an exchange of gifts, entertainment and hospitality. The Company has the following requirements and guidelines for the receipt, offering and provision of gifts, entertainment and hospitality.

The following guidelines apply:

- the form of gift, entertainment, or hospitality received or provided must not create a position intended to influence the business relationship between the Company and the recipient of the gift and vice versa;
- utmost caution must be taken to ensure accepting or providing gifts, entertainment or hospitality does not raise a suggestion of impropriety or unprofessional conduct;
- gifts of money should not be provided or received;
- entertainment or hospitality with the intention or expectation of influencing the business relationship or gaining a business advantage should not be provided or accepted;
- the receipt or provision of gifts, entertainment or hospitality must not breach any laws;
- the receipt or provision of gifts, entertainment or hospitality should not include cash equivalent such as vouchers and gift certificates;
- the gifts, entertainment, or hospitality received or provided or offered is “appropriate type” i.e. not offensive or types that could lead the Company to suffer reputation damage;
- the gift, entertainment or hospitality must not be accepted or provided secretly;
- gifts, entertainment or hospitality should not be provided to public officials or organisations where the governing law or their own policies prohibit the receipt or giving of gifts, entertainment and hospitality;

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- gifts, entertainment or hospitality should not be requested from a third person associated with the business or wishing to have an association with the business;
- gifts, entertainment or hospitality should not be provided or received on a frequent basis so as to create an impression of impropriety and corruption;
- gifts, hospitality or entertainment for family members (exception applies if the gift is nominal and less than \$100 in value) should not be accepted;
- any offer of free travel or accommodation (unless it is client business or prior approval is received in accordance with section 4.2 of this Policy) should not be accepted; nor accept in a personal capacity or provide any gifts, entertainment or hospitality which is in value in excess of \$250 (unless approved pursuant to section 4.2 of this Policy);
- bribes or potential bribes should not be accepted or provided;
- company/employees/management should not be excessive or extravagant in the provision or receipt of gifts, entertainment and hospitality to imply inducement;
- company/employees/management should not provide gifts, entertainment or hospitality to government officials unless approved by the Executive Chairman / Chief Executive Officer for Memphasys Limited; and
- company/employees/management should not make facilitation payments to expedite a routine government action.

4.2 Approvals for Gifts, Entertainment, Hospitality

The Company's policy is that when dealing with third parties such as services providers, clients, public officials, government representatives, government authorised officers, consultants, agents, shareholders then no gifts, entertainment or hospitality with a value of equal to or greater than \$250 can be provided (offered) or received without the prior or immediate subsequent approval (48 hours after the provision or receipt) from either the Executive Chairman / Chief Executive Officer.

- Executive Chairman / Chief Executive Officer for gifts, entertainment and hospitality received or provided (offered) equal to or greater than \$250, the prior or immediate subsequent approval must be sought from the Audit & Risk Committee Chairman;
- Gifts, entertainment or hospitality provided or received in a personal capacity which has a value less than \$250 does not require approval, however, may require reporting in accordance with section 4.4 of this Policy;
- Care should be taken that several smaller gifts, entertainment or hospitality are not provided or received to the same recipient in small amounts to avoid the notification approval limit.

4.3 Approval Process for Gifts, Entertainment, Hospitality

If you are required to obtain prior approval or subsequent approval under this Policy for gifts, entertainment or hospitality received or provided then you must submit the request to the relevant person in section 4.2 of this Policy by email.

4.4 Gifts, Entertainment, Hospitality register

Subject to the exceptions in section 7, 8 and 9 of this Policy, all gifts, entertainment and hospitality provided or received to a value in excess of \$100 must be recorded in the Company Gifts, Entertainment and Hospitality Register. If you require training on recording items on the Company Gifts, Entertainment and Hospitality Register please contact the Chief Financial Officer.

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4.5 Providing or Receiving Gifts, Entertainment or Hospitality in breach of this policy

Any gifts, entertainment or hospitality received or provided in breach of this Policy must be reported to the Executive Chairman / Chief Executive Officer (or the Chairman of the Audit & Risk Committee in the case of the Executive Chairman / Chief Executive Officer).

If requested by the Executive Chairman / Chief Executive Officer the gifts received by an employee may be donated to charity, placed in an employee pool and divided amongst employees or team members or returned to the gift provider.

Under no circumstances should any gifts considered to be a bribe, or a possible bribe be kept, such gifts must be returned immediately to the providing party and the matter must be reported to the Executive Chairman / Chief Executive Officer (or the Chairman of the Audit & Risk Committee in the case of the Executive Chairman / Chief Executive Officer).

4.6 Pooling of Gifts

The Executive Chairman / Chief Executive Officer may in its absolute discretion require all gifts received be pooled for the Company employees and distributed to employees on a ticket draw system.

5. Sponsorship and Donations

Without prior Board approval, no donations or financial benefit can be made to any political party, candidate or possible candidate or a government department may be made using Company funds.

The Company policy is that no sponsorships or donations can be made for a value greater than \$250 without the Executive Chairman / Chief Executive Officer's prior approval for Memphasys Limited.

All sponsorship and donations valued in excess of \$100 must be recorded in the Company Sponsorships and Donations Register. If you require training on recording items on the Company Sponsorships and Donations Register, please contact the Chief Financial Officer.

Examples of sponsorship includes:

- sponsorship sporting teams with cash and property or clothing;
- sponsorship of industry events e.g. cotton conference, cotton collective and cotton conference, golf day; and
- sponsorship of schools and community events.

Examples of donations include:

- donation of plant and equipment e.g. old computers and desks;
- donation of cash to organisations;
- donation of time and or other resources;
- donation to charities such as hospitals, schools, rescue organisations; and
- donation of bales for an event auction.

6. Promotional Gear Exclusion

The gifting of Company promotional gear in small nominal gifts is acceptable. All Company promotional gear orders must be approved by the Chief Financial Officer and the employee undertaking the distribution must outline the parties the gear is to be distributed. The promotional gear distribution must be to clients, industry participants, consultants, service providers or participants in the agricultural industry generally.

7. Client Annual Function Exclusions

Subject to prior budget approval and Executive Chairman / Chief Executive Officer or Chief Financial Officer approval, regular standard industry hospitality functions are excluded.

The standard Company annual functions for third parties are excluded.

8. Exceptions

The following are exceptions to this Policy:

- small gifts received such as note pads, pens, calendars, hat and diaries;
- promotional items associated with promotional days;
- hospitality at promotional days e.g. lunch and drinks; and
- standard hospitality lunches with consultants, agents and service providers.

9. Annual Certification Key Personnel

All key personnel as listed below or equivalents for Memphasys Limited will provide the Company Secretary an annual certification. A copy can be requested from the Company Secretary and emailed to key personnel.

The Company Secretary will be responsible for ensuring all annual certifications are requested by the end of June for the prior 12-month period of 1 July to 30 June. The Company Secretary must provide a copy of the annual certifications to the Board as part of a board report along with a list of names of the key personnel who have failed to provide the annual certifications.

Key Personnel for the above includes: Executive Chairman / Chief Executive Officer, Chief Financial Officer, Company Secretary, Chief Operations Officer, Chief Scientist.

10. Anti-Bribery and Fraud Policy

All employees and stakeholders always should be mindful of the Memphasys Code of Conduct and Anti-Bribery and Fraud Policy when providing, receiving or offering gifts, entertainment, hospitality, sponsorships and donations.

11. Reporting Breaches of policy and raising concerns

Anyone can raise concerns with the Executive Chairman / Chief Executive Officer for Memphasys Limited or the Company Secretary. Alternatively concerns can be raised under the Whistleblower Policy (a copy of this policy is available on the Memphasys website at www.memphasys.com). The Company will take all available steps to protect the individual raising the concern from possible repercussions and victimisation. The Company encourages all persons to report genuine possible concerns in good faith under this Policy. No employee will suffer demotion, or penalty for raising legal or ethical matters or possible breach of this Policy, even if it results in the Company suffering financially or by reputation. All concerns must be raised in good faith.

12. Policy Compliance

Failure to comply with this Policy may result in disciplinary action, counselling or dismissal.

13. Questions and Training on the policy

If you have any queries on this Policy or require training on this Policy, please contact the Executive Chairman / Chief Executive Officer. The Company will offer training to all employees on this Policy periodically as required.

14. Publication

A copy of the Company's Gifts, Entertainment, Hospitality, Sponsorship & Donations Policy is available on the Memphasys website at www.memphasys.com.

15. Review of the Policy

This Policy will be reviewed annually or when required by the Board.

This Policy may be reviewed, amended or replaced at the sole discretion of the Memphasys Limited Board.

The Policy was adopted in August 2020.