

## 1.0 Introduction

The Anti-Bribery & Corruption Policy (“the Policy”) applies to Memphasys Limited and its subsidiaries and joint ventures, collectively known as “the Company”.

## 2.0 Application

This Policy applies to all non-executive directors, senior management, line management, employees (permanent, casual, temporary and contract), consultants, suppliers, agents and contractors for the Company (‘Representatives’) It is expected that Representatives understand what is considered unacceptable conduct and what standards of conduct are required to protect the person and the reputation of the Company. This Policy sets out the minimum standards to which all Representatives of the Company must adhere to at all times.

## 3.0 Purpose and Objective

The purpose of this Anti-Bribery & Corruption Policy is to set out the Company’s commitment to undertaking business without the use of bribery, fraudulent or corrupt practices.

The Company is committed to conducting business ethically and honestly with high standards of corporate governance. The Company does not accept corrupt and fraudulent conduct associated with its business operations.

Representatives must ensure that they do not become involved, in any way, in the payment of bribes or kickbacks, whether in the public or commercial sector.

Fraud and corruption may impact the Company’s reputation and also may have penalties and criminal prosecution for individuals involved.

The Company has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings. The objective of this Policy is to:

- set out the responsibilities in observing and upholding the Company's position on bribery and corruption;
- reinforce the Company's values; and
- provide information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.

## 4.0 What is Bribery & Corruption

Bribery is an act to improperly influence individuals to act dishonestly when exercising their duties in their designated position, representing an abuse of position of employment for personnel or improper gain for the Company. Bribery could be to a public official or family member or can take place where an improper payment is made by or through a third party. This type of conduct is known as corrupt conduct.

Examples of bribes include:

- an offer or kickback;

- a payment of inappropriate entertainment, hospitality, travel and accommodation expense for a business partner, government official or their relative;
- payments or gifts to government officials or their relatives;
- provision of excessive gifts, cash, sponsorship;
- uncompensated use of company services, facilities or property, or
- secret commissions

Corruption is defined as a dishonest activity in which a Representatives act contrary to the interests of the Company and abuses his/her position of trust in order to achieve personal gain or advantage for him or herself or for another person or entity.

Examples of corrupt conduct include but are not limited to:

- payment of secret commissions (bribes or gratuities) in money, or some other value, to other businesses, individuals or public officials
- receipt of bribes or gratuities from other businesses, individuals or public officials
- release of confidential information, for other than a proper business purpose, sometimes in exchange for either a financial or non-financial advantage
- a staff member manipulating a tendering process to achieve a desired outcome
- a conflict of interest involving a staff member acting in his or her own self-interest rather than the interests of the Company.

### **5.0 What is Fraud**

Fraud is defined as an intentional act by one or more individuals among management, those charged with governance, employees or third parties, involving the use of deception to obtain an unjust or illegal advantage. It may include the falsification of documents and improper use of position for personal financial gain.

A fraud can typically result in actual or potential financial loss to any person or entity, however, this is not always the case.

Examples of fraud could include, but are not limited to:

- misappropriation of funds, securities, stock, supplies or other assets including use of assets for private purposes
- causing a loss to the Company or creating a liability for the Company by deception
- impropriety in the handling or reporting of money or financial records
- profiting from insider knowledge of the Company activities
- accepting or seeking anything of value from contractors, vendors or persons providing services or goods to the Company
- false invoicing for goods or services never rendered or backdating agreements
- submission of exaggerated or wholly fictitious accident, harassment or injury claims
- misuse of sick or family leave.

### 6.0 Policy

The Company requires all Representatives to act honestly and with integrity and to safeguard the Company's resources for which they are responsible. The Company is committed to protecting all revenue, expenditure and assets from any attempt to gain illegal financial or other benefits.

Any fraud or corruption committed against the Company is a major concern and as a consequence all cases will be thoroughly investigated, and appropriate disciplinary action will be taken against any staff member who is found guilty of corrupt or fraudulent conduct. This may include referral to the appropriate law enforcement or regulatory agencies for independent investigation.

This Policy assists in preventing fraud and corruption within the Company and it specifically requires employee to comply with this policy.

### 7.0 Bribery Laws & Enforcement

The Company has a zero tolerance for corruption and bribery. An offer or acceptance of a bribe is in breach of this Anti-Bribery and Corruption Policy.

In Australia, you and the Company are subject to Anti-Bribery Laws including the Criminal Code Act 1995 (Australia). Various countries have Anti-Bribery Laws and, in those countries, their anti-bribery and corruption laws will apply. If you undertake an act of bribery, this may result in prosecution against you and the company (Memphasys Limited) in Australia and other jurisdictions.

As a result, the person providing a bribe and the company they work for will be guilty of breaching Anti-Bribery Laws in multiple jurisdictions (if the bribe is made outside Australia).

Financial penalties for bribery offences can be significant and bribery offences may lead to imprisonment. You should be aware any bribe made or accepted from government officials carries increased financial penalties and risk of imprisonment.

The impact of bribery actions can also include:

- impact on reputation and business operations;
- failure to certify compliance with laws for various matters including key financing arrangements;
- breach of contract provisions for various relationships i.e. compliance with applicable laws; and
- regulator review and continued oversight.

If you are in doubt whether any actions may constitute bribery you should discuss the circumstances with the Executive Chair or Company Secretary. Alternatively, you may take action under the Company's Whistleblower Policy available on the Memphasys website.

### 8.0 Employee Obligations

The Board and senior management are ultimately responsible for setting the tone at the top and have a responsibility to:

- ensure there is effective fraud and corruption risk management framework in place
- understand the fraud and corruption risks that the Company is exposed to
- maintain oversight of the fraud risk assessment and the controls in place to mitigate the risks identified

- monitor reports on fraud risks, policies and control activities which include obtaining assurance that the controls are effective.
- fostering an environment within their businesses that makes active fraud and corruption control a responsibility of all employees
- articulating clear standards and procedures to encourage the deterrence of fraud and corruption
- the detection and reporting of offences should they occur.

All employees are responsible for complying with company policies and procedures, codes of personal conduct and ethics, avoidance of conflict of interest and maintaining vigilance in early detection, reporting and prevention of fraud and corruption.

The Company's employees and non-executive directors must not use their employment position to undertake fraud and corruption.

In addition, employees can assist in minimising fraudulent corrupt conduct by:

- being aware of responsibilities (acting in accordance with policies and job description in an ethical and honest manner);
- complying with the Memphasys Code of Conduct.
- complying with the Gifts, Entertainment, Hospitality, Sponsorship & Donations Policy;
- not accepting bribes or facilitation payments or committing fraudulent acts.
- acting in the best interests of the Company; and
- undertaking reporting of possible fraudulent or corrupt conduct.

### **9.0 Internal Controls**

Managers and supervisors are responsible for communicating and raising awareness of the risks relating to fraud and corruption with their employees and for ensuring compliance with company policies and procedures, adequate rotation of employees and levels of staffing are in place.

Most importantly they should establish and maintain adequate internal controls that provide for the security and accountability of company resources and prevent/reduce the opportunity for fraud and corruption to occur.

Senior Management has the primary responsibility for:

- investigating internal and external fraud and corruption matters, including using external parties where required and notifying law enforcement or regulatory agencies as necessary
- conducting an annual fraud and corruption risk assessment via workshops with the businesses to assess the adequacy and effectiveness of the Company fraud risk management processes
- ensuring that the risk of fraud and corruption are being appropriately managed and controlled by business units
- analysing loss trends arising from fraud
- advising and assisting relevant business units in the implementation and maintenance of best practice techniques and controls to prevent and detect fraud and corruption.

**Internal audit**

When established by the Company, the Internal audit process as part of its audit activity is required to:

- assess the adequacy and effectiveness of the Company fraud and corruption risk management processes, in line with the Company risk management policies
- support any investigation of any suspected fraud or corrupt activity
- ensure that fraud and corruption risk is being appropriately managed including compliance with this policy
- analyse loss trends arising from fraud and advise employees in the implementation and maintenance of best practice techniques and controls to prevent and detect fraud and corruption.

Additionally, any specific fraud risks (with high or moderate risk rating) flagged by the annual fraud risk assessment will form part of the annual internal audit program.

Senior Management is responsible for ensuring adequate procedures are in place that address:

- appropriate security screening and selection of employees
- disciplinary / dismissal procedures
- employment contracts that include relevant conditions of employment relating to fraudulent and corrupt conduct
- monitoring of annual leave entitlements to ensure that employees do not accumulate excessive annual leave entitlements i.e four weeks over and above their yearly entitlement
- clarification and formalisation of responsibilities / segregation of duties (where possible, these should be included in relevant position descriptions)

**10.0 Reporting Bribery, Corruption and Fraud**

The Company encourages all persons to report fraudulent and corrupt conduct. If you are in doubt whether any actions may constitute fraud you should discuss the circumstances with the Executive Director / Chief Executive Officer or the Company Secretary, or alternatively you may take action under the Company’s Whistleblower Policy available in the Governance Section on the Memphasys website at [www.memphasys.com](http://www.memphasys.com)

The Company will take all steps under the law to protect the individual raising the concern.

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 can be raised anonymously under the [Whistleblower Policy](#).**

**11.0 Investigation and Assessment**

The Company Secretary and Chief Financial Officer will investigate the claim (if it is about either of these individuals it will be assessed by the Executive Chair). The Company Secretary will notify the Board of the allegation and provide a report and copy of investigation files to the Chairperson of the Audit and Risk Committee.

All fraud and corruption notification under the Whistleblower Policy will be subject to the provisions of the Whistleblower Policy.

The investigation report will be provided to the Audit and Risk Committee for recommendation by the Audit and Risk Committee to the Board on the matter.

If the fraudulent or corrupt conduct relates to a person in authority for reporting or investigation, then that person will be replaced by the Board for the process.

If a report involves a non-executive director, Executive Director / Chief Executive Officer or senior management, the Memphasys Limited Board must be notified immediately.

### **12.0 Resolution**

The Company will take prompt action if investigation requires. This may include disciplinary action and reporting to regulatory bodies or law enforcement bodies.

### **13.0 Reporting in Good Faith**

A report may have a serious consequence, such as damage to reputation and career progression. All reports must be made in good faith, with reasonable facts believing the information is correct or likely to be correct. The Memphasys Limited Board will investigate all reports under this Policy. Disciplinary action may be taken against employees who deliberately make a false or malicious allegation under this Policy.

### **14.0 Policy Compliance**

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

### **15.0 Questions and Training on the policy**

If you have any queries on this Policy or require training on this Policy, please contact the Executive Chair at Memphasys. The Company will offer training to all employees on this Policy on an annual basis.

### **16.0 Publication**

A copy of the Memphasys Limited Anti-Bribery and Corruption Policy is available on the Memphasys website at [www.memphasys.com](http://www.memphasys.com)

### **17.0 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